



SUSTAINABILITY
REPORT
2017





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MESSAGE FROM THE CHAIRMAN AND MANAGING DIRECTOR

2017 was a momentous year for The Wharf (Holdings) Limited ("Wharf") as our investment property business in Hong Kong was demerged to the newly listed Wharf Real Estate Investment Company Limited ("Wharf REIC"). The demerger provides choice for investors and enhances the financial transparency of both entities. Post-demerger, this fourth CSR/Sustainability Report reflects on where we are in our sustainability journey and considers our strategy to promote betterment of the community.

We continue to assess risks and opportunities driven by global initiatives to mitigate climate change, technological advances and heightened public awareness of environmental protection and overall well-being of the community. We embrace these ideas and operate our business steadily and reliably, delivering high quality innovative solutions while contributing to the United Nations Sustainable Development Goals. As a responsible corporate citizen, we follow the Chinese Government's efforts in environmental protection as a Paris Agreement signatory. We contribute to government environmental targets in China and Hong Kong by integrating eco-friendly design concepts into our projects and leveraging technology to achieve energy efficiency, water conservation and better resource management.



Drawing on our successful experience in operating shopping malls and Grade A offices in Hong Kong, we are extending our business network and best practices to Mainland China. We have successfully replicated the unique “City within the City” model in the Mainland, making quality lifestyle more readily accessible in Shanghai, Chengdu, Chongqing and Dalian, while providing more employment opportunities by attracting patronage to our malls and companies to set up in our Grade A offices.

Our employees, inspired by our “Business-in-Community” spirit, have generously contributed to making Hong Kong a better place to live in. Our community programmes focus on helping the youth unleash their potential, promoting arts and culture, raising awareness of environmental protection, and helping those in need. We are also proud that Project WeCan, our signature multi-faceted project, currently linking 53 schools and over 50,000 students with 45 corporate and community partners, will be expanded to cover 75 schools by September 2018. We will continue to review the needs of the community and leverage these programmes to deliver more effective results.

Our employees possess a wealth of different knowledge and expertise which contribute to the prosperity of the Group. Adhering to principles of anti-discrimination, we strive to maintain an inclusive workplace where everyone is respected. We implement career development plans for our employees by providing them with training courses relevant to their aspirations. We continue to work diligently towards achieving a zero-harm working environment by optimising the system in place and enhancing the Occupational Safety and Health (“OSH”) knowledge of our employees, resulting in a reduction of workplace incidents causing injuries.

Rooted in our corporate culture, we pay extra attention to providing quality products and services. Over the past decades, we have excelled in property development and management, leisure and hospitality and logistics services. We shall strive to continue enhancing the quality of our portfolios while delivering more innovative and personalised business solutions.

The Group will adhere steadfastly to its mission of Building for Tomorrow and we shall continue to engage sustainable development strategies for our businesses to bring positive impact to the community in Hong Kong and Mainland China.

Stephen T H Ng

Chairman and Managing Director
Hong Kong



ABOUT THIS REPORT

Report Standards and Scope

We have prepared our standalone Sustainability Report (“the Report”) in accordance with the “Core” option of the Global Reporting Initiative Sustainability Reporting Standards (“GRI Standards”) and to fulfil the requirements of the Appendix 27, Environmental, Social and Governance Reporting Guide (“ESG Guide”) issued by The Stock Exchange of Hong Kong Limited (“HKEX”).

Following a strategic review announced in the 2016 Final Results Announcement of Wharf, Wharf REIC was demerged as a subsidiary of Wheelock and Company Limited and listed on the Main Board of the HKEX on 23 November 2017. Wharf REIC primarily focuses on investment properties in Hong Kong and also holds a 71.5% stake in the publicly listed entity Harbour Centre Development Limited (“HCDL”), while Wharf maintains its engagement in Hong Kong development properties, the port and logistic business, hotel business and investment and development properties in Mainland China.

To help our stakeholders transition to working with the new structure and to give our audience an overview of both entities, the scope of the Report this year continues to cover both Wharf and Wharf REIC’s sustainability performance, with a primary focus on Wharf. Wharf REIC’s performance data summary will be included in its standalone Sustainability Report 2017. Where applicable, “the Group” is used to refer to Wharf and Wharf REIC as a whole.

The table below lists the Group’s businesses in Hong Kong and Mainland China where we have management control and therefore are included in the reporting scope for the period of 1 January to 31 December 2017.

Wharf	<i>Corporate Office</i>	<ul style="list-style-type: none"> Wharf Limited 	
	<i>Investment Properties</i>	<ul style="list-style-type: none"> Shanghai Times Square Chengdu International Finance Square (“Chengdu IFS”) Dalian Times Square 	<ul style="list-style-type: none"> Shanghai Wheelock Square Chongqing Times Square Wuxi International Finance Square (“Wuxi IFS”)
	<i>Development Properties¹</i>	<ul style="list-style-type: none"> Chengdu Hangzhou 	<ul style="list-style-type: none"> Shanghai
	<i>Leisure and Hospitality</i>	<ul style="list-style-type: none"> Wharf Hotels Management Limited (“WHML”) Niccolo Chongqing 	<ul style="list-style-type: none"> Niccolo Chengdu Marco Polo Wuhan
	<i>Logistics</i>	<ul style="list-style-type: none"> Modern Terminals Limited 	
	<i>Investment Properties</i>	<ul style="list-style-type: none"> Harbour City Plaza Hollywood Wheelock House 	<ul style="list-style-type: none"> Times Square Crawford House
Wharf REIC	<i>Leisure and Hospitality</i>	<ul style="list-style-type: none"> Gateway Hotel Marco Polo Hongkong Hotel (held by HCDL) Pacific Club 	<ul style="list-style-type: none"> Prince Hotel Marco Polo Changzhou (held by HCDL)
	<i>Logistics</i>	<ul style="list-style-type: none"> The “Star” Ferry Company, Limited 	<ul style="list-style-type: none"> Gateway Apartments

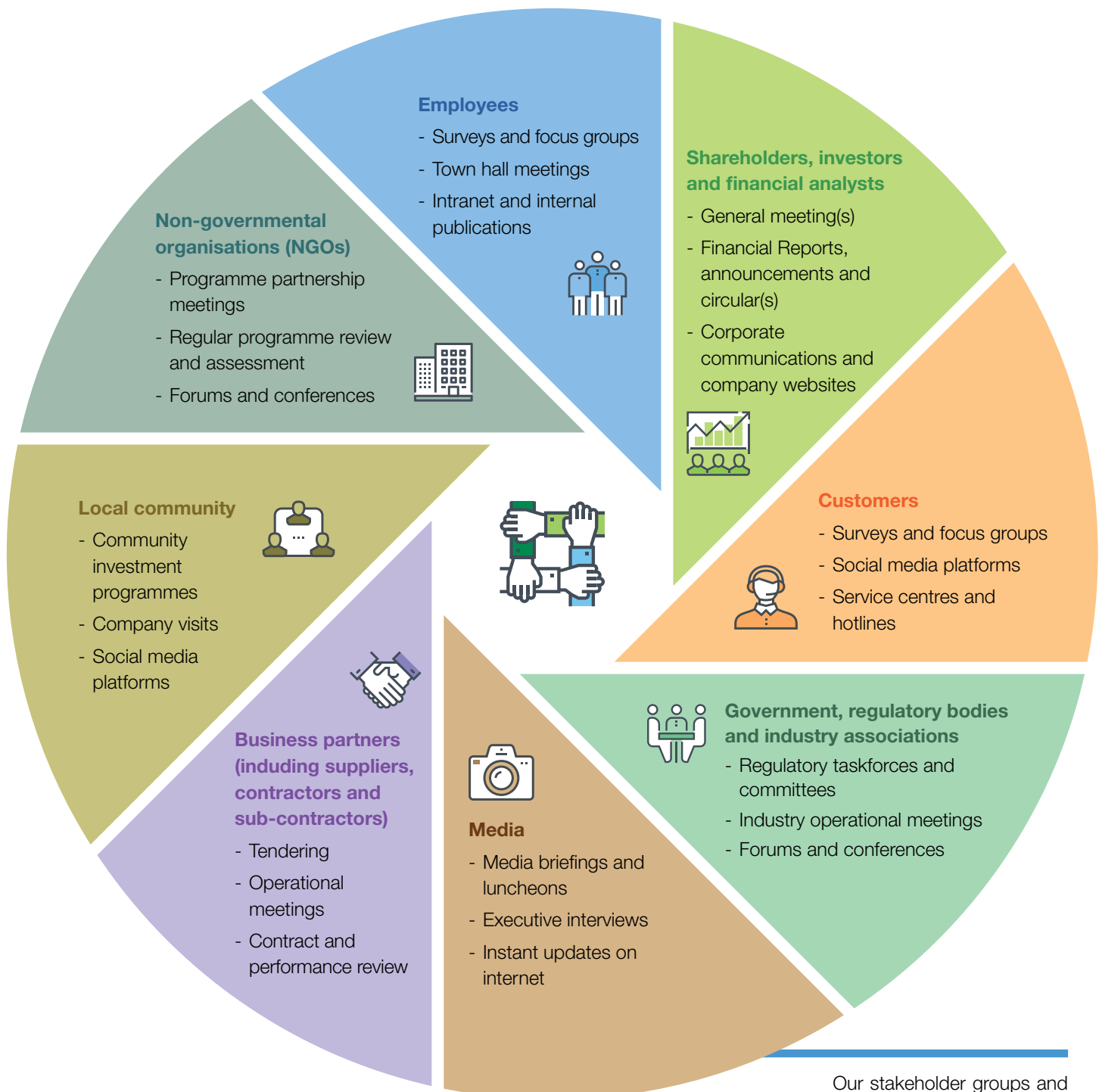
Alongside the 2017 Annual Report highlighting our financial performance, the Report provides an overview of our sustainability policies and performance, addressing stakeholders’ interest in our environmental, social and economic impacts.

We welcome feedback on this Report, our approach to sustainability and performance. Please share your views at csr@wharfhholdings.com.

¹ The scope of development properties is confined to 19 registered companies in Chengdu, Shanghai and Hangzhou.

Stakeholder Engagement

We actively listen to and communicate with our key stakeholders. Their feedback and suggestions are reviewed regularly to identify areas for improvement and devise future action plans.



Our stakeholder groups and engagement channels.

Stakeholder Comments and Our Responses

In preparation of the Report, we commissioned an independent consultant to collect stakeholder feedback regarding our sustainability strategy and performance based on the AA1000 Stakeholder Engagement Standard 2015. We engaged over 700 stakeholders this year including employees, suppliers, contractors and sub-contractors, tenants, investors and financial analysts, and community partners. The feedback, gathered through an online survey, interviews and focus group discussions, and the Group's responses are outlined below.

Stakeholder Feedback

Our Responses

Business Development	<p>Future outlook reveals a positive trend for green buildings in Mainland China, investors view Wharf as a prominent company with a large volume of sales and property investment. Communicating good ESG performance (e.g. good corporate governance, investment in green buildings) could be a value-add.</p>	<p>Wharf continues to communicate its environmental and social initiatives openly and transparently in the annual Sustainability Report. We will explore the possibility of incorporating more green building design element into our projects. Please refer to page 21 for a case study.</p>
Environment	<p>Green buildings are trending in Mainland China as more developers seek green building certifications such as LEED. Implementing energy efficient green features can result in energy cost savings and have direct financial impact on property developers. Some investors are interested to know if the company's buildings achieved any green building standards.</p>	<p>Wharf has taken some measures in improving energy efficiency, indoor air quality and the like. With consideration of cost control, Wharf has been aiming to earn LEED certification for its Mainland China development projects. Most of the projects have incorporated green features and used locally sourced materials. For more details, please refer to Protecting Our Environment section on pages 19 to 26.</p>
Business-in-Community	<p>Employees would like to know how Wharf REIC plans to further improve accessibility for people with disabilities at its premises.</p>	<p>We face challenges in improving the accessibility for wheelchair users as the pre-existing shopping malls have spatial constraint for building ramps. Nevertheless, we engage staff in activities to experience the use of wheelchairs to better understand needs; for hearing/visually impaired individuals, Wharf REIC puts efforts in providing caring customer services, such as providing assistive devices for people with hearing impairment at concierges. Sign language training was also provided to staff.</p>
Sustainability Reporting	<p>More graphics and comparative figures with trend analysis should be included in Sustainability Report 2017 to enhance readability.</p>	<p>Performance highlights and trend analysis are included in each focus area to show the Group's progress in comparison with the past two years.</p>

Materiality Assessment

The following describes the detailed four-step process undertaken to determine the material issues for disclosure in the Report:

We made reference to the GRI Standards and HKEX ESG Guide to identify topics which may be considered important for disclosure.



Step 1 Identification

The disclosures of local, regional and international peers were reviewed to identify industry practices. Stakeholders were invited to rank the materiality of various sustainability issues and share their thoughts on the Report. Results from the peer benchmarking exercise and the outcomes of the stakeholder engagement were compiled and analysed to indicate the overall materiality level for each topic. A prioritised list of material issues was developed for Step 3.



Step 2 Prioritisation



Step 3 Validation

To finalise the list of material issues, the outcomes of steps 1 and 2 were brought forward for discussion with the Group's senior management which confirmed the list of material topics for disclosure in this Report.

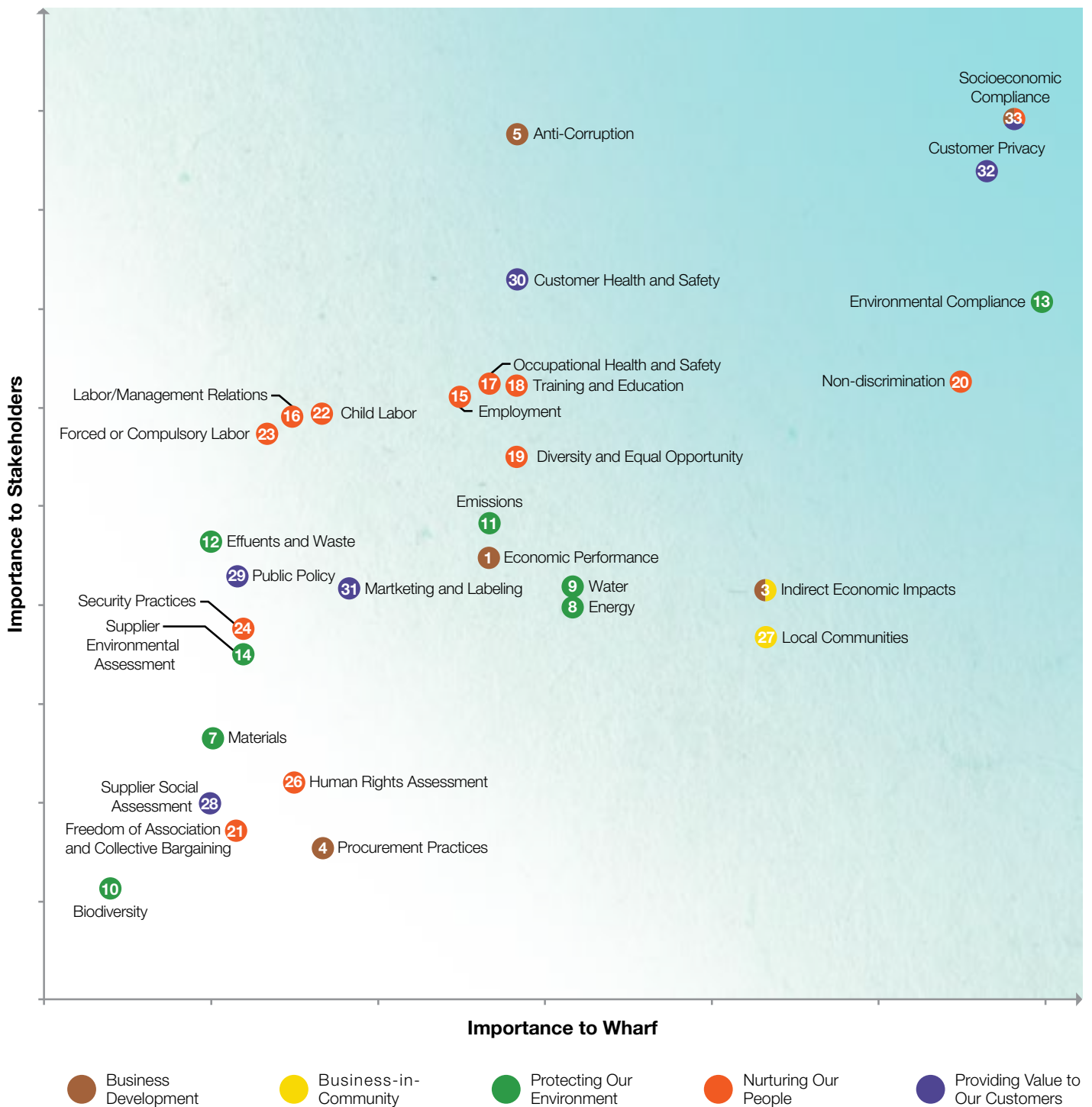


Step 4 Review

Sustainability issues and the corresponding impact boundary are reviewed regularly to ensure that they remain relevant and material to the Group.

Materiality Matrix²

Key: Dark blue = Highly Material Topics; Blue = Medium Material Topics; White = Low Material Topics



² Please refer to [Wharf REIC's standalone Sustainability Report 2017](#) for its materiality matrix.

Material Topics and Corresponding Topic Boundary³

The materiality assessment identified 21 material GRI Standards topics. The following table lists these topics, their impacts within and outside Wharf and the corresponding section in the Report where the topics are addressed. Disclosure of sustainability performance is based on operations which have major impacts, corresponding performances of other operations are also included where appropriate.

	Material Topics	Impact Location -Within Wharf	Impact Location - Outside Wharf			Corresponding Section in the Report
			Suppliers and Contractors	Customers	Neighbouring Community	
1	Economic Performance	Wharf	✓		✓	Business Development
3	Indirect Economic Impacts	Wharf	✓		✓	Business Development; Business-in- Community
5	Anti-Corruption	Wharf	✓	✓	✓	Business Development
8	Energy	Investment Properties Development Properties Leisure and Hospitality	✓	✓		Protecting Our Environment
9	Water	Development Properties Leisure and Hospitality	✓	✓		Protecting Our Environment
11	Emissions	Logistics	✓			Protecting Our Environment
12	Effluents and Waste	Logistics Leisure and Hospitality	✓	✓		Protecting Our Environment
13	Environmental Compliance	Wharf	✓			Protecting Our Environment
15	Employment	Wharf	✓		✓	Nurturing Our People
16	Labor/ Management Relations	Wharf	✓			Nurturing Our People
17	Occupational Health and Safety	Wharf	✓		✓	Nurturing Our People
18	Training and Education	Wharf	✓		✓	Nurturing Our People
19	Diversity and Equal Opportunity	Wharf	✓		✓	Nurturing Our People
20	Non-discrimination	Wharf	✓	✓	✓	Nurturing Our People
22	Child Labor	Wharf	✓		✓	Nurturing Our People
23	Forced or Compulsory Labor	Wharf	✓		✓	Nurturing Our People
27	Local Communities	Wharf	✓	✓	✓	Business-in-Community
30	Customer Health and Safety	Investment Properties Development Properties Leisure and Hospitality	✓		✓	Providing Value to Our Customers
31	Marketing and Labeling	Wharf	✓		✓	Providing Value to Our Customers
32	Customer Privacy	Wharf			✓	Providing Value to Our Customers
33	Socioeconomic Compliance	Wharf	✓	✓	✓	Business Development; Nurturing Our People; Providing Value to Our Customers

³ Please refer to [Wharf REIC's standalone Sustainability Report 2017](#) for its material topics and corresponding topic boundary.

ABOUT OUR BUSINESS



ABOUT OUR BUSINESS

About The Group⁴

Founded in 1886, Wharf has since expanded its operations and established itself as a premier firm. Wharf completed the demerger of the Hong Kong investment properties portfolio in November 2017, and is now principally engaged in Hong Kong development properties including the Peak Portfolio and Kowloon East Waterfront Portfolio; the port and logistic business under Modern Terminals in Hong Kong, as well as property development and investment properties in Mainland China. Wharf also runs a fast expanding hotel portfolio under Wharf Hotels in Asia.

Wharf REIC, on the other hand, continues to invest and manage iconic properties at strategic locations in Hong Kong, offering one-stop lifestyle experiences to our customers.

Backed by a long standing mission of "Building for Tomorrow" and a proven track record in management and execution, the Group is committed to bringing expertise to new regions where we operate, protecting the natural environment around us and serving the community.

Business Overview⁵

Wharf

Wharf redefines the concept of luxury living and develops residences at the most prestigious and sought-after locations. Our Peak Portfolio includes Mount Nicholson while foundation works for the re-development of 1 Plantation Road, 11 Plantation Road and 77 Peak Road are progressing to plan. Our Kowloon East Waterfront Portfolio enjoys a compelling harbour view and spans a 500-metre coastline. Kowloon Godown is currently pending re-development.

Building on the success of the remarkable Harbour City in Hong Kong and Chengdu IFS, Wharf has introduced our "City within the City" design concept to other areas including Chongqing and Changsha. The mixed-use retail and office development has proven productive for people living in the modern age.

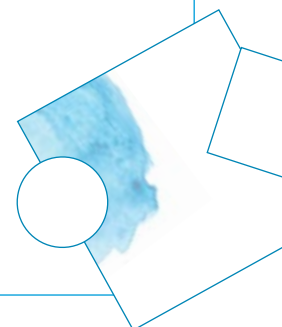
Wharf Hotels currently manages a total of 16 hotels in Mainland China, Hong Kong and the Philippines, with an exciting pipeline to expand to other parts of the world. Under the legacy brand of Marco Polo Hotels and the new luxury brand of Niccolo Hotels, our goal is to provide a contemporary, urban and chic global traveller's experience for our guests.

Through Modern Terminals, Wharf provides world-class container terminal services in Hong Kong and the Pearl River Delta. With our expertise in the industry, state-of-the-art equipment and the commitment of our people, we are well recognised as a customer-focused service provider.

Wharf REIC

Wharf REIC holds a portfolio of six premier quality investment properties in Hong Kong including Harbour City, Times Square and Plaza Hollywood (Wharf Estates Limited), Crawford House, Wheelock House and The Murray. Marco Polo Hongkong Hotel, Marco Polo Changzhou and The Murray are held through our listed subsidiary HCDL.

The "Star" Ferry held by Wharf REIC has been in operation for over a century. It offers two inner harbour ferry services – Tsim Sha Tsui to Central and Tsim Sha Tsui to Wanchai – under a franchise, in addition to an hour-long circular tour service around Victoria Harbour and a watertour sightseeing service covering waters beyond Victoria Harbour.



⁴ For details of our customer groups, please refer to the [Business Review Section of Wharf's Annual Report 2017](#) and the [Business Review Section of Wharf REIC's Annual Report 2017](#).

⁵ For detailed breakdown of the products and services we provide, please refer to the [Business Review Section of Wharf's Annual Report 2017](#) and the [Business Review Section of Wharf REIC's Annual Report 2017](#).

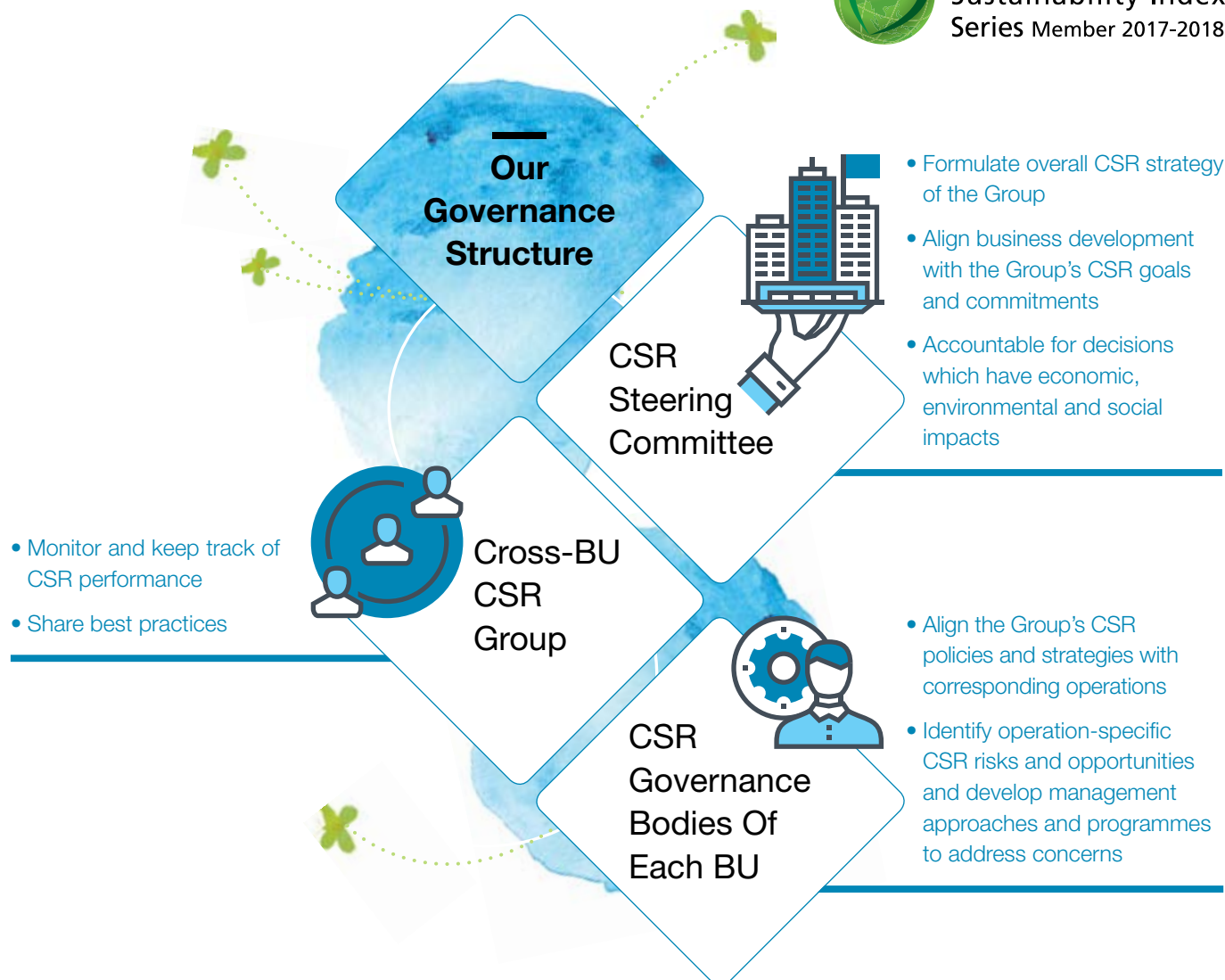
Our Sustainability Approach

Sustainability is a core business philosophy of the Group. We create positive value for our stakeholders, the economy and the wider community through our business activities. As a constituent member of the “Hang Seng Corporate Sustainability Index”, an index covering the top 30 leaders in corporate sustainability in Hong Kong, we are committed to contributing to a better and sustainable living environment for generations to come.

Recognising the benefit of a well-structured governance body to our sustainability journey, the Corporate Social Responsibility Steering Committee (“CSR Steering Committee”) is chaired by the Group’s Chairman and consists of the Group’s Vice Chairman, the Chief Financial Officer and representatives from key business units, and was established to align overall business development plans with the Group’s CSR strategy, goals and commitments. Executives from our business units (“BUs”), coordinated by the Group and BUs’ Community Affairs Department, oversee the day-to-day management of sustainability programmes and meet regularly to exchange ideas and best practices.



Hang Seng Corporate Sustainability Index Series Member 2017-2018



Wharf dedicates its resources to five focus areas, namely **Business Development, Protecting Our Environment, Nurturing Our People, Business-in-Community, and Providing Value to Our Customers**, to improve people’s quality of life and build a sustainable community for our future generations. Our Corporate Social Responsibility Guidelines stipulate our goals and commitments and provide guiding principles to structure our sustainability initiatives.

United Nations Sustainable Development Goals

As a responsible corporate citizen and with a business footprint in Hong Kong, Mainland China and more, we are equally concerned about climate change, human rights, and the overall welfare and sustainable development of our communities. Through our efforts in partnership with our key stakeholders, we are able to contribute to the United Nations (“UN”) Sustainable Development Goals (“SDGs”) – a shared global agenda for sustainable development. The Group has assessed the impact of our activities and identified alignment with 11 of the 17 SDGs where our skills and expertise can contribute to the concerted efforts.

Our Commitment

Relevant UNSDGs

Our Environment

- To measure our environmental performance through an established environmental management system;
- To adopt green policies, implement initiatives to reduce our greenhouse gas emission and to facilitate reuse and recycling of resources; and
- To promote green awareness to our staff, business partners, customers and suppliers, and the wider community.



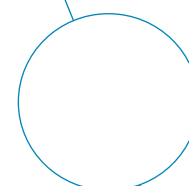
Our People

- To become an employer of choice;
- To promote staff well-being by encouraging work-life balance, health and safety, equal opportunities and human rights; and
- To provide greater and better opportunities for our people and future talent.



Our Community

- To nurture the youth, support the vulnerable as well as promote art and culture via our Business-in-Community initiatives;
- To provide underprivileged secondary school students with resources and care for pursuing higher education and promising careers through Project WeCan; and
- To foster involvement of company volunteers in supporting the community and promoting our “care-for-others” spirit.



BUSINESS DEVELOPMENT



BUSINESS DEVELOPMENT

Corporate Governance

Robust corporate governance and good business practices provide a solid foundation for the Group's development. We go beyond compliance with legal requirements and have built a comprehensive system to monitor risks and enforce ethical conduct.

Governance Structure

Under the leadership of a Board of Directors comprised of experts with diverse industry backgrounds including investment properties, property development, banking, finance and accounting, public services, hospitality and logistics, we endeavour to conduct our business in accordance with all applicable rules and regulations, codes and standards and observe the highest principles of accountability, transparency and integrity. We value Board diversity as it not only enhances overall business performance, but also promotes a sustainable and balanced development of the Group.

Composition of Wharf's Board of Directors							
	Age			Gender		Ethnicity	
	Under 30	30 - 50	Over 50	Male	Female	Non-Chinese	Chinese
	Number	0	0	10	8	2	2
	%	0	0	100.0%	80.0%	20.0%	20.0%

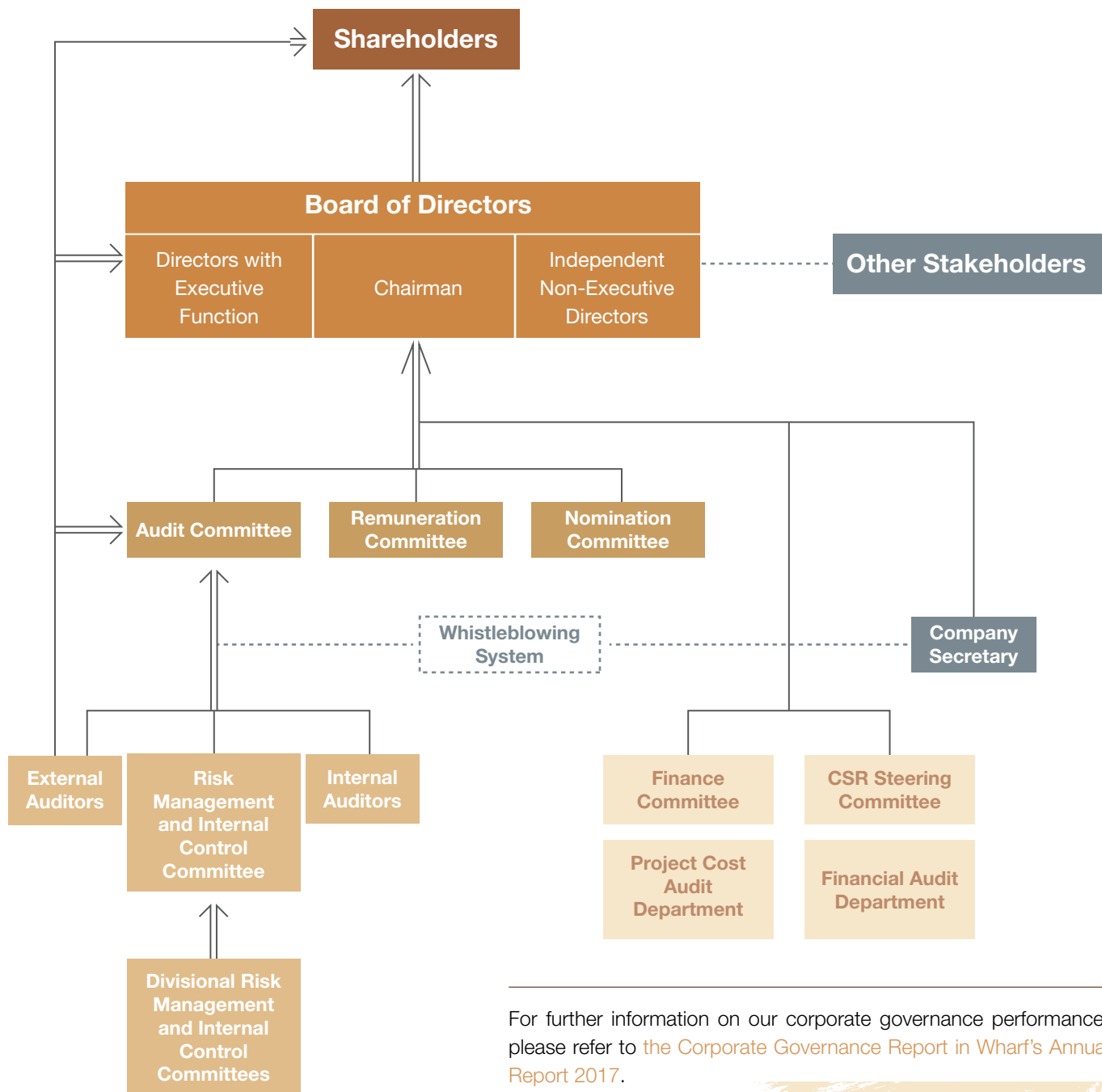
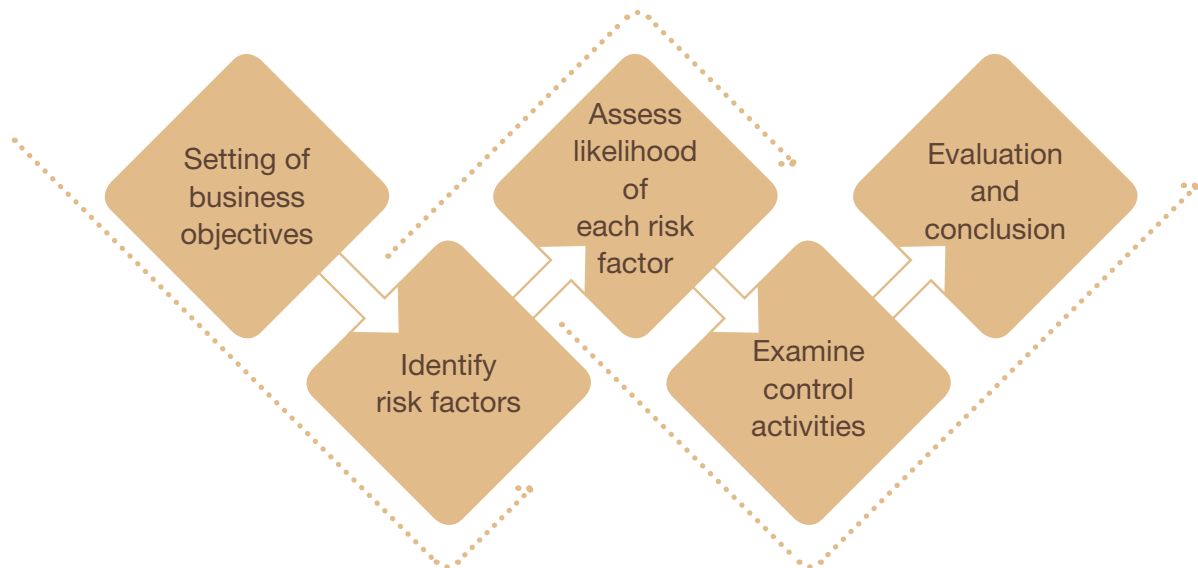
The Board's Remuneration Committee, Audit Committee and Nomination Committee provide effective oversight and guidance on the Group's strategies and business activities. The management team is responsible for the daily operation of the Group's business, ensuring that it aligns with the Group's strategies and goals.

Risk Management and Internal Control

In the ever changing business and operating environment, having a stringent and proactive risk management and internal control system helps to strengthen the resilience of our business. Reporting to the Board, it is the priority of the Audit Committee to monitor and evaluate the effectiveness of the system, with assistance from the Risk Management and Internal Control Committee.

The Audit Committee provides directions and tools for risk identification, analysis and management for internal control functions at BUs including the Divisional Risk Management and Internal Control Committees, Finance Committee, Internal Audit Department, Financial Audit Department, Project Cost Audit Department and CSR Steering Committee, to safeguard against foreseeable risks and deficiencies. We adopt a holistic approach to risk management to ensure that we are well prepared for economic, environmental, social and governance risks⁶ and that the extent of the risks are within the Group's risk appetite. As we manage our projects and daily operations, we adopt initiatives to minimise negative impacts on our business as well as the wider community. The risk management system, and internal control measures and procedures are continuously under review and being improved where necessary in response to changes in business, operating and regulatory environments. For further details on our risk governance structure and risk management procedures and how we address each of the risks, please refer to the [Corporate Governance Report in Wharf's Annual Report 2017](#) and the relevant sections of this Report.

⁶ A comprehensive analysis of risks relating to our business was conducted before the demerger. We identified risk factors such as those relating to the macro business and operating environment, uncertainty posed by third-party contractors, inherent risks of accidents, injuries or prohibited activities in public places, exposure to war, terrorism, pollution, fraud, professional negligence and acts of God, and have taken active steps to mitigate any adverse impacts on our business.



For further information on our corporate governance performance, please refer to [the Corporate Governance Report in Wharf's Annual Report 2017](#).



Ethical Business Practice and Anti-corruption

The Group adheres to the highest level of business ethics and professional conduct while carrying out business. We do not tolerate any form of bribery, extortion, fraud or money laundering. It is mandatory for our employees to comply with the Group's Business Code of Ethics and Code of Conduct and relevant policies on conflicts of interest, insider dealings, anti-competition, and anti-corruption. Representatives from law enforcement agencies such as the Independent Commission Against Corruption are invited regularly to provide updates on regulations and enhance the awareness of our employees on ethical business practices. We follow a set of due diligence procedures to avoid situations where donations and sponsorships are used as a disguised form of bribery. Donations must be approved by the Group Chairman or the General Managers of BUs.



Reflecting prudent and transparent company management practices, we follow our [Whistleblowing Policy and Procedures](#) which specify the responsibility for implementation of the policy, the process of raising a complaint, investigation procedures and follow-up actions. We encourage our employees and business partners to raise complaints about misconduct and malpractice directly with the Group's Company Secretary. With delegated authority and responsibility, the Audit Committee conducts periodic reviews of reports of whistleblowing cases submitted from the Internal Audit Department.

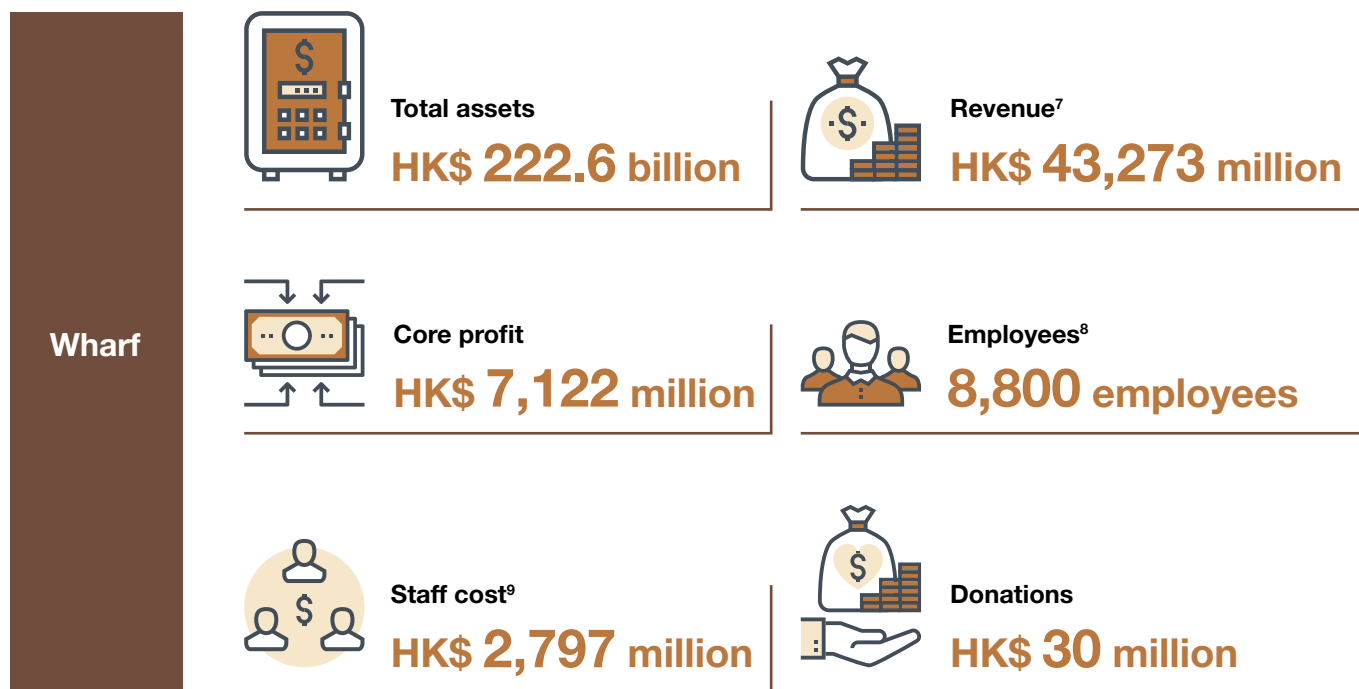
We also extend our ethical business practices to suppliers by including a specific clause in all our tender documents and supplier registration forms to avoid offering gifts, cash or coupons to our employees.

During the reporting year, there were no reported legal cases regarding corrupt practices brought against the Group.



Direct and Indirect Economic Impact

In 2017, we made a positive impact on the local economy and community under prudent management.



In addition to contributing to the local economy and providing employment opportunities, it is equally important for the Group to leverage our resources to help our community unleash its potential. We do so by sponsoring venue space and advertisement panels, and making donations to charitable causes. During the reporting year, we supported over 177 charitable activities¹⁰ advocating for various causes, including environmental protection, social welfare, education, art and culture, sports, health, emergency relief and animal welfare.

⁷ The results for 2017 included the results of Wharf REIC up to the date of Wharf REIC's spinoff at 23 November 2017.

⁸ Group total number of employees, including those employed by managed operations.

⁹ Staff costs include contributions to defined contribution pension schemes of HK\$259 million, which included MPF schemes after a forfeiture of HK\$nil million and equity-settled share-based payment expenses of HK\$40 million.

¹⁰ The reported contribution is related to venue sponsorship and donations to charitable organisations, by Wharf's Hong Kong operations and Mainland China operations listed on page 3 of this Report.

Venue Sponsorship

Modern Terminals provided a free warehouse space of 3,400 sq. ft., equivalent to an annual lease cost of over HK\$500,000, to End Child Sexual Abuse Foundation for storing promotional materials.



Niccolo Chengdu sponsored a venue for the report launch of the "Blue Book on the Mental Status of Left-behind Children in China", calling on society to pay attention to and care for left-behind children.

Supply Chain Management

We work closely with a wide range of suppliers, providing food and beverage, services and facilities, engineering supply and maintenance, utilities, and general supplies, to support the operations of our BUs. Establishing a vigorous vendor management system to govern the relationships with our business partners is instrumental for us to make sure that quality products and services are delivered to our customers. As part of the Group's enterprise risk management, we require that each business unit identify, assess and mitigate environmental, social and governance risks which may occur in our supply chain, including labour issues, health and safety, corruption, product safety, noise pollution, resource management, waste issues, and water shortage and pollution. The Group prioritises suppliers who are concerned with, and address environmental and social issues in their operations. Suppliers' environmental, social and technical capabilities are assessed during pre-qualification and/or tender process. To further reduce environmental impact, we source mainly from local suppliers and our tender documents include a Green Purchasing Clause, or environmental certification will also be provided by suppliers upon request. Some BUs require suppliers to sign a "Supplier Declaration" form with company chop as a pledge to uphold business ethics and integrity. On-site audit and inspections are conducted regularly to ensure supplier performance is in compliance with legislation and our requirements. In 2017, there are no significant changes to our supply chain.

PROTECTING OUR ENVIRONMENT



PROTECTING OUR ENVIRONMENT

The Group is fully conscious of the environmental impacts that may arise from its operations. Dedicated to enhancing performance in energy efficiency, emission reduction, water conservation and resource management, our environmental principles guide each business unit to devise and adopt environmental policies commensurate with its scale, location and nature, as well as coordinate programmes across functions. Through regular monitoring and active management, we respond to environmental risks and changes in the external environment in a prompt manner.

Our efforts are recognised by LEED (Leadership in Energy and Environmental Design), the most widely used green building rating system in the world, and EarthCheck, the world's leading scientific benchmarking, certification and advisory group for travel and tourism.

Shanghai Wheelock Square

LEED Gold for Existing Building

Niccolo Chengdu

EarthCheck Silver Certification

Marco Polo Wuhan

EarthCheck Bronze Certification

Modern Terminals

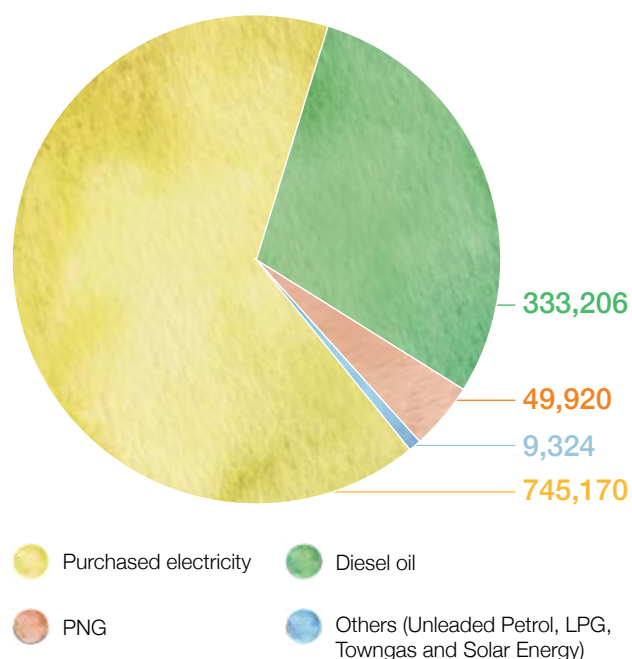
ISO 14001:2015 Environmental Management System Certification



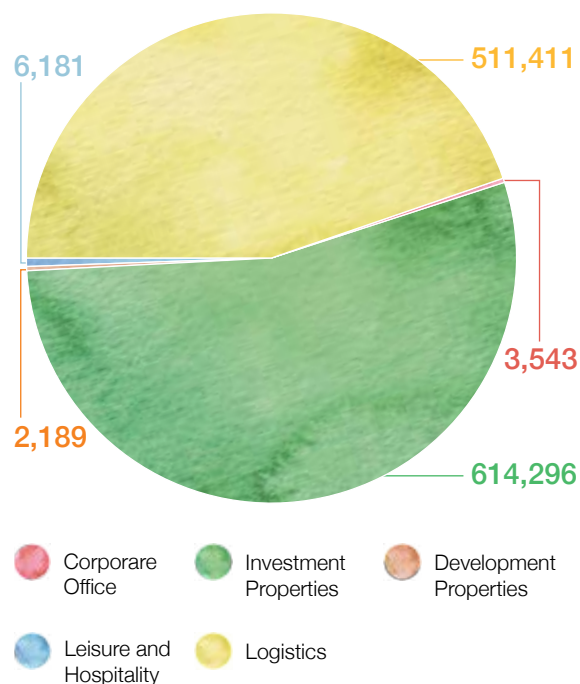
Energy Efficiency

While energy consumption is essential for our daily operations, we have established a set of energy management processes and systems across BUs to achieve the efficient use of energy and ensure compliance with relevant laws and regulations, including the Buildings Energy Efficiency Ordinance and Building Energy Code in Hong Kong.

Energy consumption by type in GJ



Energy consumption by operation in GJ



Note:

- (1) Corporate office refers to Wharf head office in Hong Kong.
- (2) Investment Properties refer to the Shanghai Times Square, Shanghai Wheelock Square, Chengdu IFS, Chongqing Times Square, Dalian Times Square, and Wuxi IFS.
- (3) Development Properties refer to the office and site office areas located in Chengdu, Shanghai and Hangzhou.
- (4) Leisure and Hospitality refer to the Niccolo Chengdu, Niccolo Chongqing, and Marco Polo Wuhan.
- (5) Logistics refer to Modern Terminals Limited.
- (6) Part of the energy consumption of Leisure and Hospitality is included in that of Investment Properties.

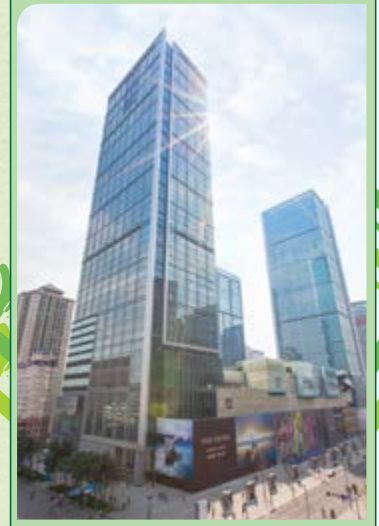
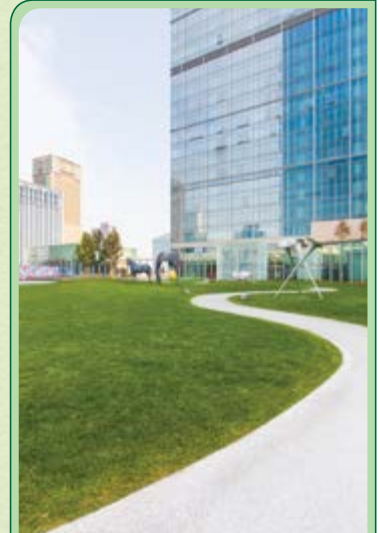
Case Study

ENGINEERING DESIGN FOR QUALITY, HERITAGE PRESERVATION AND SUSTAINABILITY

In designing Chengdu IFS we adopted a community-centric design approach to create layers of civic spaces for visitors, offering different experiences whether at Antiquity Plaza or at the green and open spaces incorporated throughout the property.

Quality and durability have always been our priorities in property design and development. This project is situated in Chengdu where earthquakes are frequent. To give a stronger structural frame to resist wind load and earthquakes, we used a special structural design which fulfills a higher standard of structural elements and introduced a no transfer structure into the development. A steel structure was also applied to give a light, nice and clean architectural environment.

During the development stage of this project, relics of centuries past were discovered, including a water supply system dated back to the Tang Dynasty and horse-drawn carriage boulevards from the Song Dynasty. Doing our best to preserve this cultural heritage, construction was re-planned to work around and safeguard the antiquity site. The design of the development was modified to place emphasis on the display of the historic items for the benefit of the community.



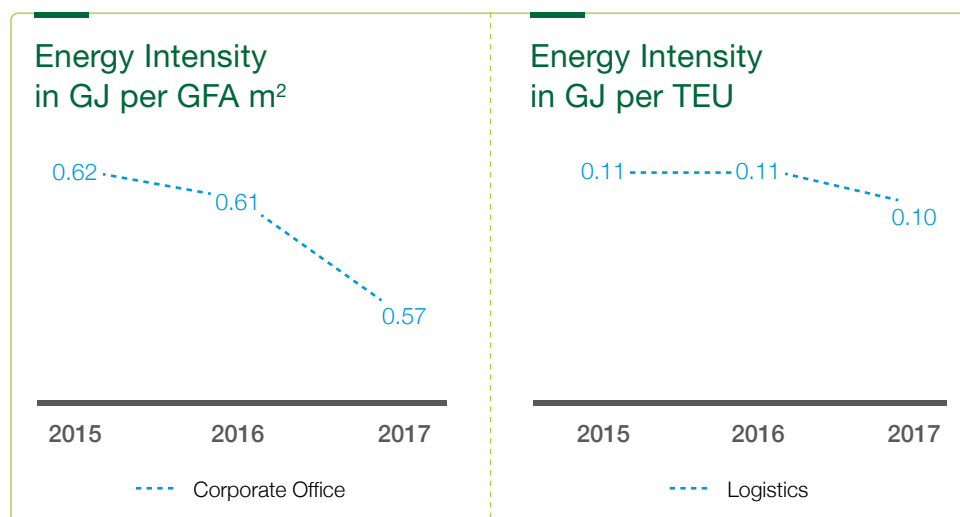
Recognising that Chengdu is a vital cultural and artistic hub for contemporary arts, an Art Gallery was built to sit prominently on the podium, alongside the work displayed in the Sculpture Garden, surrounded by al fresco dining and facing the main façade.

Inspired by the idea of building an oasis in the middle of the city, we incorporated several green design elements into this project. We completed life-cycle analysis for building facilities before making decisions on the most cost-effective and sustainable option among competing alternatives. The Sky Garden provides a green roof space for shoppers, workers and residents and connects the two commercial towers with the retail areas directly at the garden level. Our efforts have successfully:

- Reduced heat island effect
- Achieved energy and water efficiency, and hence reduced emissions
- Enabled walkability and enhanced connectivity to the transportation system, thereby minimising the use of vehicles
- Increased efficiency in source separation of waste and recycling



Chengdu IFS was awarded a Platinum rating under the LEED for Existing Buildings: Operations and Maintenance standard.



Note: TEU: Twenty-foot equivalent unit.

	Development Properties	Investment Properties	Leisure and Hospitality
2017	0.73 GJ per GFA m²	0.47 GJ per GFA m²	0.05 GJ per guest night

Energy Saving Initiatives

We make conscious and sustained efforts to leverage mature technologies to improve energy efficiency at our premises. At Shanghai Wheelock Square, the introduction of an intelligent control system and installation of frequency convertors in pumps and cooling towers have significantly reduced energy consumption for air-conditioning, the largest electricity end-use of the building. In 2017, a total of 1,238,395 kWh of electricity was saved. With fluorescent and metal-halide lamps in the lobby, elevators and the garage replaced by LED lights, we expect an annual saving of approximately RMB1,090,000¹¹.

Modern Terminals, which has been an on-going supporter of several charters launched by the Environment Bureau of HKSAR Government, continued its efforts in optimising energy use. A total of 161 high bay lights and floodlights were replaced with LED lights, which are expected to achieve an annual reduction of 193,220 kWh of electricity. The company also replaced six units of conventional chillers with oil-free chillers, which on average consume 29% less energy¹².

We have also adopted new energy efficiency strategies at our hotels. At Niccolo Chongqing, we replaced conventional light bulbs with LED lights in all guest rooms. To engage all employees to take up an active role in achieving energy-saving goals, relevant targets and initiatives were communicated at the annual staff meeting.

The Group recognises the importance of raising awareness and fostering behavioural change to the continuity of our efforts in energy saving, and has been participating in Earth Hour organised by WWF – Hong Kong since 2010 to support the vision of transforming Hong Kong into a sustainable city.

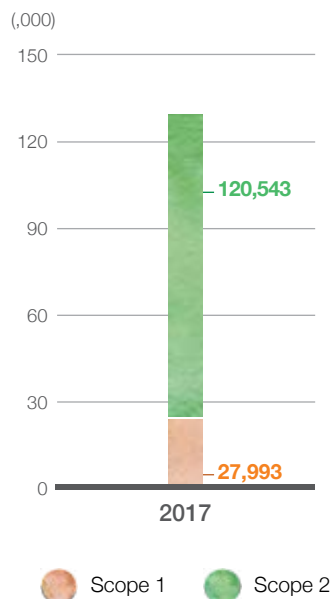


Locally sourced energy-efficient glass curtain walls and building materials at Shanghai Wheelock Square

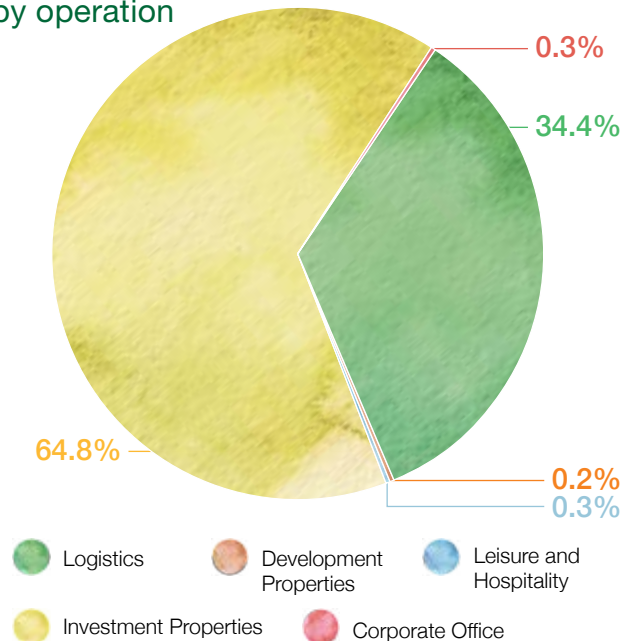
11 Figure is calculated based on the assumption that lighting hours are unchanged.

12 Figure from *EnergyWits Issue No.13*, published by the Electrical and Mechanical Services Department, HKSAR Government in April 2008.

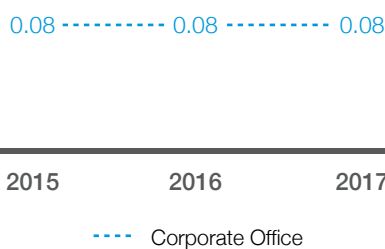
Greenhouse Gas (GHG) Emissions in tonnes CO₂e



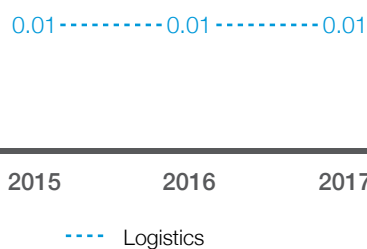
Percentage of total GHG Emissions by operation



GHG Emissions Intensity in tonnes CO₂e per GFA m²



GHG Emissions Intensity in tonnes CO₂e per TEU



	Development Properties	Investment Properties	Leisure and Hospitalities
2017	0.10 tonnes CO ₂ e per GFA m ²	0.07 tonnes CO ₂ e per GFA m ²	0.003 tonnes CO ₂ e per guest night

Note: Part of the GHG emissions of Leisure and Hospitality is included in that of Investment Properties.

Air Emissions Reduction

We take responsibility in maintaining and improving local air quality. Operations at Modern Terminals and Star Ferry strictly adhere to relevant laws and regulations, such as Shipping and Port Control Ordinance (Cap. 313) and Merchant Shipping (Local Vessels) Ordinance (Cap. 548). We adopt appropriate technologies on fuel efficiency enhancement and emission reduction in different areas of our operations.

To reduce fuel consumption, we make continuous enhancement of the operational efficiency of industrial machines and tractors at Modern Terminals. After replacing all traditional Rubber-tyred Gantry Cranes ("RTGs") with hybrid and electricity-powered RTGs, Modern Terminals has continued to make improvements in achieving emission targets for its port operation and the progress to achieve our emission targets is satisfactory.

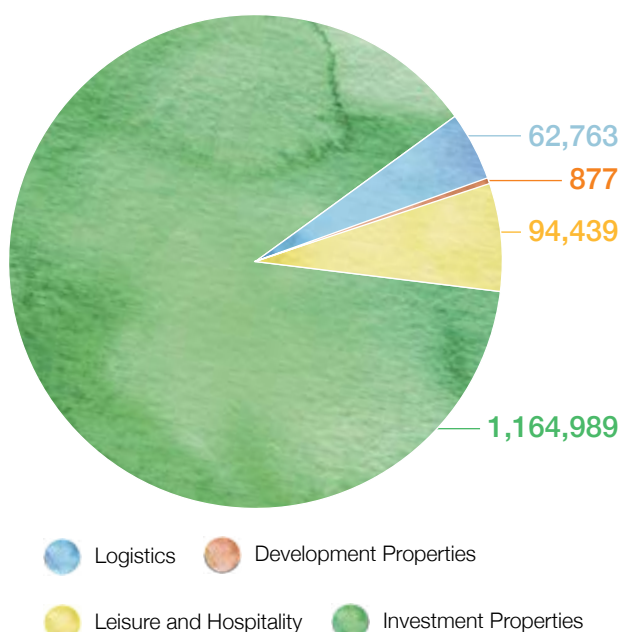


Wharf head office, along with our BUs, Harbour City and The "Star" Ferry, participated in No Car Day organised by Friends of the Earth on 22 September 2017. By encouraging our staff to use mass transit to commute on this day, the Group helped reduce more than 187kg of roadside carbon dioxide emissions.

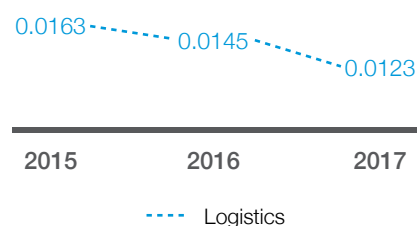
Water Conservation

We are devoted to conserving limited fresh water resources through a number of water reusing and recycling projects. We also place emphasis on motivating our tenants, shoppers and guests to support water conservation.

Water consumption by operation in m³



Water intensity in m³ per TEU



Note:

(1) The Corporate Office does not have a separate metre. The consumption is included in the bills of Harbour City.

(Please refer to [Wharf REIC's standalone Sustainability Report 2017](#))

(2) Water consumption of Niccolo Chongqing is included in that of Investment Properties.

	Development Properties	Investment Properties	Leisure and Hospitality
2017	0.29 m ³ per GFA m ²	0.90 m ³ per GFA m ²	0.80 m ³ per guest night

Water Efficiency Initiatives

At Chengdu IFS, condensate water from the air conditioning system is collected and added to cooling towers or reused as flushing water and for irrigation, reducing municipal water consumption by 1,720 cubic metres¹³. Wheelock House also recycled grey water and collected condensate water from the air-conditioning system for cleaning. Cooling water from the air-conditioning system was also collected for flushing the toilets. These measures reduced our fresh and flushing water consumption by approximately 1,737.2 cubic metres.

On the other hand, rain water at Wuxi IFS is being collected, treated and added to cooling towers, reducing municipal water consumption by 700 cubic metres. A similar measure has been in place at Pacific Club since 2013. Rain water is collected through drainage points from the rooftop and stored in a tank capable of storing up to 3 cubic metres of water. The treated rain water is then used for watering plants and cleaning the car park and driveway.



Rain water and grey water collection and reuse



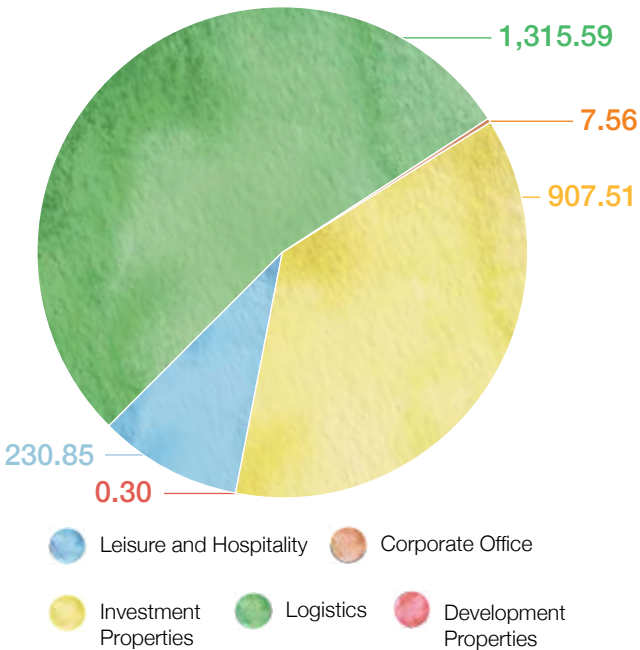
¹³ Operational area covers the basement, Tower 1 and Tower 2 office buildings, from September to December 2017.

Besides recycling and reusing grey water and other water resources, Modern Terminals optimises water flow from sprinklers with careful adjustment and control, improving water efficiency for irrigation. Freshwater use decreased by 6% compared to the previous year. At Niccolo Chengdu for example, water consumption is reduced through our green programme for guestroom linens. We have placed green cards in our guestrooms, informing guests that the hotel will change towels and bedsheets upon request. In addition, Niccolo Chengdu strictly controls the hotel's water consumption under water quotas issued by the Chengdu Water-Saving Government Office.

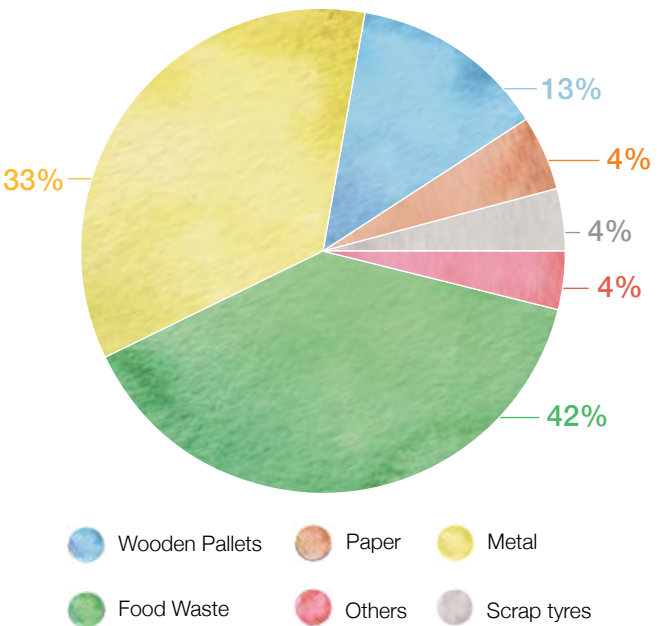
Resource Management

We promote the sustainable use of resources to staff at all levels, and also prioritise the use of sustainable resources at all BUs. Our green procurement guidelines encourage BUs to adopt green purchasing practices that give precedence to sourcing biodegradable and socially responsible products. An Intelligent Management System is implemented at Shanghai Wheelock Square. Instead of submitting a paper form for repair and maintenance work order, the system allows tenants to submit requests, and departments to report work progress electronically. We have also used an electronic patrol system to update patrol records through mobile phones. Thanks to the technology, it is estimated that we can avoid the use of around 50,000 pieces of A4 paper each year.

Recycled waste by operation in tonnes



Recycled waste by type



Note:
(1) Others consists of the following waste types: cell batteries, industrial batteries, fluorescent lamps, light bulbs, plastics, glass, electrical appliances and components, soap, used ink cartridge, waste cooking oil and waste industrial oil, waste filter and waste rag.

Reducing Consumption

Avoiding waste is our top priority when it comes to waste management. To encourage staff at the premises of Modern Terminals to reduce waste generation, a 3-month reward programme - “Less. Have a drink” was launched. Staff were motivated to request for less rice and avoid disposable cutlery at eateries. The result is encouraging, recording a total of 1,900 requests for less rice and around 300 requests for no disposable cutlery.



The customer service registration system was digitalised at Chengdu IFS, enabling customers to join the membership programme without filling in paper forms, as well as upload their receipts and receive QR code vouchers through WeChat. Around 70,000 paper forms and over 389,000 paper coupons were saved in 2017. A mobile app is also used internally for application and approval of leave of absence and reimbursement, saving over 17,500 pieces of paper.

To better meet the needs of tech-savvy travellers and reduce waste at the same time, Niccolo hotels became a part of the Global Hotel Alliance programme which welcomes guests to enrol as a member and manage benefits and redemptions either online or through mobile applications. Niccolo Chengdu uses PressReader to connect our guests with news and stories from thousands of trusted sources.



Mobile applications for customers and employees

Closing the Materials Loop

Seeking to close the materials loop and support a circular economy, we make incessant efforts to collect used materials across operations for reuse and recycling purposes. Waste disposal is our last resort, and we ensure that all waste management practices comply with relevant laws and regulations relating to waste handling. Our own composting machines at Chengdu IFS were used to avoid sending 365,000 kg of food waste to landfills. In cases where our capacity was full, we contracted out the remaining food waste to qualified service providers for proper handling of food waste.

Effluent and Spillage Management

We make every effort to protect the water quality of the coast adjacent to the operation area at Modern Terminals. Having a robust effluent and spillage management system in place, we fully comply with the Water Pollution Control Ordinance (Cap. 358) and other laws and regulations relating to effluent discharge. Prior to discharge, we ensure that all sewage is treated through underground fuel interceptor facilities. Regular water quality and facility inspections are also conducted. In addition to our management approach to spill prevention, we have also implemented the Guide Emergency Response for Chemical Spillage, which guides each staff to take appropriate actions and measures in the event of an accident, chemical spill, or leakage in the terminal areas to minimise any potential negative environmental impacts.

Raising Environmental Awareness

We strive to promote environmental awareness internally via different workshops and activities. Modern Terminals engaged colleagues from various departments to join the Aquaponics DIY Workshop. Participants learnt about the benefits of growing fish and plants together for a sustainable food system, and actively worked together to make their own mini-aquaponics system.



NURTURING OUR PEOPLE



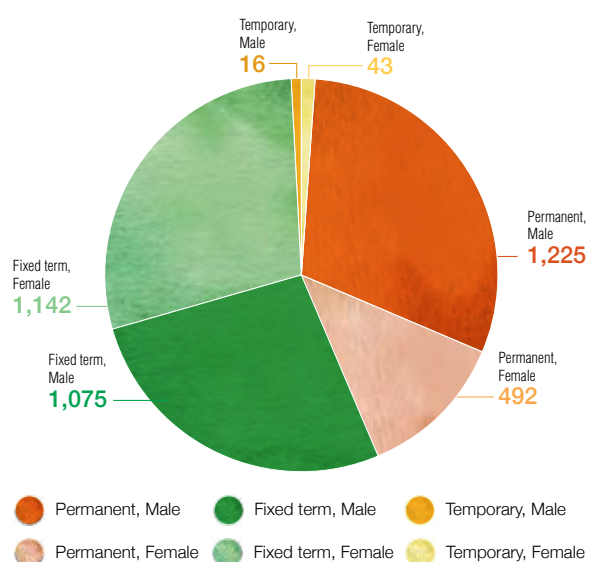
NURTURING OUR PEOPLE

The fundamental principle of respecting the dignity and value of people underlies the Group's human resources management approach. Recognising our role to provide greater opportunities for our people and future talent, we provide satisfying long-term careers to employees, as well as internship opportunities in partnership with educational institutes. Through our continual efforts to promote work-life balance, equal opportunities, and health and safety of all employees, we aspire to become an employer of choice.

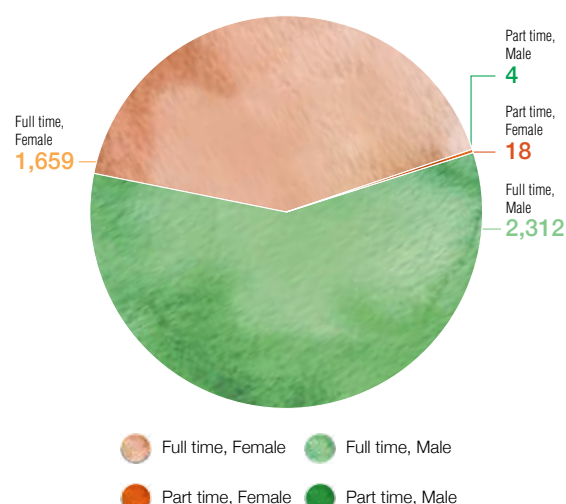
Employee Profile

In 2017, we employed 3,993 staff across our BUs¹⁴.

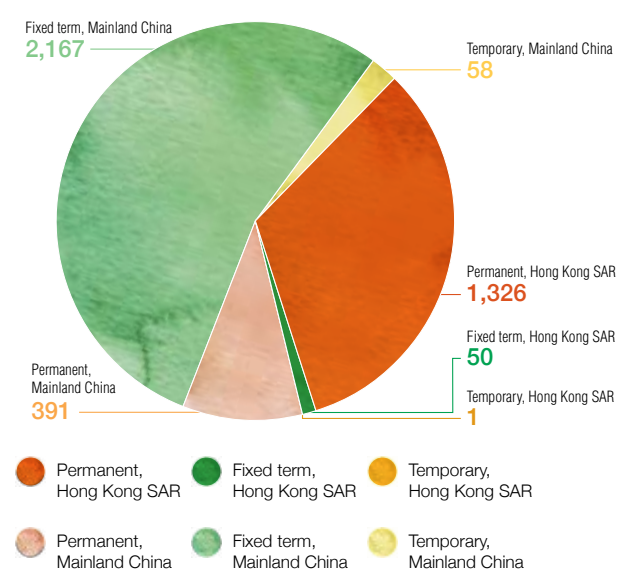
Total workforce by contract type by gender



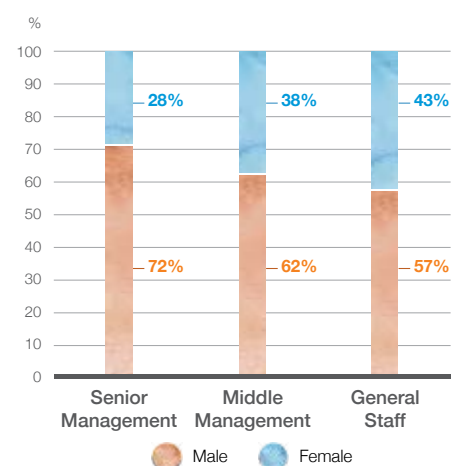
Total workforce by employment type by gender



Total workforce by contract type by region

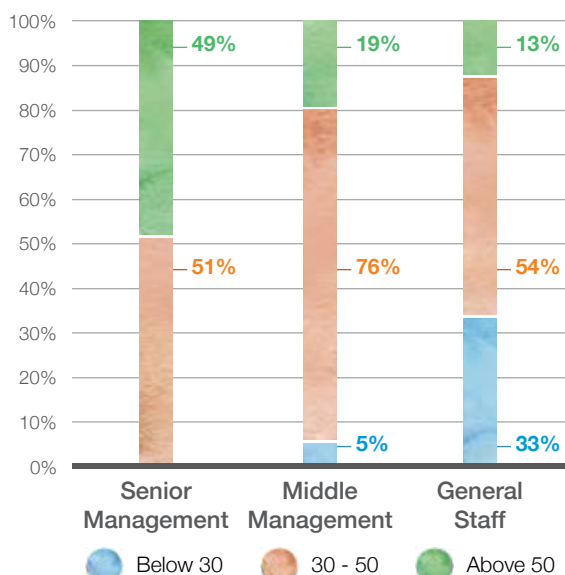


Gender distribution of employees



¹⁴ The number of employees reported cover Wharf's Hong Kong operations and Mainland China operations listed on page 3 of this Report.

Age distribution of employees



75,208



Total number of training hours provided to employees

Average training hours



Human Capital Development

To build and maintain a committed workforce, we prioritise human capital development at Wharf. Our training policies enable employees to pursue career development, fulfil self-enrichment and obtain the necessary skills and knowledge to enhance work quality at different BUs. In appreciation of the value that each employee brings to us, we provide competitive remuneration packages, staff benefits and ongoing support to our people.

Talent Retention

Our continued success depends on our ability to retain every positive and motivated employee. Besides abiding by the Employment Ordinance (Cap. 57) and other relevant labour regulations, our employment package goes beyond the regulatory requirements. Our BUs provide suitable remuneration packages for our full-time employees, such as voluntary MPF contributions from the employer, paid leave¹⁵, complimentary pre-employment and annual health checks, counselling services, outpatient and hospitalisation coverage, preferential rate for dental services, and subsidised meals. For career opportunities, please go to <http://www.wharfhholdings.com/eng/career.asp>.

Training and Development

Our training programmes cover a wide spectrum of topics to support the personal and professional development of our employees. Due to the varied business natures, each of our operations tailors training programmes based on the knowledge and expertise required for the professional and business development of their employees.

¹⁵ Including annual leave, sick leave, maternity and paternity leave, and marriage leave.

Business Unit	Training Focus
Modern Terminals	<ul style="list-style-type: none"> Continuous Learning Framework which enables executives, managers and supervisors to continuously pursue learning on key skills including leadership, supervisory skills and personal effectiveness. Sponsorship is offered for employees to pursue further educational and professional studies.
Wharf China Estates	<ul style="list-style-type: none"> Work and Service Improvement Team equips employees with problem solving skills and work flow optimisation skills. Experiential trainings were offered to over 190 employees in Shanghai, Chongqing and Chengdu to enhance creative thinking and cooperation.
Wharf Hotels	<ul style="list-style-type: none"> The training focuses on skillsets such as engineering, first aid, housekeeping supervision and revenue management.



Experiential trainings in China

Inclusive Workplace

We are committed to creating a positive and inclusive working environment – a place where employees are treated with dignity and respect, and are at all times free from discrimination and harassment. Our code of conduct stipulates the Group's expectations for each employee with regards to human rights, equal opportunity, anti-corruption and other labour issues. Besides having a staff grievance policy in place to ensure the effective resolution of issues at the workplace, we also offer various communication channels to engage with our staff. During the reporting period, there were no reported cases relating to anti-discrimination, child and forced labour, and breaches of other labour regulations.

Since 2015, Chengdu IFS has cooperated with the first psychiatric rehabilitation centre in Sichuan Province to provide a half-year vocational rehabilitation work opportunity for two persons who suffered from mental illness each year. We arrange positions for them at the Personnel and Administration Department, Center Operation, and Technical Department to help with back office administration support and stock management.



Engagement Channels

To create an engaged and happy workforce, we foster two-way communication with our employees through channels such as internal newsletters, staff surveys, luncheons, town hall meetings and the intranet platform. We value all feedback and suggestions received, and the senior management reviews suggestions regularly and provides solutions to address concerns.

In March 2017, Modern Terminals conducted a culture survey and received a high response rate of 99%, collecting views from employees regarding the company culture and related initiatives. To ensure effective communication and dissemination of information, ModernChat and Cheer-Me-Up Stations were also set up. Staffed by the Human Resources Employee Relations team, the Cheer-Me-Up Stations served as kiosks for employees to learn about various recreational activities, staff benefits and human resources policies, as well as to enjoy healthy snacks and drinks. They are set up once a month to encourage communication and enhance connections between employees.

Employee Wellbeing

We prioritise the health and overall wellness of our employees. Family-friendly and mother-friendly measures are in place to help staff maintain a healthy work-life balance, such as the provision of nursery rooms and flexible working hours. The Group and our BUs also organised recreational activities and outings, interest classes and team building exercises throughout the year.

Modern Terminals launched the 5-week Summer Fitness Programme, which provided over 10 hours of sports training and around 5 hours of personal development activities to the children of staff members and of low-income families in Kwai Tsing. Besides helping them build confidence, the outdoor adventure activities also strengthened the parent-child relationship.



“During the rock-climbing activity, my daughter received immense encouragement from other participants, which helped her build up self-confidence and reach the top. I am very grateful that my company organised such an awesome activity, which has enhanced our relationship and supported the personal development of my daughter.”

– Quote from a staff member whose daughter was a participant



At Chengdu IFS, flower art and Chinese painting classes were provided to promote employees' art appreciation; Shanghai Wheelock Square and Shanghai Times Square offered health talks to enhance employees' understanding of sub-optimal health, and we organised jianzi game at Dalian Times Square to encourage employees to exercise.

Occupational Safety and Health

We make every effort to ensure the safety of all of our employees. Besides complying with the OSH standards recommended by the Hong Kong government, potential OSH risks are identified, reviewed and managed regularly by the safety committees of different BUs. Through our OSH mechanism, which includes regular safety trainings, safety assessments, emergency plans, corrective action plans and a policy review, we aim to minimise work-related injuries.

OHSAS 18001:2007 Occupational Health and Safety Management System Certification

Wharf China Property Management – International Finance Square Branch



Workplace Safety

To ensure workplace safety, safety audits and regular assessments are conducted across our premises and operation sites. We proactively investigate potential OSH hazards, conduct assessments to understand root causes and develop solutions to prevent any occurrence and recurrence of incidents.

The handbook “Safety tips – Commuting to Work” was issued and distributed to all employees at Wharf China Estates to address the safety concern such as minor skin abrasions caused when they were commuting to work by bicycle or motorbike. Employees were reminded of the hidden dangers of different commuting modes, and were introduced to traffic-related precautionary and emergency handling measures.

During the reporting period, a few minor traffic accidents happened at Modern Terminals. Although the accident did not cause any serious injuries or casualties, we have undertaken a number of measures and programmes to enhance safe driving awareness, including:



Injury rate by type (per 1,000 employees) and by gender, and by operation, and by region

Rate	Gender		Operation						Region	
	Male	Female	Corporate Office	Investment Properties	Development Properties	Leisure and Hospitality - WHML	Leisure and Hospitality - Wharf Hotels	Logistics	Hong Kong SAR	Mainland China
Musculoskeletal injuries	9.5	6.0	6.1	10.4	2.1	0	10.8	5.4	4.4	9.9
Integumentary injuries	6.9	3.0	0	3.3	0	0	16.8	2.2	1.5	7.3
Crushing	0	0	0	0	0	0	0	0	0	0
Puncture	0	0	0	0	0	0	0	0	0	0
Fracture	1.3	0.6	0	0	0	0	2.4	0	0	0.8
Other minor injuries	0.9	3.0	0	0.7	0	0	7.2	0	0	2.7
Other serious injuries	0	0	0	0	0	0	0	0	0	0
Overall	18.6	12.5	6.1	14.3	2.1	0	37.2	7.5	5.8	20.6

Instilling Safety Mind-set

We believe that instilling a safety mind-set is essential to preventing workplace injuries. Safety manuals are communicated to employees, while safety-related talks and seminars are held across business operations to ensure that our employees are well aware of OSH practices and handling procedures should an accident occur.

All new employees at Modern Terminals are required to receive a safety induction training, explaining the safety standards and relevant regulations that they should comply with during operations, such as Factories and Industrial Undertakings (Lifting Appliances and Lifting Gear) Regulations. Besides offering “Green Card” and “Blue Card” safety trainings, regular workshops and seminars were also provided, with topics including safe driving, work safe behaviour, container handling and chemical spillage handling.

An OSH Committee was established to oversee OSH matters in our investment properties. Regular safety inspections are organised to check fire-fighting facilities and repair or replace any damaged ones.

Safety Expectations of Our Contractors

The Group also pays a great deal of attention to the safety of its contracted and subcontracted workers. OSH requirements are clearly stated in all our tender documents, and performance appraisals are conducted to ensure that contractors fulfil both the internal and legal requirements. In addition, we provide internal safety guidelines and in-house training sessions.

At Modern Terminals, extensive measures have been taken to prevent our subcontracted stevedores from being injured by lashing rods and twist locks while lashing containers, including incident sharing sessions, briefings and procedural review.



BUSINESS-IN- COMMUNITY



BUSINESS-IN-COMMUNITY

The Group's commitment in creating positive impact for the community revolves around our philosophy of "Business-in-Community". We fulfill our corporate social responsibility by helping the community grow, and investing in local community under three pillars – nurturing the youth, supporting the needy, and promoting art and culture. Through cultivating a "care-for-other" spirit inside Wharf, we encourage volunteerism and invite all our employees to build a better future for our community.



HK\$30 million

Amount of financial donations to charitable organisations



223¹⁶

Number of events and activities supported



Wharf



Modern Terminals

Youth Development

As we build our youth, we are also building the future of our society. We make an all-out effort to nurture our next generation to live up to their full potential, and empower them to create a better future.

Programme and activity highlights

Block Printing on Fabric Workshop

Partnered with Sichuan Zhixiang Vocational and Technical School, Chengdu IFS arranged a traditional block printing workshop for teenagers with hearing or visual disabilities to develop their hands-on ability.



Architectural Design Internship Programme

Established by The Wharf ArchDesign Resource Trust in 2011, the programme has awarded internship to 24 outstanding architectural postgraduates to work alongside distinguished designers and learn about international architectural design practices.

¹⁶ BUs which contributed include the Group's Hong Kong operations, namely, Harbour City, Times Square, Plaza Hollywood, Prince Hotel, Gateway Hotel, Marco Polo Hongkong Hotel, Pacific Club, Gateway Apartments, and The "Star" Ferry Company, Limited and Mainland China operations, namely, Niccolo Chengdu, Niccolo Chongqing, Wharf China Estates Limited, and Marco Polo Changzhou.

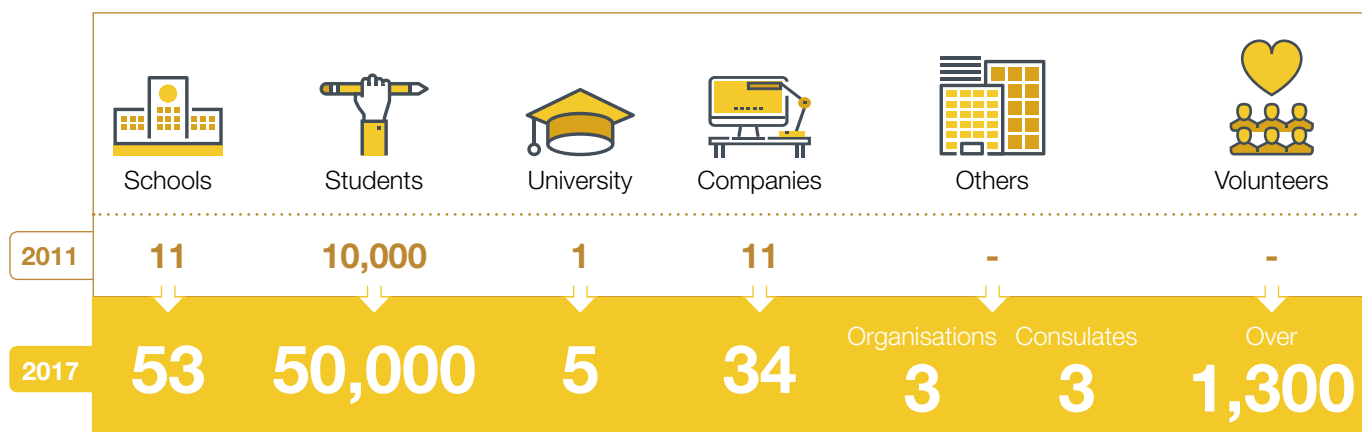
Project WeCan (“WeCan”)

Launched in 2011, *WeCan* is a Business-in-Community initiative providing secondary school students who are disadvantaged in learning with opportunities and care to empower them in the pursuit of higher education and future careers.

Using an “adopt a school” model, *WeCan* is an open platform where each school is coupled with a partner in a multi-year collaboration for providing financial and volunteer support. To facilitate mutual learning and exchange, *WeCan* schools are also invited to take part in joint-school programmes including the Young Innovators Bazaar, Career Exploration Day, Job Tasting Programme, and Teachers’ Development Days, etc.



Project WeCan
「學校起動」計劃



Young Innovators Bazaar

Celebrating its 5th anniversary, the Young Innovators Bazaar 2017 brought in university business school students to support more than 1,000 students from 46 secondary schools as they run their business from scratch. During the four months’ preparation, with guidance from the university students and corporate volunteers, secondary school students developed their own business plans, conducted market research, designed and sourced their products, and learnt about sales and marketing strategies. This “out-of-classroom” experience not only allowed students to understand how a business operates and apply what they learned in a real business setting, but also improved their communication skills and boosted their confidence.



WeCan Scholarship Scheme

The *WeCan* Scholarship Scheme, since its establishment in 2015, has provided scholarships for 230 graduates from *WeCan* schools to pursue four-year degree courses at publicly-funded tertiary institutions. The *WeCan* Scholars are invited to join *WeCan* Alumni, where they can give back to the society by actively participating and volunteering in Project *WeCan* programmes.

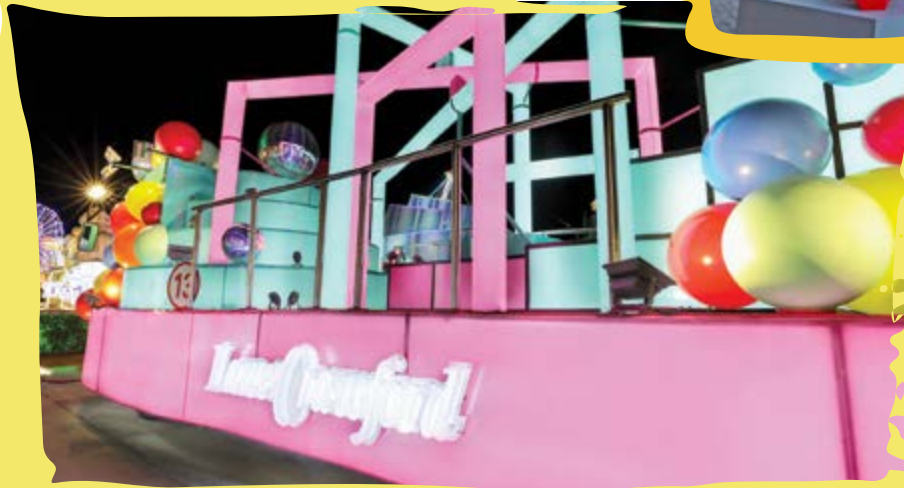
Art and Culture

We aspire to infuse arts and culture into our community, and raise public awareness on their important roles as the fabric and soul of the society. Throughout the years, we have devoted abundant resources to organising and supporting exhibitions, and nurturing young artistic potential.

Programme and activity highlights

Operation Panda

Operation Panda was the first joint operation of Chengdu IFS and Paris Saint-Germain-des-Prés Committee, after a partnership was established in May 2017 to facilitate arts and east-west cultural exchange. Panda artwork and panda plush toys were donated by Chengdu IFS for the charity sales at the Saint-Germain-des-Prés Christmas market.



Shanghai Tourism Festival Parade

Shanghai Times Square has supported the annual parade organised by the Shanghai Tourism Administration by providing the piazza for the parade route. The annual parade is a signature event for the Shanghai people to showcase the culture, customs and traditional arts of the city with pride.

Community Care

Being an integral part of the community, we strongly believe in giving back and caring for the people in need. Through donations, venue sponsorship, logistics support and staff volunteerism, the Group have supported numerous programmes in the areas of environmental protection, education and social inclusion.

Programme and activity highlights

**“Bridge to Hearts” – Wu Zhi ..
Qiao Charitable Foundation**

Since 2011, the Group has supported the Wu Zhi Qiao Charitable Foundation and made donation every year to improve the living conditions of underprivileged villagers in remote areas of Mainland China. This year, staff volunteers and students from *WeCan* schools travelled to Weining, Guizhou to build amenities and two bridges for local villagers.



..... Beach Cleaning X Marine Plastic Art Exhibition

Partnered with Dalian Environmental Protection Volunteers Association, volunteers and customers from Dalian Times Square participated in a beach cleaning activity. Collected cartons, beverage cans and bottle caps were turned into exquisite art pieces created by American artist Tess Felix. The artwork was displayed at the Marine Plastic Art Exhibition at Dalian Times Square to inspire action for marine conservation.





Autism Support X Los Chicanos Art Exhibition

Showcasing Chicanos artwork from French graffiti artist Ceet Fouad, a two-month graffiti art charity sales was held at Dalian Times Square to support the Star Spark Autism Support Center.



Caring Canteen - Subsidised Meals

Volunteers from Modern Terminals joined the "Caring Canteen - Subsidised Meals" organised by Chinese YMCA, serving about 120 low-income families in the Kwai Tsing District.



Shanghai International Towerrunning Grand Prix

19 staff members from Shanghai Wheelock Square participated in the charity event. Each meaningful step was converted to one cent to raise funds for Jing'an Temple Community School for Special Education.

PROVIDING VALUE TO OUR CUSTOMERS



PROVIDING VALUE TO OUR CUSTOMERS

The Group is steadfast in its commitment to providing the best experience for customers through the products and services we offer. Following the Group's guidelines relating to customer service, customer health and safety, data privacy, marketing, and quality assurance, our BUs implement corresponding policies and comply with relevant laws and regulations with the aim of bringing the greatest value to our customers.

Quality Products and Services

Through our robust and personalised approach to property and mall development, retail management and hotel operations, we strive to offer an exquisite customer experience.

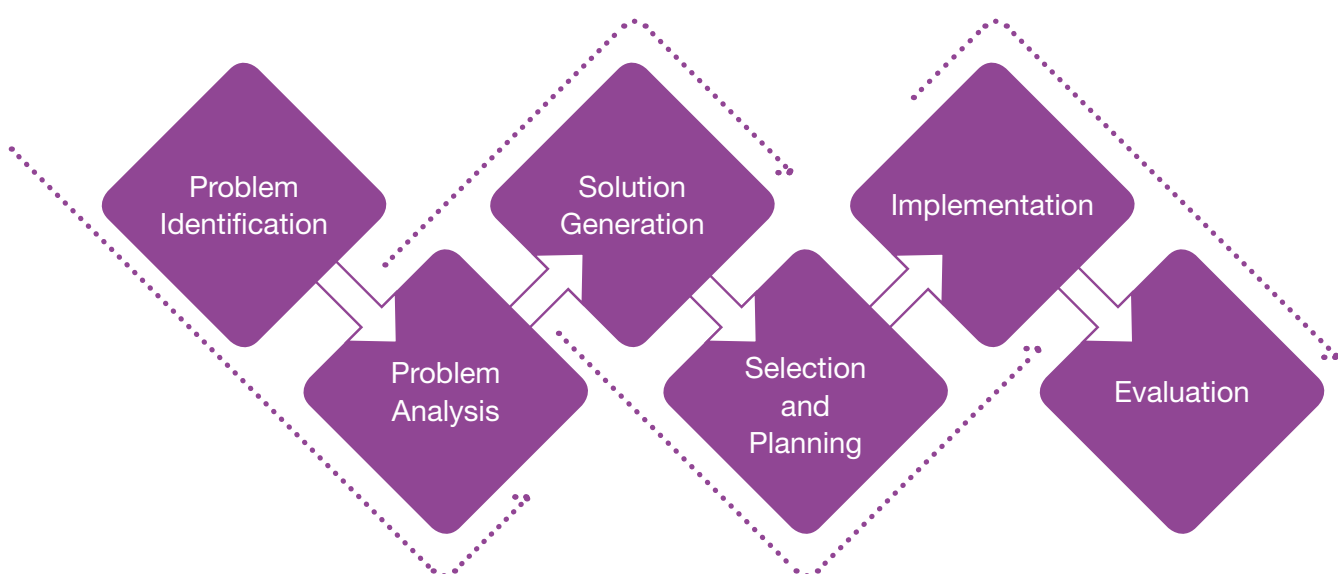
Professional Customer Services

Our professional team is at the core of providing exceptional services to customers. To nurture a strong customer service culture that supports our quest for excellence, each business unit provides inductions and training workshops to maintain a high standard of service quality.

All frontline staff at Wharf Hotels receive extensive training for the satisfaction of our guests. For example, at Niccolo Chongqing, a wide range of training aspects are offered, including grooming, sales skills, manner, complaint handling and English language skills. In 2017, Wharf Hotels scored two wins at the hotel industry's most prestigious awards, The BMW Hotelier Awards 2017, honouring our professional talent.

In recognition of the professionalism, teamwork and innovation of its employees, Shanghai Wheelock Square was awarded the Office Team of the Year Excellence award by the Royal Institute of Chartered Surveyors. It also acknowledged the accomplishments that the team achieved by utilising their professional skills and knowledge to provide a sustainable and thriving environment for its tenants and customers.

At our Hotels, we follow a six-step problem solving technique to address our guests' concerns.



Major complaints are handled by the duty manager around the clock. A hospitality training series which includes our Global Service Standards, complaint handling and upselling skills is delivered. As a company culture, we also value our employees' suggestions on improving workflow, service quality and cost control measures.

Unique Investment Properties Portfolio

Developing and managing destination retail landmarks have always been the Group's strongest identity. Our portfolio consists of retail properties that serve as global showcases for best-in-class retailers. Prime locations, aspirational brands, exquisite culinary selections and appealing entertainment offerings are all contributing factors to our success.

Drawing on our decades of expertise in property management, our International Finance Square ("IFS") series in China is experiencing unprecedented growth. Modelled on Harbour City in Hong Kong, Chengdu IFS is renowned for its mixed-use design. It comprises a mega shopping mall, premium-grade A office towers, serviced apartments and Niccolo Hotel, offering an all-in-one experience for shoppers, workers, residents, and tourists. In partnership with Le Comité Saint-Germain-des-Prés, Chengdu IFS also presents vibrant art and cultural experiences to customers by forming sister-streets with Boulevard Saint-Germain in Paris.



The gigantic panda sculpture giant named "I am Here" at Chengdu IFS created by internationally renowned artist Lawrence Argent

Shanghai Wheelock Square comprises of a main building that provides premium offices and two annex buildings for high-end retail and dining facilities. Having a deep understanding of the needs and expectations of our clients, Shanghai Wheelock Square provides excellent office environment and all-inclusive and personalised services. Its client-oriented philosophy has attracted multinationals and major corporations in Puxi.



Exquisite Development Properties

In China, Wharf adopts a disciplined and selective land purchase strategy, with a focus on first-tier and top second-tier cities, namely Beijing, Shanghai, Suzhou, Hangzhou, Shenzhen and Guangzhou, to enhance the quality of landbank and return. Our various projects include Shanghai Pudong E18, which attracted favourable demand from affluent buyers.

Distinguished Hotel Operations and Management

With a view to deliver distinctive cultural experiences and exceptional services and facilities, the Wharf Hotels manages two brands, the legacy Marco Polo Hotels brand and the new luxury brand, Niccolo Hotels.



Niccolo is a new Wharf Hotels brand which represents a sophisticated urban chic lifestyle. Niccolo Chengdu, being the pioneer of the brand, has received a host of accolades which affirms its advantages to provide seamless access to premier shopping, exciting entertainment and convenient metro.

Guests at Niccolo Chongqing could enjoy the panoramic view of the Yangtze and Jialing rivers, as well as connectivity through three nearby bridges.

As part of the Government's Conserving Central initiative, the Group has recently transformed the historic Murray Building into The Murray, a 336-room Niccolo Hotel. It is an exciting opportunity to offer the city's prominent visitors unique signature experiences and timeless delights.



First-rate Terminal Services

Modern Terminals is a leading operator of world-class container terminal services in the South China region. While its main operations are in Kwai Tsing, Hong Kong, its market presence spreads across Mainland China, with shares in the DaChan Bay Terminals and other terminals in the Pearl River Delta. It is committed to ensuring that products are safely on their way to their destinations in the shortest possible time.

Customer Health and Safety

Ensuring a safe, healthy and enjoyable experience for our customers at all times is our top priority. We regularly assess product and services safety such as food safety and facilities hygiene, making sure that what we offer will not harm consumers' health. We also go the extra mile to enhance the comfort and wellbeing of all guests and visitors.

Accessible and Caring Facilities

The design and features of our premises take into account the different needs of our customers. Our shopping malls and hotels provide barrier-free facilities, such as elevators, electric stair-climbing wheelchairs, accessible toilets and designated parking slots, providing customers safe and convenient access to the premises. Portable induction loop systems are also offered at the shopping mall concierge to provide hearing aids for the people in need.

The provision of family- and mother-friendly facilities contributes to a pleasant experience for our visitors and guests. For example, there are six baby nursery rooms at Chengdu IFS equipped with thoughtful amenities.



Safe Premises and Clean Environment

Regular safety inspections and annual maintenance of facilities are carried out in all our premises. We also select and monitor our suppliers based on the health and safety performance of their products and services.

During daily patrol at our premises, security personnel inspects facilities or items that may have potential health and safety risks, and ensure that the conditions of escape stairs, corridors and other fire compartments comply with fire safety regulations. We also provide fire safety training to all staff, equipping them with skills on escape planning, evacuation and fire extinguishing. At Chengdu IFS, our committed staff also conducted door-to-door fire safety trainings for over 400 tenants, enhancing their awareness on fire safety.



To enable all customers to fully enjoy public spaces, we carefully plan and deploy crowd control measures, especially during large-scale events. Our premises are also equipped with adequate first aid equipment and automated external defibrillators. In cases of emergency, our qualified first aid team will arrive at the scene quickly to provide medical assistance.

We also strive to provide a hygienic and healthy environment for customers while they enjoy their time at our premises. We ensure that our premises attain excellent indoor air quality by regular monitoring and installation of fresh air systems. For example, besides adhering to an indoor smoking ban, Shanghai Wheelock Square has obtained LEED Gold certification with excellent performance in indoor air quality.

Food Safety

At Wharf Hotels, we strictly comply with the Food Safety Law and Operating Rules for Food Safety in Catering Services in Mainland China. Our Marco Polo Hotels conduct weekly food safety inspections and monthly food safety training and assessments for all catering staff. We also conduct monthly audits on high risk food suppliers to ensure that they always meet our required safety standards.

We are proud that there were no incidents of non-compliance with regulations and voluntary codes resulting in a fine or penalty within the reporting year.

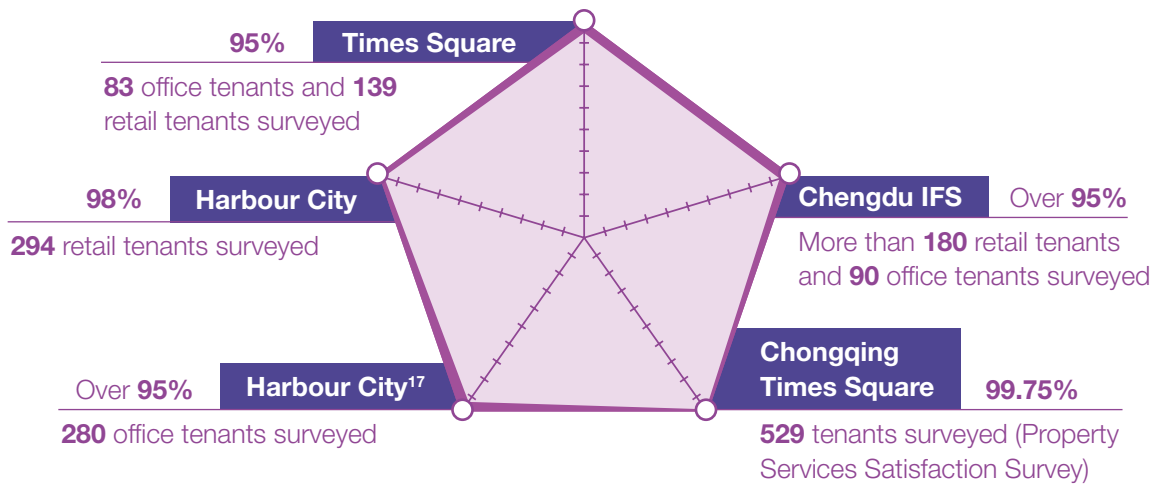
Customer Satisfaction

The Group follows a customer-centric philosophy to keep our customers happy. To improve customer experience, we actively engage with customers to learn about their perspectives. Various engagement channels are set up to facilitate feedback from visitors, guests, shoppers, tenants and business partners. The following table shows the major customer engagement channels of each business unit.

Business unit	Wharf China Estates	Wharf China Development	Wharf Hotels	Modern Terminals
Internet and e-mails	✓	✓	✓	✓
Customer service hotlines	✓	✓	✓	
Social media Platform	✓		✓	✓
Focus group discussion	✓	✓		✓
Phone interview		✓	✓	
Comments card			✓	
Online survey	✓	✓	✓	
Mystery shopper	✓			



Overall Satisfaction Rate



We listen and respond to valuable feedback shared by our customers. If we receive any complaints, our staff follow a standard procedure to handle, resolve and report the issue to their supervisors. Our customer service representatives attentively follow up with any complaint, review the issue and actively respond to the complainant, ensuring that we always have our customer’s best interests at heart.



Customer Privacy

The Group is dedicated to protecting the confidentiality of all personal data collected from our guests, tenants, members and shoppers. Each business unit receives guidelines which stipulate the proper procedure of handling and storing customer data. We are compliant with laws and regulations relating to customer privacy, including the Hong Kong Personal Data (Privacy) Ordinance (Cap. 486), and there were no related non-compliant cases during the reporting year.

A privacy policy statement or personal information collection statement is available on our company website and included in documents to clearly explain the purpose for collecting personal information, the types of information we are collecting, how we will use the information, disclosure of information and access to information when correction is needed. Our privacy policy is updated from time to time to maintain alignment with regulatory requirements. Any changes to the policy will be posted to our website so that our stakeholders are always informed of the way we collect and use their personal data.

At our investment properties in China, all rental contracts are securely stored and managed by our central archives system. Important tenant information can only be accessed with approval from the management level, and all VIP information can only be accessed by authorised personnel. The Dalian Times Square also developed a comprehensive set of communication procedures to prevent non-registered persons from obtaining information or collecting items on its customer’s behalf.

17 Survey for the overall satisfaction rate covers the following zones: Ocean Centre, Ocean Gallery, Gateway 1 and Gateway 2.

PERFORMANCE DATA SUMMARY

Key for Data Performance Table

Operation	Business Unit	Acronym
Corporate Office	Wharf head office	WL
Investment Properties	Wharf China Estates Limited <ul style="list-style-type: none"> Shanghai Times Square Shanghai Wheelock Square Chengdu IFS Chongqing Times Square Dalian Times Square Wuxi IFS 	WCEL
Development Properties	Wharf China Development Limited <ul style="list-style-type: none"> Chengdu Shanghai Hangzhou 	WCDL
Leisure and Hospitality	Wharf Hotels Management Limited	WHML
	Wharf Hotels <ul style="list-style-type: none"> Niccolo Chengdu Niccolo Chongqing Marco Polo Wuhan 	WH
Logistics	Modern Terminals	MTL

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

*WCEL, WCDL, WHML and WH are newly added to the 2017 reporting scope. For WHML, only social data are reported. Environmental data of Marco Polo Wuhan are not reported.

Environmental Performance

Air Emissions

Air Emissions by type and source in tonnes (HKEX A1.1)

2017	From vehicles and other ¹⁸
NOx	0.2711
SOx	0.0013
PM	0.0236

Water Consumption¹⁹

Water consumption by source in m³ (GRI 303-1, HKEX A2.2)

		Municipal water			Captured rain water			Underground Water			Recycled water		
		2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015
Investment Properties	WCEL	1,085,316	-	-	36	-	-	71,405	-	-	8,232	-	-
Development Properties	WCDL	877	-	-	-	-	-	-	-	-	-	-	-
Leisure and Hospitality	WH	94,439	-	-	-	-	-	-	-	-	-	-	-
Logistics	MTL	62,763	66,891	65,348	-	-	-	-	-	-	-	-	-

18 These data are confined to air emissions from vehicles and towngas and are calculated based on the methodology from the [HKEX Reporting Guidance on Environmental KPIs](#). These data do not include MTL's vehicular emissions, which will be reported in the future as data collection capacity matures. NOx and PM Emissions from trailer mounted boom lifts at WCEL are not included as well.

19 The Corporate Office does not have a separate metre. The consumption is included in the bills of Harbour City (Please refer to [Wharf REIC's standalone Sustainability Report 2017](#)). Captured rainwater and underground water use are confined to Chengdu IFS. Municipal water consumption of Niccolo Chongqing is included in that of Investment Properties.

Energy Consumption

Energy consumption by source in GJ (GRI 302-1, HKEX A2.1)²⁰

		Corporate Office	Investment Properties	Development Properties	Leisure and Hospitality	Logistics	
		WL	WCEL	WCDL	WH	MTL	Total
Diesel oil	2017	73	7,744	-	-	325,389	333,206
	2016	231	-	-	-	314,236	314,467
	2015	475	-	-	-	271,139	271,614
Unleaded petrol	2017	738	806	1,053	-	1,208	3,805
	2016	782	-	-	-	1,363	2,145
	2015	777	-	-	-	1,403	2,180
Liquefied petroleum gas ("LPG")	2017	-	-	-	-	3,553	3,553
	2016	-	-	-	-	3,542	3,542
	2015	-	-	-	-	3,210	3,210
Towngas	2017	-	-	-	-	1,962	1,962
	2016	-	-	-	-	2,437	2,437
	2015	-	-	-	-	2,833	2,833
Piped natural gas ("PNG")	2017	-	43,739	-	6,181	-	49,920
	2016	-	-	-	-	-	-
	2015	-	-	-	-	-	-
Purchased electricity	2017	2,732	562,003	1,136	0	179,299	745,170
	2016	2,755	-	-	-	172,292	175,047
	2015	2,687	-	-	-	166,996	169,683
Self-generated renewable energy - Solar	2017	-	4.14	-	-	-	4.14
	2016	-	-	-	-	-	-
	2015	-	-	-	-	-	-
Total	2017	3,543	614,296	2,189	6,181	511,411	1,137,620
	2016	3,768	-	-	-	493,870	497,638
	2015	3,939	-	-	-	445,581	449,520

GHG Emissions

Scope 1 and Scope 2 GHG emissions in tonnes CO₂e (GRI 305-1, GRI 305-2, HKEX A1.2)

Summary	2017
Direct (Scope 1) GHG emissions ²¹	27,993
Energy indirect (Scope 2) emissions ²²	120,543
Total (Scope 1 & 2)	148,536

		Direct (Scope 1) GHG Emissions			Energy Indirect (Scope 2) Emissions		
		2017	2016	2015	2017	2016	2015
Corporate Office	WL	67	69	94	410	413	403
Investment Properties	WCEL	3,288	-	-	92,999	-	-
Development Properties	WCDL	87	-	-	215	-	-
Leisure and Hospitality	WH	376	-	-	0	-	-
Logistics	MTL	24,175	22,089	19,000	26,919	25,874	25,085
Total		27,993	22,158	19,094	120,543	26,287	25,488

20 2017 energy conversion factors used for diesel oil, unleaded petrol, LPG and gas oil are from CDP Technical Note: Conversion of fuel data to MWh. 2017 energy conversion factors used for PNG is from 2012 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting. Energy consumption from PNG is newly reported in 2017. Energy consumption of towngas was calculated based on the formula provided by The Hong Kong and China Gas Company Limited. Purchased electricity of Niccolo Chengdu and Niccolo Chongqing are included in that of Investment Properties. Self-generated renewable energy - Solar refers to Chengdu IFS.

21 2017 Scope 1 emission are direct GHG emissions from sources that are owned or controlled by Wharf, such as the GHG emissions by the combustion of diesel, unleaded petrol, towngas, and LPG are calculated based on Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong. Emission from combustion of PNG is calculated based on 2012 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting.

22 2017 Scope 2 emissions are indirect GHG emissions from the generation of purchased or acquired electricity and towngas consumed by Wharf, and were calculated based on the default factors provided by electricity providers in Hong Kong, Power Assets (0.79 CO₂e kg/kWh), CLP (0.54 CO₂e kg/kWh) and The Hong Kong and China Gas Company Limited (0.599 CO₂e kg/unit). GHG emission by electricity purchased in China in this report is calculated based on China grid emission factor in 2011年和2012年中國區域電網平均二氧化碳排放因子. Scope 2 emissions of Niccolo Chengdu and Niccolo Chongqing are included in that of Investment Properties.

Waste Management²³

Waste recycled in tonnes (GRI 306-2, HKEX A1.6)²⁴

Recycled Waste Type		Corporate Office	Investment Properties	Development Properties	Leisure and Hospitality	Logistics	Total
		WL	WCEL	WCDL	WH	MTL	
Paper	2017	5.93	67.35	0.13	11.47	24.93	109.81
	2016	6.24	-	-	-	23.03	29.27
	2015	11.50	-	-	-	20.60	32.10
Cell Batteries	2017	-	0.15	0.01	0.06	0.001	0.22
	2016	-	-	-	-	-	-
	2015	-	-	-	-	-	-
Industrial Batteries	2017	-	-	-	-	3.70	3.70
	2016	-	-	-	-	5.61	5.61
	2015	-	-	-	-	6.03	6.03
Fluorescent Lamps	2017	0.05	0.30	-	0.03	0.42	0.80
	2016	0.05	-	-	-	0.45	0.50
	2015	0.05	-	-	-	0.46	0.51
Light Bulbs	2017	-	0.08	-	0.05	-	0.13
	2016	-	-	-	-	-	-
	2015	-	-	-	-	-	-
Plastics	2017	0.01	1.20	0.02	8.42	0.17	9.82
	2016	0.02	-	-	-	0.06	0.08
	2015	0.02	-	-	-	0.04	0.06
Metal	2017	-	3.00	-	4.25	815.54 ²⁵	822.79
	2016	-	-	-	-	276.80	276.80
	2015	-	-	-	-	219.85	219.85
Food Waste	2017	-	823.33	-	204.23	10.49	1,038.05
	2016	-	-	-	-	27.40	27.40
	2015	-	-	-	-	41.80	41.80
Glass	2017	0.07	-	-	0.01	0.16	0.24
	2016	0.07	-	-	-	0.19	0.26
	2015	0.06	-	-	-	0.05	0.11
Electrical Appliances/Components	2017	1.12	-	-	0.01	0.50	1.63
	2016	1.23	-	-	-	2.02	3.25
	2015	0.60	-	-	-	5.75	6.35
Soap	2017	-	-	-	1.11	-	1.11
	2016	-	-	-	-	-	-
	2015	-	-	-	-	-	-
Used Ink Cartridge	2017	0.38	-	0.11	0.24	0.13	0.86
	2016	0.41	-	-	-	0.10	0.51
	2015	0.51	-	-	-	0.14	0.65
Scrap Tyres	2017	-	-	0.03	-	89.78	89.81
	2016	-	-	-	-	-	-
	2015	-	-	-	-	-	-
Waste Cooking Oil	2017	-	12.02	-	0.97	-	12.99
	2016	-	-	-	-	-	0
	2015	-	-	-	-	-	0
Waste Industrial Oil	2017	-	0.08	-	-	41.23	41.31
	2016	-	-	-	-	27.4	27.40
	2015	-	-	-	-	41.8	41.80
Wooden Pallets	2017	-	-	-	-	315.02	315.02
	2016	-	-	-	-	-	-
	2015	-	-	-	-	-	-
Waste filter	2017	-	-	-	-	4.30	4.30
	2016	-	-	-	-	-	-
	2015	-	-	-	-	-	-
Waste rag	2017	-	-	-	-	9.22	9.22
	2016	-	-	-	-	-	-
	2015	-	-	-	-	-	-
Total	2017	7.56	907.51	0.30	230.85	1,315.59	2,461.81
	2016	8.02	-	-	-	363.06	371.08
	2015	12.74	-	-	-	336.52	349.26

Waste to landfill in tonnes (GRI 306-2, HKEX A1.6)

		Corporate Office	Investment Properties	Development Properties	Leisure and Hospitality	Logistics	Total
		WL	WCEL	WCDL	WH	MTL	
General refuse	2017	9	11,111	-	527	847	12,494

²³ Data on recycled cell batteries, recycled soap, waste tyres, waste filter, waste rag and general refuse are newly reported in 2017.

²⁴ Hazardous waste includes cell batteries, industrial batteries, fluorescent lamps, light bulbs, electric appliances/components, waste ink cartridge, waste cooking oil, waste industrial oil, waste filter and waste rag. Non-hazardous waste includes waste paper, plastics, metals, food waste, glass, soap and clothes.

²⁵ The significant increase in recycled metal for MTL is due to some disposal projects in 2017.

Employee Statistics

Employee Distribution

Total workforce by gender (GRI 102-8, HKEX B1.1)

		2015			2016			2017		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
Corporate Office	WL	125	155	280	126	158	284	67	96	163
Investment Properties	WCEL	-	-	-	-	-	-	800	737	1,537
Development Properties	WCDL	-	-	-	-	-	-	232	243	475
Leisure and Hospitality	WHML	-	-	-	-	-	-	21	35	56
	WH	-	-	-	-	-	-	373	460	833
Logistics	MTL	851	111	962	848	110	958	823	106	929
Total		976	266	1,242	974	268	1,242	2,316	1,677	3,993

Total workforce by employment type (GRI 102-8, HKEX B1.1)²⁶

		2015			2016			2017		
		Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total
Corporate Office	WL	262	0	262	265	0	265	162	1	163
Investment Properties	WCEL	-	-	-	-	-	-	1,518	19	1,537
Development Properties	WCDL	-	-	-	-	-	-	475	0	475
Leisure and Hospitality	WHML	-	-	-	-	-	-	56	0	56
	WH	-	-	-	-	-	-	831	2	833
Logistics	MTL	895	0	895	918	0	918	929	0	929
Total		1,157	0	1,157	1,183	0	1,183	3,971	22	3,993

Total workforce by employment contract (GRI 102-8, HKEX B1.1)

		2015			2016			2017		
		Permanent	Fixed term	Temporary	Permanent	Fixed term	Temporary	Permanent	Fixed term	Temporary
Corporate Office	WL	262	18	0	265	19	0	143	19	1
Investment Properties	WCEL	-	-	-	-	-	-	440	1,070	27
Development Properties	WCDL	-	-	-	-	-	-	114	361	0
Leisure and Hospitality	WHML	-	-	-	-	-	-	35	21	0
	WH	-	-	-	-	-	-	61	741	31
Logistics	MTL	895	67	0	918	35	5	924	5	0
Total		1,157	85	0	1,183	54	5	1,717	2,217	59

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

		2015			2016			2017		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
Corporate Office	WL	112	150	262	111	154	265	53	90	143
Investment Properties	WCEL	-	-	-	-	-	-	258	182	440
Development Properties	WCDL	-	-	-	-	-	-	59	55	114
Leisure and Hospitality	WHML	-	-	-	-	-	-	9	26	35
	WH	-	-	-	-	-	-	25	36	61
Logistics	MTL	787	108	895	812	106	918	821	103	924
Total		899	258	1,157	923	260	1,183	1,225	492	1,717

²⁶ 2015 and 2016 data show the distribution of permanent contract employees while 2017 data show the distribution of total workforce.

Gender, age group and minority group distribution of all employees by employment category²⁷ in 2017 (GRI 405-1, HKEX B1.1)

			Male	Female	Below 30	30 - 50	Above 50	Minority group ²⁸	Non-minority group
Corporate Office	WL	Senior management	79%	21%	0%	21%	79%	0%	100%
		Middle management	37.5%	62.5%	0%	75%	25%	0%	100%
		General staff	36%	64%	23%	54%	23%	0%	100%
Investment Properties	WCEL	Senior management	50%	50%	0%	50%	50%	0%	100%
		Middle management	52%	48%	1%	87%	12%	1%	99%
		General staff	52%	48%	34.1%	58.5%	7.4%	2%	98%
Development Properties	WCDL	Senior management	100%	0%	0%	40%	60%	0%	100%
		Middle management	61%	39%	1%	89%	10%	0%	100%
		General staff	45%	55%	28%	70%	2%	1%	99%
Leisure and Hospitality	WHML	Senior management	57%	43%	0%	57%	43%	24%	76%
		Middle management	33%	67%	0%	83%	17%	6%	94%
		General staff	18%	82%	35%	53%	12%	0%	100%
	WH	Senior management	81%	19%	0%	87.5%	12.5%	6%	94%
		Middle management	48%	52%	12%	88%	0%	0%	100%
		General staff	44%	56%	56%	37%	7%	1%	99%
Logistics	MTL	Senior management	74%	26%	0%	47%	53%	21%	79%
		Middle management	75%	25%	9%	60%	31%	0%	100%
		General staff	94%	6%	11%	53%	36%	0%	100%
			Male	Female	Below 30	30 - 50	Above 50	Minority group	Non-minority group
Group Overall	Senior management		72%	28%	0%	51%	49%	11%	89%
	Middle management		62%	38%	5%	76%	19%	0%	100%
	General staff		57%	43%	33%	54%	13%	1%	99%
	Total		58%	42%	28.5%	56.8%	14.7%	1%	99%

New Employee Hires

Gender distribution of new employee hires in number (GRI 401-1)

		2015		2016		2017	
		Male	Female	Male	Female	Male	Female
Corporate Office	WL	15	20	17	28	8	24
Investment Properties	WCEL	-	-	-	-	143	207
Development Properties	WCDL	-	-	-	-	31	23
Leisure and Hospitality	WHML	-	-	-	-	10	12
	WH	-	-	-	-	275	281
Logistics	MTL	32	14	59	18	53	13
Total		47	34	76	46	520	560

Gender distribution of new employee hires in percentage²⁹ (GRI 401-1)

		2015		2016		2017	
		Male	Female	Male	Female	Male	Female
Corporate Office	WL	13%	13%	13%	18%	12%	25%
Investment Properties	WCEL	-	-	-	-	18%	28%
Development Properties	WCDL	-	-	-	-	13%	9%
Leisure and Hospitality	WHML	-	-	-	-	48%	34%
	WH	-	-	-	-	74%	61%
Logistics	MTL	4%	13%	7%	17%	6%	12%
Overall		5%	13%	8%	17%	22%	33%

27 This information is derived from BUs' own human resources system.

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

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

Age distribution of new employee hires in number (GRI 401-1)

		2015			2016			2017		
		Below 30	30 - 50	Above 50	Below 30	30 - 50	Above 50	Below 30	30 - 50	Above 50
Corporate Office	WL	16	16	3	23	16	6	19	9	4
Investment Properties	WCEL	-	-	-	-	-	-	210	136	4
Development Properties	WCDL	-	-	-	-	-	-	24	30	0
Leisure and Hospitality	WHML	-	-	-	-	-	-	6	14	2
	WH	-	-	-	-	-	-	347	196	13
Logistics	MTL	19	20	7	37	36	4	27	38	1
Total		35	36	10	60	52	10	633	423	24

Age distribution of new employee hires in percentage³⁰ (GRI 401-1)

		2015			2016			2017		
		Below 30	30 - 50	Above 50	Below 30	30 - 50	Above 50	Below 30	30 - 50	Above 50
Corporate Office	WL	33%	9%	5%	56%	9%	10%	70%	10%	8%
Investment Properties	WCEL	-	-	-	-	-	-	43%	15%	3%
Development Properties	WCDL	-	-	-	-	-	-	24%	9%	0%
Leisure and Hospitality	WHML	-	-	-	-	-	-	100%	39%	14%
	WH	-	-	-	-	-	-	81%	56%	25%
Logistics	MTL	19%	4%	2%	43%	7%	1%	29%	7%	0%
Total		-	-	-	-	-	-	56%	19%	4%

Region distribution of new employee hires in numbers and percentage³¹ (GRI 401-1, HKEX B1.2)

	Hong Kong SAR	Mainland China	Overall
Total	130 (9%)	950 (36%)	1,080 (27%)

Employee Turnover

Gender distribution of employee turnover in number (GRI 401-1, HKEX B1.2)

		2015		2016		2017	
		Male	Female	Male	Female	Male	Female
Corporate Office	WL	22	22	12	24	7	27
Investment Properties	WCEL	-	-	-	-	164	166
Development Properties	WCDL	-	-	-	-	70	65
Leisure and Hospitality	WHML	-	-	-	-	12	11
	WH	-	-	-	-	173	155
Logistics	MTL	32	14	63	19	80	18
Total		54	36	75	43	506	442

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

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

Gender distribution of employee turnover in percentage³² (GRI 401-1, HKEX B1.2)

		2015		2016		2017	
		Male	Female	Male	Female	Male	Female
Corporate Office	WL	18%	14%	10%	15%	10%	28%
Investment Properties	WCEL	-	-	-	-	21%	23%
Development Properties	WCDL	-	-	-	-	30%	27%
Leisure and Hospitality	WHML	-	-	-	-	57%	31%
	WH	-	-	-	-	46%	34%
Logistics	MTL	4%	13%	7%	17%	10%	17%
Overall		6%	14%	8%	16%	22%	26%

Age distribution of employee turnover in number (GRI 401-1, HKEX B1.2)

		2015			2016			2017		
		Below 30	30 - 50	Above 50	Below 30	30 - 50	Above 50	Below 30	30 - 50	Above 50
Corporate Office	WL	7	32	5	15	14	7	12	17	5
Investment Properties	WCEL	-	-	-	-	-	-	183	133	14
Development Properties	WCDL	-	-	-	-	-	-	34	99	2
Leisure and Hospitality	WHML	-	-	-	-	-	-	5	13	5
	WH	-	-	-	-	-	-	206	115	7
Logistics	MTL	22	37	53	17	34	31	22	36	40
Total		29	69	58	32	48	38	462	413	73

Age distribution of employee turnover in percentage³³ (GRI 401-1, HKEX B1.2)

		2015			2016			2017		
		Below 30	30 - 50	Above 50	Below 30	30 - 50	Above 50	Below 30	30 - 50	Above 50
Corporate Office	WL	15%	18%	9%	37%	8%	11%	44%	20%	10%
Investment Properties	WCEL	-	-	-	-	-	-	38%	14%	11%
Development Properties	WCDL	-	-	-	-	-	-	33%	28%	10%
Leisure and Hospitality	WHML	-	-	-	-	-	-	83%	36%	36%
	WH	-	-	-	-	-	-	48%	33%	13%
Logistics	MTL	22%	7%	17%	20%	7%	8%	24%	7%	12%
Total		-	-	-	-	-	-	41%	18%	12%

Region distribution of employee turnover in numbers and percentage³⁴ (GRI 401-1, HKEX B1.2)

	Hong Kong SAR	Mainland China	Overall
2017	167 (12%)	781 (30%)	948 (24%)

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

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

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

Health and Safety

Work-related fatality in number (GRI 403-2, HKEX B2.1)

	2015		2016		2017	
	Male	Female	Male	Female	Male	Female
Group total	0	0	0	0	0	0

Fatality by region (GRI 403-2, HKEX B2.1)

	Hong Kong SAR	Mainland China
2017	0	0

Injury rate by gender and by region per 1,000 employees³⁵ (GRI 403-2)

		2015		2016		2017	
		Male	Female	Male	Female	Male	Female
Corporate Office	WL	8	0	16	0	0	10
Investment Properties	WCEL	-	-	-	-	25	3
Development Properties	WCDL	-	-	-	-	0	4
Leisure and Hospitality	WHML	-	-	-	-	0	0
	WH	-	-	-	-	40	35
Logistics	MTL	26	0	12	0	7	9
Overall		-	-	-	-	18	13

	Hong Kong SAR	Mainland China	Overall
2017	6	21	16

Lost day rate by gender and by region in percentage³⁶ (GRI 403-2, HKEX B2.2)

		2015		2016		2017	
		Male	Female	Male	Female	Male	Female
Corporate Office	WL	0%	0%	0.002%	0%	0%	0.005%
Investment Properties	WCEL	-	-	-	-	0.099%	0.004%
Development Properties	WCDL	-	-	-	-	0%	0.023%
Leisure and Hospitality	WHML	-	-	-	-	0%	0%
	WH	-	-	-	-	0.089%	0.146%
Logistics	MTL	0.379%	0%	0.052%	0%	0.332%	0.027%
Overall		-	-	-	-	0.180%	0.046%

	Hong Kong SAR	Mainland China	Overall
2017	0.23%	0.069%	0.128%

Occupational disease rate by gender and by region in percentage³⁷ (GRI 403-2)

		2015		2016		2017	
		Male	Female	Male	Female	Male	Female
Corporate Office	WL	0%	0%	0%	0%	0%	0%
Investment Properties	WCEL	-	-	-	-	0%	0%
Development Properties	WCDL	-	-	-	-	0%	0%
Leisure and Hospitality	WHML	-	-	-	-	0%	0%
	WH	-	-	-	-	0%	0%
Logistics	MTL	0%	0%	0%	0%	0%	0%
Overall		-	-	-	-	0%	0%

	Hong Kong SAR	Mainland China	Overall
2017	0%	0%	0%

³⁵ Injury rate (per 1,000 employees) = Total injury cases in the category / Number of all employees in the category X 1,000

³⁶ Lost day rate (in percentage) = Total lost days in the category / Total number of days scheduled to be worked of all employees in the category X 100%

³⁷ Occupational disease rate (in percentage) = Total occupational disease cases in the category / Total number of days scheduled to be worked of all employees in the category X 100%

Absentee rate by gender and by region in percentage³⁸ (GRI 403-2)

		2015		2016		2017	
		Male	Female	Male	Female	Male	Female
Corporate Office	WL	1.0%	3.0%	1.8%	1.9%	1.3%	1.5%
Investment Properties	WCEL	-	-	-	-	0.9%	2.2%
Development Properties	WCDL	-	-	-	-	0.5%	1.5%
Leisure and Hospitality	WHML	-	-	-	-	0.7%	0.6%
	WH	-	-	-	-	0.3%	0.9%
Logistics	MTL	2.7%	1.7%	1.7%	1.9%	1.8%	1.7%
Total		-	-	-	-	1.2%	1.6%

	Hong Kong SAR	Mainland China	Overall
2017	1.7%	1.1%	1.3%

Training and Education

Average number of training hours per employee by gender (GRI 404-1, HKEX B3.2)

		2015			2016			2017		
		Male	Female	Overall	Male	Female	Overall	Male	Female	Overall
Corporate Office	WL	2.4	3.1	2.8	2.2	2.9	2.6	2.2	4.3	3.4
Investment Properties	WCEL	-	-	-	-	-	-	10.6	11.0	10.8
Development Properties	WCDL	-	-	-	-	-	-	7.3	7.0	7.1
Leisure and Hospitality	WHML	-	-	-	-	-	-	12.0	12.0	12.0
	WH	-	-	-	-	-	-	40.0	43.4	41.9
Logistics	MTL	32.0	19.2	30.5	28.0	23.7	27.5	20.0	25.0	20.6
Overall		-	-	-	-	-	-	18.1	19.8	18.8

Average number of training hours per employee by employment category (GRI 404-1, HKEX B3.2)

		2015			2016			2017		
		Senior management	Middle management	General staff	Senior management	Middle management	General staff	Senior management	Middle management	General staff
Corporate Office	WL	3.0	3.1	2.6	4.5	4.7	1.7	5.7	7.4	2.3
Investment Properties	WCEL	-	-	-	-	-	-	4.8	10.0	10.9
Development Properties	WCDL	-	-	-	-	-	-	1.0	2.9	8.5
Leisure and Hospitality	WHML	-	-	-	-	-	-	12.0	12.0	12.0
	WH	-	-	-	-	-	-	42.6	33.9	42.6
Logistics	MTL	28.1	30.4	30.8	23.6	38.6	23.7	9.3	31.1	17.1
Overall		-	-	-	-	-	-	14.3	20.3	18.7

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

Major Awards, Charters and Memberships³⁹

Selected Awards and Recognitions

Organiser	Award and Recognition	Business Unit
Hang Seng Index Company Limited	Constituent member of Hang Seng Corporate Sustainability Index	Wharf
Hong Kong Quality Assurance Agency ("HKQAA")	CSR Index Plus	Wharf
Employees Retraining Board	Manpower Developer Award Scheme - Manpower Developer - ERB (2014-2018)	Modern Terminals
LEED	Platinum for Existing Building: Operations and Maintenance Standard	Chengdu IFS
	Gold for Existing Building: Operations and Maintenance Standard	Shanghai Wheelock Square
Environmental Protection Department	IAQ Certification Scheme Certification	Modern Terminals
Lloyd's Register Quality Assurance Limited	ISO14001: 2015 EMS Certification	Modern Terminals
EarthCheck	Silver Certification	Niccolo Chengdu
	Bronze Certification	Marco Polo Wuhan
Mandatory Provident Fund Schemes Authority	Good MPF Employer (2016-2017)	Wharf
The Community Chest	Fifth Top Donor of the Year Award (Companies, Organisations & Individuals Category)	Wharf
The Hong Kong Council of Social Service	The 5 Years Plus Caring Company Logo	Wharf
	The 10 Years Plus Caring Company Logo	Modern Terminals

Selected Membership and Charters

Organizations	Nature of Membership/Name of Charters	Business Unit
Hong Kong General Chamber of Commerce	Corporate Member	Wharf Limited, Modern Terminals
Employers' Federation of Hong Kong	Corporate Member	Wharf Limited, Modern Terminals
World Wide Fund For Nature Hong Kong	Double Diamond Member	Wharf Limited
Business Environment Council	Council Member	Modern Terminals
Occupational Safety and Health Council	Corporate Member	Modern Terminals
Occupational Safety and Health Council	Joyful@Healthy Workplace Charter	Wharf
The Chartered Institute of Logistics and Transport in Hong Kong	Corporate Member	Modern Terminals
Hong Kong Container Terminal Operators Association	Corporate Member	Wharf
	Committee Member & Treasurer	Modern Terminals
Shanghai Services Federation	Member	Shanghai Wheelock Square
Golden Key International Alliance – Property Alliance	Member	Shanghai Wheelock Square, Shanghai Times Square
China Real Estate Chamber of Commerce – Commercial Real Estate Association	Member	Chengdu IFS, Dalian Times Square
The American Chamber of Commerce	Corporate Member	Modern Terminals, Niccolo Chengdu and Niccolo Chongqing
Environmental Bureau	Energy Saving Charter	Modern Terminals
Environmental Bureau	4Ts Charter	Modern Terminals

39 Please refer to [Wharf REIC's standalone Sustainability Report 2017](#) for its awards, recognitions, membership and charters.

GRI Standards and HKEX ESG Reporting Guide Content Index

Disclosures	HKEX ESG Guide	Page Number/ Remarks	External Assurance
102: General Disclosures 2016			
Organizational profile			
102-1	Name of the organization	The Wharf (Holdings) Limited	✓
102-2	Activities, brands, products, and services	P. 10, 40-42	✓
102-3	Location of headquarters	Hong Kong	✓
102-4	Location of operations	P. 10	✓
102-5	Ownership and legal form	Publicly listed company	✓
102-6	Markets served	P. 10	✓
102-7	Scale of the organization	P. 10, 17	✓
102-8	Information on employees and other workers	KPI B1.1 P. 28-29, 48-50	✓
102-9	Supply chain	KPI B5.1 P. 18	✓
102-10	Significant changes to the organization and its supply chain	P. 3, 18	✓
102-11	Precautionary Principle or approach	P. 11, 14-16	✓
102-12	External initiatives	P. 54	✓
102-13	Membership of associations	P. 54	✓
Strategy			
102-14	Statement from senior decision-maker	P. 1-2	✓
Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	KPI B7.2 P. 10-12, 14-16	✓
Governance			
102-18	Governance structure	P. 14-15	✓
Stakeholder engagement			
102-40	List of stakeholder groups	P. 4	✓
102-41	Collective bargaining agreements	Collective bargaining agreements do not apply to the Group's operations.	✓
102-42	Identifying and selecting stakeholders	P. 4	✓
102-43	Approach to stakeholder engagement	P. 4	✓
102-44	Key topics and concerns raised	P. 5	✓
Reporting practice			
102-45	Entities included in the consolidated financial statements	P. 3 Annual Report: Independent Auditor's Report (P. 106-111)	✓
102-46	Defining report content and topic Boundaries	P. 6-8	✓
102-47	List of material topics	P. 7-8	✓
102-48	Restatements of information	None	✓
102-49	Changes in reporting	P. 3	✓
102-50	Reporting period	P. 3	✓
102-51	Date of most recent report	Corporate Social Responsibility Report 2016	✓
102-52	Reporting cycle	Annual	✓
102-53	Contact point for questions regarding the report	P. 3	✓
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with GRI Standards: Core option.	✓
102-55	GRI content index	P. 55-57	✓
102-56	External assurance	P. 58	✓
200: Economic			
201: Economic Performance 2016			
103	Management approach	P. 10-11 Annual Report – Chairman's Statement (P. 8-13)	✓
201-1	Direct economic value generated and distributed	P. 17 Annual Report - Director's Report (P. 85-105)	✓
201-2	Financial implications and other risks and opportunities due to climate change	P. 14, 20-26 Annual Report - Director's Report (P. 102-104)	✓

Disclosures		HKEX ESG Guide	Page Number/ Remarks	External Assurance
201-4	Financial assistance received from government		No financial assistance from HKSAR Government was received.	✓
203: Indirect Economic Impacts 2016				
103	Management approach	GD B8	P. 11-12, 34	✓
203-1	Infrastructure investments and services supported	KPI B8.1 KPI B8.2	P. 17-18, 34-38	✓
204: Procurement Practices 2016				
103	Management approach	GD B5	P. 11-12, 18	✓
205: Anti-corruption 2016				
103	Management approach	GD B7	P. 11-12, 16	✓
205-3	Confirmed incidents of corruption and actions taken	KPI B7.1	In 2017, there were no confirmed incidents of corruption.	✓
300: Environmental				
302: Energy 2016				
103	Management approach	GD A2, A3	P. 11-12, 20-23	✓
302-1	Energy consumption within the organization within the organization	KPI A2.1	P. 20, 46	✓
302-3	Energy intensity	KPI A2.1	P. 22	✓
CRE-1	Building energy intensity	KPI A2.1	P. 22	✓
302-4	Reduction of energy consumption	KPI A2.3	P. 22	✓
303: Water 2016				
103	Management approach	GD A2, A3	P. 11-12, 24	✓
303-1	Water withdrawal by source	KPI A2.2	P. 24, 45	✓
CRE-2	Building water intensity	KPI A2.2	P. 24	✓
303-2	Water sources significantly affected by withdrawal of water	KPI A3.1, A2.4	There were no water sources significantly affected by withdrawal of water by Wharf.	✓
305: Emissions 2016				
103	Management approach	GD A1, A3	P. 11-12, 20-23	✓
305-1	Direct (Scope 1) GHG emissions	KPI A1.1 KPI A1.2	P. 46	✓
305-2	Energy indirect (Scope 2) GHG emissions	KPI A1.1 KPI A1.2	P. 46	✓
305-4	GHG emissions intensity	KPI A1.2	P. 23	✓
CRE-3	GHG emissions intensity from buildings	KPI A1.2	P. 23	✓
305-5	Reduction of GHG emissions	KPI A1.5	P. 22-23	✓
305-7	NOx, SOx, and other significant air emissions	KPI A1.1	P. 23, 45	✓
306: Effluent and Waste 2016				
103	Management approach	GD A1, A3 KPI A2.5	P. 11-12, 25 The Group does not have significant impact on the environment from packaging materials.	✓
306-2	Waste by type and disposal method	KPI A1.3 KPI A1.4 KPI A1.6	P. 25, 47	✓
306-3	Significant spills	KPI A3.1	No significant spill was recorded.	✓
306-5	Waste bodies affected by water discharges and/or runoff	KPI A3.1	No water bodies are significantly affected by our operations.	✓
307: Environmental Compliance 2016				
103	Management approach		P. 11-12	✓
307-1	Non-compliance with environmental laws and regulations		P. 20-26 In 2017, the Group received no fines or non-monetary sanctions for incidences of non-compliance.	✓
400: Social				
401: Employment 2016				
103	Management approach	GD B1	P. 11-12, 28-29	✓
401-1	New employee hires and employee turnover	KPI B1.2	P. 49-51	✓

Disclosures		HKEX ESG Guide	Page Number/ Remarks	External Assurance
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	KPI B1.2	P. 29	✓
402: Labor/ Management Relations				
103	Management approach		P. 11-12	✓
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 2016				
103	Management approach	GD B2	P. 11-12, 31	✓
403-2	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	KPI B2.1 KPI B2.2 KPI B2.3	P. 32, 52-53	✓
404: Training and Education 2016				
103	Management approach	GD B3	P. 11-12, 29-30	✓
404-1	Average hours of training per year per employee	KPI B3.2	P. 29, 53	✓
404-2	Programmes for upgrading employee skills and transition assistance programmes		P. 30	✓
405: Diversity and Equal Opportunity 2016				
103	Management approach		P. 11-12	✓
405-1	Diversity of governance bodies and employees		P. 14, 28-29	✓
406: Non-discrimination 2016				
103	Management approach		P. 11-12, 30	✓
406-1	Incidents of discrimination and corrective actions taken		P. 30-31 In 2017, there were no recorded incidents of non-compliance with anti-discrimination legislation.	✓
408: Child Labor 2016				
103	Management approach	GD B4	P. 11-12, 18, 29	✓
408-1	Operations and suppliers at significant risk for incidents of child labor	KPI B4.1 KPI B4.2	P. 18, 29	✓
409: Forced or Compulsory Labor 2016				
103	Management approach	GD B4	P. 11-12, 18, 29	✓
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	KPI B4.1 KPI B4.2	P. 18, 29	✓
413: Local Communities 2016				
103	Management approach		P. 11-12, 34	✓
413-1	Operations with local community engagement, impact assessments and development programmes		P. 34-38	✓
416: Customer Health and Safety 2016				
103	Management approach		P. 11-12, 40, 42-43	✓
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		In 2017, there were no recorded incidents of non-compliance.	✓
417: Marketing and Labelling 2016				
103	Management approach		P. 11-12, 40	✓
417-3	Incidents of non-compliance concerning marketing communications		In 2017, there were no recorded incidents of non-compliance.	✓
418: Customer Privacy 2016				
103	Management approach	GD B6	P. 11-12, 44	✓
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	KPI B6.5	In 2017, there were no recorded incidents of non-compliance.	✓
419: Socioeconomic Compliance 2016				
103	Management approach		P. 11-12	✓
419-1	Non-compliance with laws and regulations in the social and economic area		In 2017, there were no recorded incidents of non-compliance.	✓



VERIFICATION STATEMENT

Scope of Verification

Hong Kong Quality Assurance Agency ("HKQAA") has been engaged by The Wharf (Holdings) Limited ("Wharf") to undertake an independent verification for its Sustainability Report 2017 ("The Report"). The scope of this verification covers the sustainability performance data and information of Wharf's business in Hong Kong SAR and Mainland China for the period of 1st January 2017 to 31st December 2017, as defined in the Report.

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

Level of Assurance and Methodology

HKQAA's verification procedure is designed for devising opinions and conclusions to obtain a reasonable level of assurance. The extent of this verification process undertaken covered the criteria set in the GRI Standards: Core Option of GRI Standards, GRI G4 Construction and Real Estate Sector Disclosures and the ESG Guide.

The verification process included verifying the systems and processes implemented for collecting, collating and reporting the sustainability performance data, reviewing relevant documentation, interviewing responsible personnel with accountability for preparing the reporting contents and verifying selected representative sample of data and information. Raw data and supporting evidence of the selected samples were also thoroughly examined during the verification process.

Independence

Wharf is responsible for the collection and preparation of the information presented. HKQAA does not involve in calculating, compiling, or in the development of the Report. Our verification activities are independent from Wharf.

Conclusion

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

- The Report has been prepared in accordance with the Core option of the GRI Standards, GRI G4 Construction and Real Estate Sector Disclosures and the ESG Guide;
- The Report illustrates the performance of the material sustainability aspects of Wharf in a balanced, comparable, clear and timely manner; and
- The data and information disclosed in the Report are reliable and complete.

In conclusion, the Report reflects truthfully the sustainability commitments, policy and performance of Wharf and addressing the interests of stakeholders in an appropriate manner with respect to the company's environmental, social and economic impacts.

Signed on behalf of Hong Kong Quality Assurance Agency

Jorine Tam

Assistant Director, Strategic Business

June 2018

