



# THE WHARF (HOLDINGS) LIMITED

STOCK CODE : 0004

## SUSTAINABILITY REPORT 2019



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# Data at a GLIMPSE

Obtained green building certification

## LEED Platinum:

- Chengdu IFS
- Changsha IFS

## LEED Gold:

- Wuxi IFS
- Shanghai Wheelock Square



Decreased water consumption for Modern Terminals

**2019: 71,303 m<sup>3</sup>**  
(2018: 74,134)



Decreased amount of air emission

**NO<sub>x</sub>: 1.158 tonnes**  
(2018: 1.423)

**SO<sub>x</sub>: 0.046 tonnes**  
(2018: 0.049)

**PM: 0.075 tonnes**  
(2018: 0.096)



Total Waste Recycled Increased

**2019: 5,757 tonnes**  
(2018: 4,235)

For 3 consecutive years:

**0** work-related fatality

**0%** occupational disease rate



Increased overall average training hours

**2019: 28.5**  
(2018: 25.5)



Lower overall absentee rate

**2019: 1.2%**  
(2018: 1.3)





# Message from the Chairman

GRI 102-14

It gives me great pleasure to present the sixth Sustainability Report of The Wharf (Holdings) Limited (“Wharf Holdings” or “the Group”), which shines a light on our sustainability efforts and results in the reporting year.

Nowadays, we face severe global challenges including environmental degradation and climate change. In anticipation of the threats posed by climate change, the Group has completed a preliminary climate risk mapping exercise across our business units with reference to the Task Force for Climate-related Financial Disclosures (“TCFD”) framework. As a global corporate citizen, the Group aligns the operations with 11 of the 17 United Nations (“UN”) Sustainable Development Goals (“SDGs”) as well as international and industry best practices.

Driven by our long-established mission of “Building for Tomorrow”, we have adopted the philosophy of thinking about the future in the way we grow and develop to ultimately create long-term value for our stakeholders. This year, our robust sustainability governance structure is further strengthened through incorporating an additional Divisional Sustainability Committee. We uphold high standards for ethical business practices through conducting regular risk assessments, monitoring and stringent internal control. We extend this commitment to our suppliers through the implementation of a strict vendor management system and prioritising suppliers that demonstrate outstanding sustainability practices.

We are dedicated to developing sustainable projects. Apart from Shanghai Wheelock Square and Wuxi IFS receiving the Leadership in Energy and Environmental Design (“LEED”) Gold certification, Changsha IFS was honoured to receive LEED Platinum certification in 2019, becoming the first office building project in Hunan to receive this recognition. Furthermore, the Group raised its first HK\$2 billion Green Loan Facility in January 2019 to refinance Chengdu IFS and earned the LEED Platinum certification for Existing Buildings. In addition to decarbonising our business through green buildings and energy conservation initiatives, we are also in the process of formulating a group-wide energy reduction target.

We recognise that employees are crucial to our long-term success and are committed to creating an inclusive, respectful and rewarding working environment. We provide competitive remuneration and benefits, training and career progression opportunities, and reward outstanding performance. As a result of our efforts in safeguarding the health, wellbeing and safety of our employees, the overall absentee rate maintained at a very low level of 1.2% in 2019.

In keeping with the spirit of “Business-in-Community”, we support our community with focus on nurturing youth and supporting the needy. This year, we continued our flagship programme Project *WeCan* (“*WeCan*”) which aims to empower disadvantaged secondary school students through providing financial and volunteer support by partner organisations in a multi-year collaboration. We are overjoyed to have 76 partner schools with the support of 68 partner organisations from different sectors, benefitting over 70,000 students.

To continuously enhance our customers’ experience, not only do we regularly collect valuable feedback from customers and closely monitor customer satisfaction, but we also leverage the latest technological innovations. In 2019, Changsha IFS collaborated with the local telecommunications companies and became the nation’s first 5G smart commercial complex, providing more intelligent and innovative shopping and service experiences for our customers and stores.

We are honoured to have our sustainability efforts recognised and remain as one of the constituents of the Hang Seng Corporate Sustainability Index in the reporting year. Our sustainability advancement would not have been possible without the continuous support of all our stakeholders. In the years ahead, we will strive to increasingly respond to changing sustainability landscapes through the gradual adoption of the TCFD framework and broadening the scope of target setting to other environmental aspects. Moreover, we aim to enhance the alignment of our sustainability strategy with our stakeholders’ concerns through scaling up our efforts in stakeholder engagement.

Laying a solid foundation for sustainability is essential to tackle disruption, including the coronavirus pandemic that we are experiencing. To do so, everyone needs to look beyond self-interest and take an extra step. Caring for those during the difficult time, we are proud of our staff who have maintained our daily operations and provided necessary support to the community, including the emergency medical professionals in Wuhan from Beijing.

I would like to express my heartfelt appreciation towards the contribution of our stakeholders in our sustainability journey and invite our stakeholders to continue our joint efforts in building a better tomorrow.

**Stephen T H Ng**

*Chairman and Managing Director*  
Hong Kong





# About Our **BUSINESS**

GRI 102-2, 102-4, 102-6, 102-7, 102-10, 102-45



## About Wharf Holdings<sup>1</sup>

Wharf Holdings is a premier company founded in Hong Kong in 1886. Subsequent to the separate listing of former subsidiary Wharf Real Estate Investment Company Limited (“Wharf REIC”) in 2017, Wharf Holdings primarily operates investment properties, hotels and development properties in Hong Kong and Mainland China. It also has logistics business through Modern Terminals Limited (“Modern Terminals”).

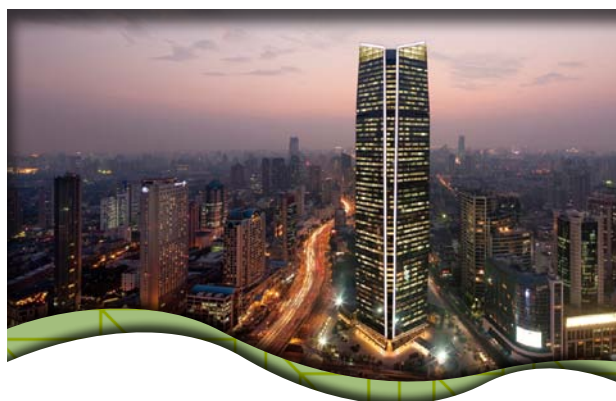
Alongside delivering exceptional financial performance with proven management expertise, Wharf Holdings is committed to putting our long-standing mission of “Building for Tomorrow” into practice to create shared values in the long run for the communities where we operate.

## Business Overview<sup>2</sup>

In the Mainland, the Group’s Development Properties mainly covered Tier 1 or 1.5 cities including Chengdu, Hangzhou, Shanghai and Suzhou, with landbank at year-end totaling 3.5 million square metres. In Hong Kong, prime projects in Kowloon Tong and Kowloon East together with The Peak Portfolio form the current development pipeline, with the addition of a harbourfront land site on the runway of the former Kai Tak airport.



Through years of expansion, the Group’s Mainland Investment Properties portfolio has established leading market positions in top tier cities. Trendsetting landmarks with unrivalled locations, superior planning and design, top-notch retail management, and gathering retailer and shopper critical mass includes Changsha IFS, Chengdu IFS and Chongqing IFS.



Wharf Hotels Management Limited (“Wharf Hotels”) manages an expanding portfolio of 17 hotels in Asia, spearheaded by four contemporary, urban, chic Niccolo hotels and 13 Marco Polo hotels in Hong Kong, Mainland China and the Philippines. Niccolo Suzhou is scheduled to open in 2021.



Modern Terminals has been a key component in Hong Kong’s success as a hub for international trade and transportation for decades. In early 2019, it joined the Hong Kong Seaport Alliance to deliver more efficient service offerings to customers, through which to also rebuild the competitiveness of Hong Kong as an international maritime cargo hub and gateway to China.



<sup>1</sup> For details of our customer groups, please refer to the Business Review section of Wharf Holdings’ [Annual Report 2019](#).

<sup>2</sup> For detailed breakdown of the products and services we provide, please refer to the Business Review section of Wharf Holdings’ [Annual Report 2019](#).



# About This **REPORT**



## Report Standards 102-54

The Sustainability Report ("the Report") is prepared in accordance with the requirements of the Environmental, Social and Governance Reporting Guide (Appendix 27) issued by The Stock Exchange of Hong Kong Limited ("HKEX ESG Reporting Guide"), Core option of the Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards") and the G4 Construction and Real Estate Sector ("CRE") Disclosures. The Group observes and applies the four Reporting Principles in the HKEX ESG Reporting Guide in preparation of the Report. Through understanding the importance our stakeholders attach to the business-related sustainability issues and prioritising the disclosures, materiality backs the framework and content of this Report. This Report also gives a quantitative and balanced account of our past and current sustainability performance with data and necessary narratives. Unless otherwise specified, the data have been derived consistently with standardised methods.

## Report Scope 102-50

Our business covers investment properties and hospitality management in Mainland China, development properties in Hong Kong and Mainland China, and container terminal operations in Hong Kong. In response to the stakeholder concerns in our environmental, social and economic impacts, the Report details our sustainability policy and performance from 1 January to 31 December 2019 in the following selected operations:

Corporate Office		<ul style="list-style-type: none"> <li>Wharf Limited</li> </ul>
Investment Properties		Wharf China Estates Limited ("WCEL") <ul style="list-style-type: none"> <li>Chengdu International Finance Square ("Chengdu IFS")</li> <li>Changsha International Finance Square ("Changsha IFS")</li> <li>Wuxi International Finance Square ("Wuxi IFS")</li> <li>Shanghai Wheelock Square</li> <li>Shanghai Times Square</li> <li>Chongqing Times Square</li> <li>Dalian Times Square</li> </ul>
Development Properties		Wharf China Development Limited ("WCDL") <ul style="list-style-type: none"> <li>Shanghai Office</li> <li>Chengdu Office and Sites (Times City, Times Town)</li> <li>Hangzhou Office and Sites (Parc Royale I, Parc Royale II, Imperial Park)</li> <li>Suzhou Office and Sites (Wuzhong Lot #24, Bellagio, Villa One, Xiangcheng Yuan He Street Lot #77)</li> </ul>
Leisure and Hospitality		<ul style="list-style-type: none"> <li>Wharf Hotels</li> <li>Niccolo Chengdu</li> <li>Niccolo Chongqing</li> <li>Niccolo Changsha</li> <li>Marco Polo Wuhan</li> </ul>
Logistics		<ul style="list-style-type: none"> <li>Modern Terminals</li> </ul>

The Group determines the reporting boundary with reference to the corresponding materiality of each entity to our business and operations. Our considerations include revenue contribution, management ownership, operating status, and environmental, social and governance ("ESG") impacts. Apart from operations with financial significance to the Group, the Report includes entities which are under our direct control, in the development or operational phase, and have significant implications to the Group's sustainability performance. Whilst those development projects in Hong Kong and under joint venture are excluded, majority of our business operations in Investment and Development Properties, Leisure and Hospitality and Logistics fall within the scope of this Report.

## Report Assurance 102-53

The Report has been approved by the Board of Directors of Wharf Holdings ("the Board"), and independently verified by Hong Kong Quality Assurance Agency ("HKQAA") to obtain reasonable assurance with reference to the International Standard on Assurance Engagements 3000 (Revised) ("ISAE 3000 (Revised)").

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



# Our Sustainability APPROACH



Hang Seng Corporate  
Sustainability Index  
Series Member 2019-2020

## Board Statement

The Group has a robust sustainability governance structure to facilitate effective management across our business operations. The Board as the highest governance body has the overall responsibility of the Group's sustainability direction and reporting. The Group's sustainability risks, opportunities, performance and progress are regularly discussed and reviewed in the boardroom.

For effective governance on sustainability-related matters, the Board delegates the authority to the Sustainability Steering Committee (formerly known as the Corporate Social Responsibility ("CSR") Steering Committee), which has the accountability of decisions that have economic, environmental and social impacts. Under the leadership of the Group's Chairman, the senior management in the Sustainability Steering Committee devises and monitors the overall sustainability strategy in alignment with the Group's goals and commitments.

## Sustainability Governance GRI 102-11, 102-16

"Building for Tomorrow" is the Group's long-standing mission. As we embrace the long-term responsibility of constructing a better world for our stakeholders, we take sustainability to the heart of our business. With our demonstrated determination and achievements, we are included in Hang Seng Corporate Sustainability Index as one of the top 30 performers in corporate sustainability in Hong Kong.

Supporting the Sustainability Steering Committee, which is delegated by the Board for governance of the Group's sustainability, the Divisional Sustainability Committee, which was newly incorporated in 2019, brings the Head of Business Units ("BUs") and Corporate Units ("CUs") together to better carry out the sustainability strategy across our business. The staff representatives in the Cross-BU Sustainability Group assist the Divisional Sustainability Committee, oversee our BUs' day-to-day sustainability performance and meet regularly to share best practices. This comprehensive structure enables effective communication of our sustainability governance to the operating units.

Each BU also has sustainability governance body to identify operation-related sustainability risks and opportunities and applies targeted measures and approaches. For daily management of sustainability initiatives, the Sustainability Team of the Group coordinates with the BUs' executives, as well as exchanges ideas and best practices through regular meetings. The Sustainability Steering Committee receives updates regarding the BUs' sustainability progress and achievement regularly.

## Our Sustainability Governance Structure



We organise sustainability programmes and set goals and commitments following the Group's Corporate Social Responsibility Guidelines launched in 2016. Five areas are focused in our corporate sustainability, namely Business Development, Protecting Our Environment, Nurturing Our People, Business-in-Community, and Providing Value to Our Customers.

## United Nations Sustainable Development Goals 102-11, 102-16

We are strongly committed to supporting the global agenda on building a sustainable future. One of the examples is the United Nations ("UN") Sustainable Development Goals ("SDGs"). With our business impacts to sustainability studied, the Group has made commitment to align the operations with 11 of the 17 SDGs. We work with our stakeholders to deliver long-term value for our environment, people and community.

### Protecting Our Environment

#### Our Commitment

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

#### Key Initiatives

- Climate risk mapping
- Chengdu IFS green loan
- ISO 14001-certified environmental management system in Chengdu IFS, Changsha IFS and Modern Terminals
- Sustainable building and operation certifications in Investment Properties and Leisure and Hospitality
- Waste reduction and recycling initiatives
- Green Christmas party

#### Relevant UNSDGs



### Nurturing Our People

#### Our Commitment

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

#### Key Initiatives

- Employee training and development programmes
- Wellbeing programmes under the theme of "Happy Infinity"
- Occupational safety and health ("OSH") initiatives

#### Relevant UNSDGs



### Business-in-Community

#### Our Commitment

- To nurture youth, support the vulnerable, and 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*.
- To foster the involvement of company volunteers in supporting the community and promoting our spirit of caring for others.

#### Key Initiatives

- Project *WeCan*
- Corporate Summer Internship programme in Mainland China
- Art and cultural programmes in Investment Properties
- Community care activities

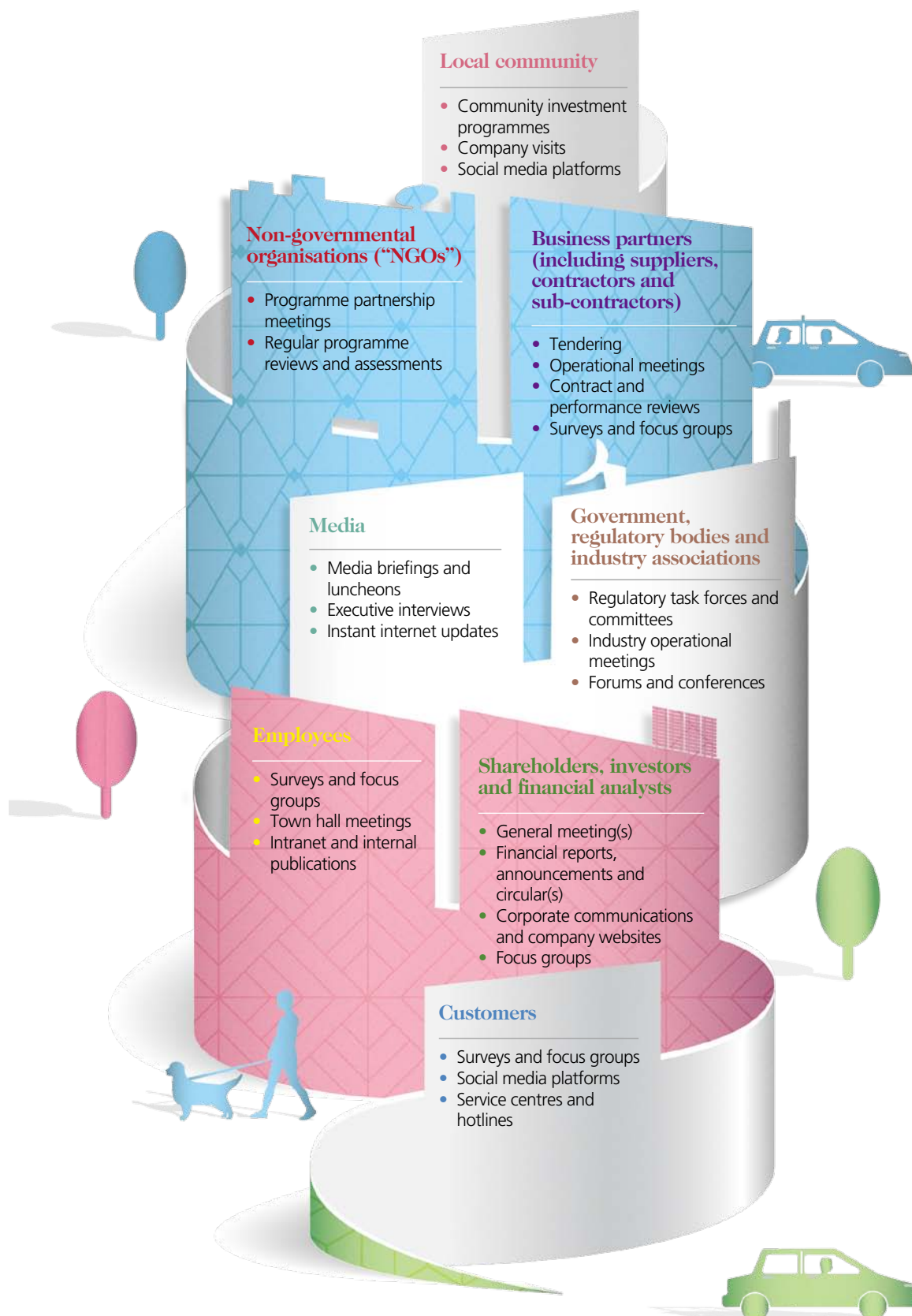
#### Relevant UNSDGs





## Stakeholder Engagement 102-40, 102-42, 102-43, 102-46

We value feedback from our stakeholders as we see their inputs are essential for us to continuously improve our sustainability performance. We make use of different communication channels to engage various stakeholder groups.



## Stakeholder Comments and Our Responses GRI 102-44

To prepare the Report, we commissioned an independent consultant to conduct stakeholder engagement exercise based on the AccountAbility AA1000 Stakeholder Engagement Standard 2015. Across the stakeholder groups including employees, business partners, government officials, tenants, hotel guests, community partners, industry associations, investors and financial analysts, over 480 stakeholders

participated in our online survey, one-on-one interviews and focus groups.

As they voice out their opinions and concerns regarding our sustainability strategy and performance, the stakeholders brought up several issues commonly. The Group's responses are as follows:

### Stakeholder Feedback

The investors raised concern about our exposure to climate risk and plan for impact mitigation and climate change adaptation.



Climate risk

### Our Responses

The Group recognises that all the BUs are subject to the risks and impacts of climate change. The changing climate can potentially affect our assets physically, day-to-day operations and other business aspects. Hence, all BUs conducted a preliminary climate risk mapping during the year to identify the risks. On the other hand, with extreme weather and subsequent events, including typhoon and flooding, expected to be more frequent, our assets have introduced adaptive measures to mitigate the impacts. Please refer to [Climate Risk Management](#) section of this Report for details.

Our suppliers and employees wished to learn more about the Group's sustainability goals and targets such that they can help contribute to our sustainability vision in supply chain and workplace.



Stakeholder collaboration

We consider sustainability in our business and operations essential to create long-term shared values to our stakeholders, and place emphasis on collaborating with all of them for a better tomorrow. The Group has a variety of engagement channels to connect with them, and we hope to make use of these channels to foster their understanding of our sustainability vision. One of the ways is to make our sustainability commitment and actions clearer. To this, we are in the process of formulating different environmental targets.

Stakeholders asked how committed the Group, the Board and senior management are in driving sustainability within the organisation.



Sustainability governance

To realise our long-standing mission of "Building for Tomorrow", the Group stresses on having an effective sustainability governance structure. Our top-down approach involves all level of personnel in the Group, from the Board and Chairman to senior management and employees. During the year, the Group further formed the Divisional Sustainability Committee, which comprises of the Head of BUs and CUs, to better integrate our sustainability vision across the Group.



## Materiality Assessment 102-47, 102-49

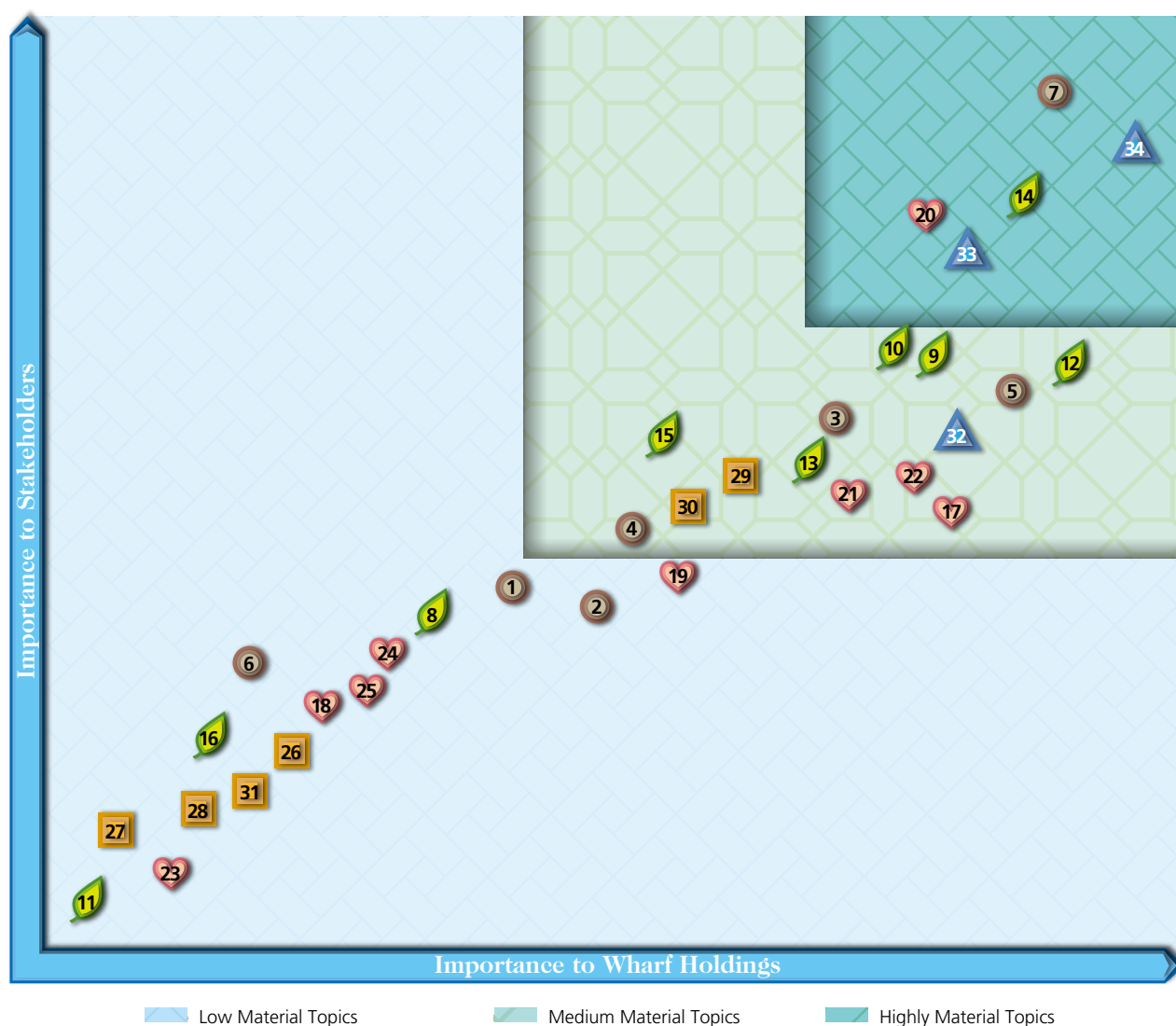
To better manage and report the issues that are significant to both our business and stakeholders, we use the following four-step process for materiality assessment:



## Material Topics and Corresponding Topic Boundary

Material Topics		Boundary and Impact	
		Within the Group	Outside the Group
3	Indirect economic impacts	√	√
4	Procurement practices	√	√
5	Anti-corruption	√	√
7	Socioeconomic compliance	√	√
9	Energy	√	√
10	Water	√	√
12	Emissions	√	√
13	Effluents and waste	√	√
14	Environmental compliance	√	√
15	Supplier environmental assessment	√	√
17	Employment	√	√
20	Training and education	√	√
21	Diversity and equal opportunity	√	√
22	Non-discrimination	√	√
29	Local communities	√	√
30	Supplier social assessment	√	√
32	Customer health and safety	√	√
33	Marketing and labelling	√	√
34	Customer privacy	√	√

## Materiality Matrix 2019



### Business Development

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

### Protecting Our Environment

- 8 Materials
- 9 Energy
- 10 Water
- 11 Biodiversity
- 12 Emissions
- 13 Effluents and waste
- 14 Environmental compliance
- 15 Supplier environmental assessment
- 16 Land degradation, contamination and remediation

### Nurturing Our People

- 17 Employment
- 18 Labour/management relations
- 19 Occupational safety and health
- 20 Training and education
- 21 Diversity and equal opportunity
- 22 Non-discrimination
- 23 Freedom of association and collective bargaining
- 24 Child labour
- 25 Forced or compulsory labour

### Business-in-Community

- 26 Security practices
- 27 Rights of indigenous peoples
- 28 Human rights assessment
- 29 Local communities
- 30 Supplier social assessment
- 31 Public policy

### Providing Value to Our Customers

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

# Business DEVELOPMENT





## Economic Presence and Impact

[GRI] 201-1, GRI 203-1, [HKEX] KPI B8.1, B8.2, [UNSDG] 8

Driven by our long-established mission of “Building for Tomorrow”, we have always been conscious of the way we operate and develop to create long-term values for our stakeholders. The Group’s successful business development model enables us to contribute to local economies and

communities where we build. Our business operations support economic development of the society through providing job opportunities and donations. Our contributions in 2019 are highlighted below:

### Direct Economic Value



### Community Contributions

Apart from making charitable donations, we contribute to the community by applying our real estate development and management resources, including venue sponsorship. In 2019, we supported 120 community events with a focus on promotion of environmental protection, social welfare, education, art and culture, sports and health, emergency relief, and animal welfare via venue sponsorship or other forms of support.

### Venue Sponsorship

Niccolo Changsha supported the International Vertical Marathon through sponsoring the bar area as a post-race rest area. The event brought over 600 citizens in Changsha together to promote the importance of exercise in a fun way.

Modern Terminals sponsored 3,400 square feet storage area at its warehouse to End Child Sexual Abuse Foundation, an organisation with a mission to protect youngsters under 18 from sexual abuse. The space sponsored was used to store promotional materials of the organisation.



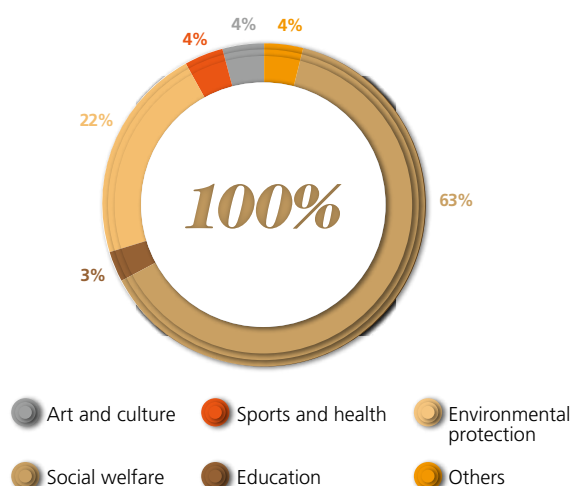
<sup>3</sup> The Group’s total number of employees, including those employed by managed operations.

<sup>4</sup> Staff costs include contributions to defined contribution pension schemes of HK\$198 million, which included equity-settled share-based payment expenses of HK\$9 million.

## Other Support

Changsha IFS collaborated with Hunan Chengcai Vocational Training School to organise an activity for hearing impaired people. In the event, 20 hearing impaired participants performed sign language dance. In return, 15 volunteers from the Group gave the participants a guided tour at Changsha IFS to let them understand the barrier-free facilities at the mall.

### What we supported (in number of event)



## Corporate Governance

The Group believes that strong corporate governance and ethical business practices prevent corporate scandals, fraud and legal liability of a corporate, which minimise business and reputational risks and bring along long-term success. The Group goes beyond mere compliance with applicable rules and legal requirements, and demonstrates a high standard of corporate governance through regularly assessing risk, monitoring, and implementing stringent ethical controls on business operations.



## Governance Structure

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

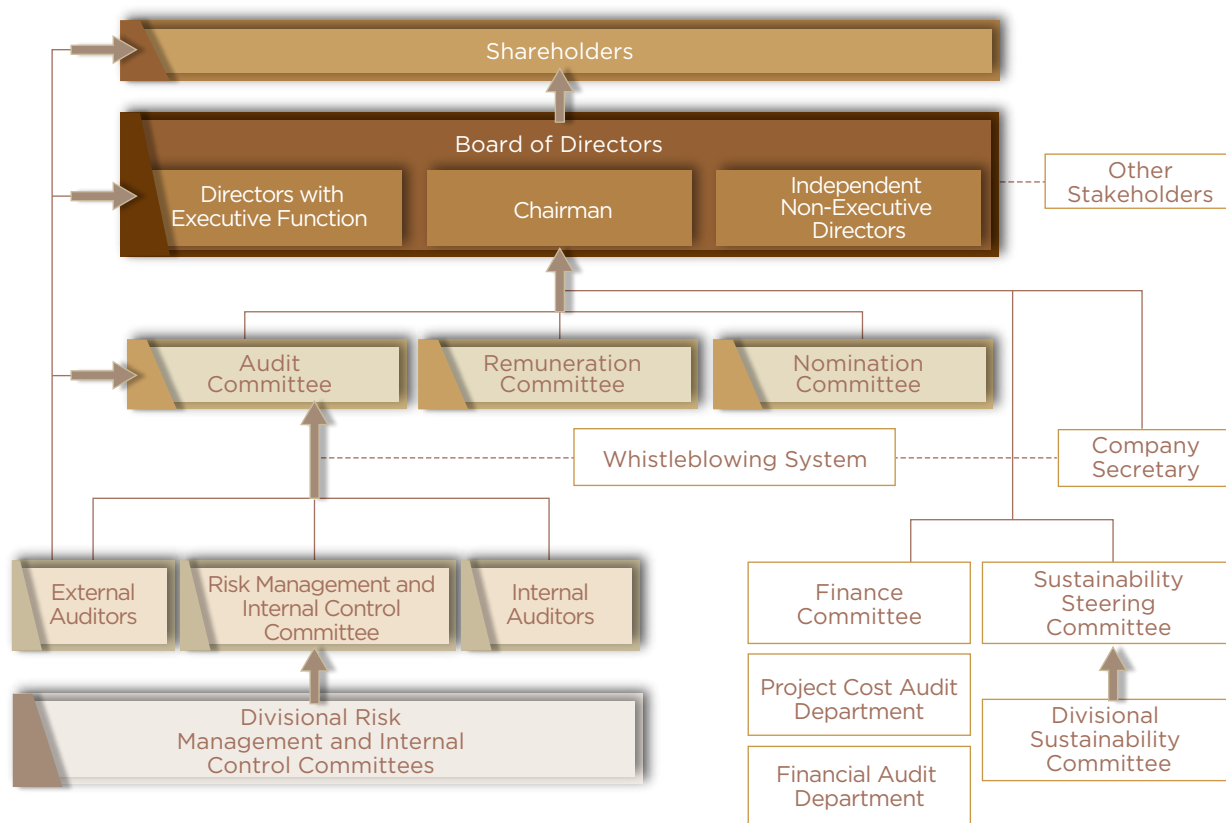
The Group values Board diversity as we believe that it can facilitate a more balanced and objective perspective, and thus sustainable growth of the Group. Our expertise covers a wide range of industries, including investment properties, property development, finance and accounting, public services, hospitality, and logistics. The Board guides us to operate in accordance with applicable rules and regulations, codes and standards. Our corporate governance framework prioritises accountability, transparency, and integrity, and we continuously enhance our internal control system to support these principles.

The Board's Audit Committee, Remuneration Committee, and Nomination Committee provide guidance to the Group's business practices and strategic activities. The management team is responsible for aligning the Group's daily business activities with its established strategies, targets and goals at all times.

**Composition of Wharf Holdings' Board of Directors<sup>5</sup>**

	Age			Gender		Ethnicity	
	<65	65-74	>=75	Male	Female	Non-Chinese	Chinese
Number	4	4	2	8	2	2	8
%	40	40	20	80	20	20	80

<sup>5</sup> All the members of the Board of Directors are hired from the local community, i.e. Hong Kong and Mainland China. The biographical details of the Board of Directors are outlined in the [Annual Report 2019](#) (P.80-84).



For more information on our corporate governance performance, please refer to the Corporate Governance Report in [Annual Report 2019](#).

### Risk Management and Internal Control GRI 201-2

Our risk management and internal control system is established to enhance our business resilience, so as to safeguard the interests of the Group and our shareholders. Reporting to the Board, the Audit Committee is authorised to monitor and evaluate the effectiveness of the system in an ongoing manner, with assistance of the Risk Management and Internal Control Committee.

The Risk Management and Internal Control Committee, chaired by the Vice Chairman, Executive Director, and Group Chief Financial Officer, assists the Audit Committee in conducting periodic review on the effectiveness of the Group's risk management and internal control system in accordance with the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") framework.

The Audit Committee provides directions and tools for risk identification, analysis, and management for internal control functions. In collaboration with the Divisional Risk Management and Internal Control Committees, Finance Committee, Internal Audit Department, Financial Audit Department, Project Cost Audit Department, and Sustainability Steering Committee, each BU makes use of its resources to safeguard against foreseeable risks and deficiencies.

For more information on our risk governance structure, risk management procedures and methodologies, please see our Corporate Governance Report in [Annual Report 2019](#).



## Five-step risk management review to maintain strategy effectiveness



Climate change is one of the emerging challenges faced by companies worldwide. Subsequent to the formal climate risk assessment in 2018, the Group completed a preliminary climate risk mapping exercise across our BUs with reference to the Task Force for Climate-related Financial Disclosures (“TCFD”) framework in 2019. The findings and results would benefit us in formulating future business strategy on climate change. For more details related to our approach, measures, and strategies to the climate risks, please see [Climate Risk Management](#) section of this Report.

## Ethical Business Operations and Anti-corruption

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

As a responsible company, we uphold the highest ethical standard in our business activities. Corruption can disguise in many forms. Thus, we take a range of preventive measures to prohibit it. We strictly forbid solicitation or acceptance of an advantage, any form of bribery<sup>6</sup>, extortion, fraud, or money laundering in our operations. Our Business Code of Ethics and Code of Conduct clearly describe our ethical standards to which our employees are required to adhere. We also have policies governing conflicts of interest, insider dealing, anti-competition and anti-corruption to communicate our expectations with the employees.

We place great emphasis on ethics and integrity regardless of the relationship and occasion. Our employees must refrain from receiving gifts, cash or coupons from suppliers in observance of the ethical business standards. For donations and sponsorships, the Group carries out due diligence to prevent any possible misdeed. All donations have to be approved by the Group’s Chairman or BUs’ General Managers.

Reinforcing prudent management and ethical business operations, our [Whistleblowing Policy and Procedures](#) enables staff and vendors to report misconduct and malpractice without fear of reprisals. It outlines the participants’ responsibilities throughout the report handling process, from initiation to investigation and follow-up. After

the Group’s Company Secretary checks the report, the case would be transferred to managing directors, the Group Chief Financial Officer, or Audit Committee, depending on the nature of the incident. Whistleblowing reports received are reviewed by the Audit Committee, and passed to the Internal Audit Department for further handling and monitoring. All cases are kept confidential.



To raise employees’ awareness of ethical business operations and legal compliance requirements, we organise trainings for our employees. In 2019, law enforcement agencies including the Independent Commission Against Corruption (“ICAC”) in Hong Kong were invited to deliver relevant trainings.

No. of employees received  
anti-corruption training:

**1,930**



Total training hours on  
anti-corruption training:

**2,254**



In 2019, there were no legal cases regarding corrupt practices brought against the Group.

### Supply Chain Management

[GRI] 102-9, 102-10, 204-1, 408-1, 409-1, [HKEX] KPI B5.1, B5.2, [UNSDG] 8

With diverse business operations, the Group's success relies on the support from a wide range of suppliers, such as food and beverages, services and facilities, engineering supply and maintenance, operational services, utilities, and general supplies. As the suppliers' quality would directly affect our products and services, our rigorous vendor management system plays an important role in reviewing and monitoring our vendors' performance. In 2019, there were no significant changes in our supply chain.

To ensure the suppliers comply with our sustainability standards, the Group extends our ethical business practices to our supply chain and prioritises suppliers who address environmental, social and governance ("ESG") risks, including labour rights, safety and health, corruption, product safety, noise pollution, resource management, waste management, water shortage, and water pollution. Some of our BUs require suppliers to sign a supplier declaration form with their company stamp as a pledge to maintain high standards of business ethics and integrity.

To build and promote a green supply chain, we have included a green purchasing clause in our tender document to assess suppliers' sustainability measures. We may also require our suppliers to present environmental certificates when necessary. On-site audits are performed regularly to ensure the suppliers' environmental performance meets our expectations.

To support local community development and reduce transportation costs, local suppliers are given priority in the supplier selection process. In 2019, we sourced nearly all our products and services locally.



The number of suppliers in different sectors and regions which represents the top 70% of our supply chain spending is presented below:

Operation		Region	Number of Key Suppliers
Development Properties		Mainland China	35
Investment Properties		Mainland China	129
Leisure and Hospitality		Mainland China	174
Logistics		Hong Kong	73
		Mainland China	10

# Protecting Our **ENVIRONMENT**

GRI 307-1





With growing environmental challenges, the Group recognises its role as a responsible business to minimise our environmental impacts through improving energy and water efficiency, lowering emission levels and enhancing our waste management and resource conservation efforts. In alignment with the Group's environmental principles, individual BUs further formulate their own respective policies and guidelines which vary with business scale, location and nature.

Translating our environmental policies into a more tangible and measurable basis will facilitate the communications of our sustainability efforts and stimulate improvement of our environmental performance. Therefore, our BUs are in the process of establishing measurable environmental targets. This can also provide a clear benchmark to monitor our environmental performance. Moreover, we strive to better manage our environmental impacts through conforming to international standards such as ISO 14001 Environmental Management System. During the reporting year, Chengdu IFS, Changsha IFS and Modern Terminals received the ISO 14001:2015 certification.

LEED Platinum "Operations and Maintenance:  
Existing Buildings"

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

LEED Gold "Operations and Maintenance:  
Existing Buildings"

- **Shanghai Wheelock Square**

LEED Gold "Core and Shell"

- **Wuxi IFS**

EarthCheck Silver certification

- **Niccolo Chengdu**
- **Niccolo Chongqing**
- **Marco Polo Wuhan**



Driven by our mission of "Building for Tomorrow", the Group adopts green building features in designing and constructing buildings to minimise the environmental impact. We illustrate this commitment through striving to obtain at least a Gold rating under the Leadership in Energy and Environmental Design ("LEED") certification programme for our properties in Mainland China.

We also put forth dedicated efforts in integrating sustainable tourism within our hotel operations. Some of our hotels were granted certifications under EarthCheck, the world's leading scientific benchmarking certification for sustainable development in travel and tourism. In addition to Niccolo Chengdu and Marco Polo Wuhan, Niccolo Chongqing also received the EarthCheck Silver certification in the reporting year.

Modern Terminals established the Green Terminal Model ("the Model") as a framework to execute the Corporate Environmental Policy. Through listing action plans across different stages of the port lifecycle, critical environmental issues are addressed. The Model is reviewed on a regular basis based on the latest sustainability trends, our sustainability strategy, and accumulated environmental experiences acquired over time.



#### **ISO 14001:2015**

Environmental management  
system certification

## **Energy and Greenhouse Gas Management**

**GRI** 302-1, 302-3, 302-4, 305-1, 305-2, 305-3, 305-4, 305-5, CRE-1,

**HKEX** KPI A1.2, A1.5, A2.1, A2.3

Buildings inherit a considerable burden of high energy consumption and greenhouse gas emissions. For the past few years, about 40% of the global energy use and energy-related emissions came from building construction and operations<sup>7</sup>. As a responsible business in the real estate sector, we recognise our role in reducing our carbon footprint through achieving beyond legal compliance of applicable laws and regulations, including the Building Energy Code and Building Energy Efficiency Ordinance (Cap. 610), and continuously enhancing the energy efficiency across our portfolio.

We adopted a wide array of measures to reduce electricity consumption. Some of our BUs have upscaled their lighting retrofit works and upgraded the current lighting systems to energy-efficient LED lighting systems. Changsha IFS achieved a significant saving of 1,656,966 kWh in the reporting year. This was a result of the combined efforts in replacing previous lighting fixtures with more than 7,500 LED lamps,

<sup>7</sup> According to 2017, 2018 and 2019 Global Status Report by the World Green Building Council ([https://www.worldgbc.org/sites/default/files/UNEP%20188\\_GABC\\_en%20%28web%29.pdf](https://www.worldgbc.org/sites/default/files/UNEP%20188_GABC_en%20%28web%29.pdf), <https://www.worldgbc.org/sites/default/files/2018%20GlobalABC%20Global%20Status%20Report.pdf>, <https://www.worldgbc.org/sites/default/files/2019%20Global%20Status%20Report%20for%20Buildings%20and%20Construction.pdf>).

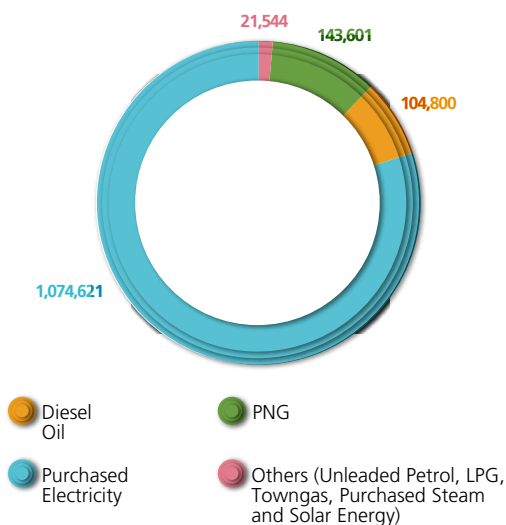
as well as replacing 1,200 existing 10-Watt LED bulbs with 3-Watt LED bulbs which consume less power, while maintaining the illumination it was originally designed for. Meanwhile, Modern Terminals has completed LED lighting system upgrades in 10 out of 12 units of quay cranes, saving an estimated amount of 75% in electricity consumption. The remaining 2 units are planned to be upgraded in the upcoming year.

To prevent the excessive consumption of electricity, we implemented numerous operational changes without compromising our customers' experience. At Niccolo Chongqing, a smart lighting system was implemented in the meeting rooms and hotel bar, in which the amount of lighting illuminated responds to the daylight availability, resulting in an 80% reduction in energy consumption potentially. At Changsha IFS and Chongqing Times Square, air curtains and/or glass doors are installed at the entrances of the shopping malls to prevent hot and cold air flowing in and out of the malls during winter and summer respectively. These reduce energy use while also improving indoor hydrothermal conditions.

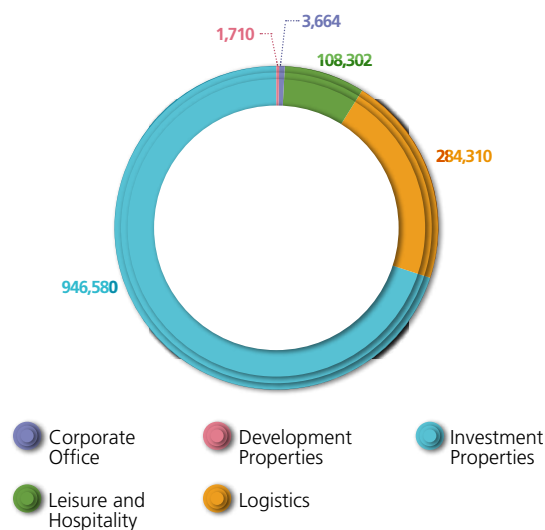
Additional measures to cut down excessive electricity use are adopted at Changsha IFS to respond to off-peak hours. For instance, 11 of our passenger elevators are categorised and operated based on the number of visitors, saving 415,338 kWh of energy in the reporting year. The mall has also arranged some toilet facilities to be closed during weekdays of lower traffic, which saved 145,104 kWh of electricity.

In an attempt to gradually decarbonise our business operations, we seek to use renewable energy sources where possible. To improve lighting at the entrance of the car park in Changsha IFS at nighttime, 24 solar posts were installed which reduced annual energy consumption by 3,000 kWh. Moreover, at Chengdu IFS, a Boiler Flue Gas Heat Recovery System was adopted in the reporting year which makes use of the heat within the waste flue gases to preheat the cold water entering the boiler. This lowers energy required in the process and reduces the amount of natural gas consumed. As of December 2019, 158,091 kWh of heat had been recovered.

Energy consumption by type in GJ



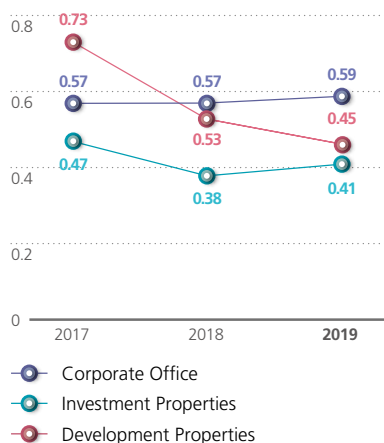
Energy consumption by operation in GJ



Note:

- (1) Corporate Office refers to Wharf head office in Hong Kong.
- (2) Investment Properties refer to Shanghai Times Square, Shanghai Wheelock Square, Chengdu IFS, Chongqing Times Square, Dalian Times Square, Wuxi IFS and Changsha IFS.
- (3) Development Properties refer to the management offices located in Chengdu, Shanghai, Hangzhou and Suzhou.
- (4) Leisure and Hospitality refer to Niccolo Chengdu, Niccolo Chongqing, Marco Polo Wuhan and Niccolo Changsha.
- (5) Logistics refer to Modern Terminals.

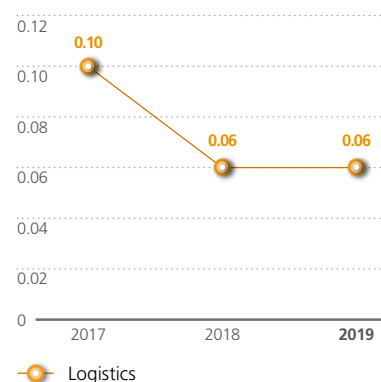
### Energy intensity in GJ per GFA m<sup>2</sup>



### Energy intensity in GJ per guest night



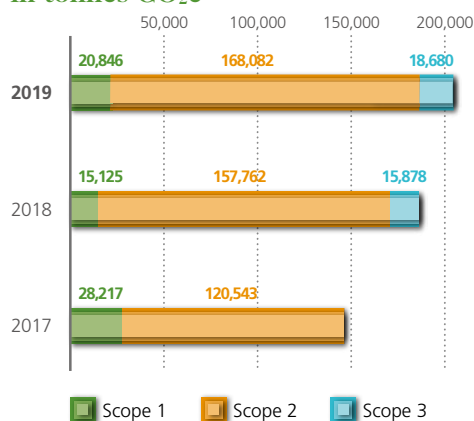
### Energy intensity in GJ per TEU



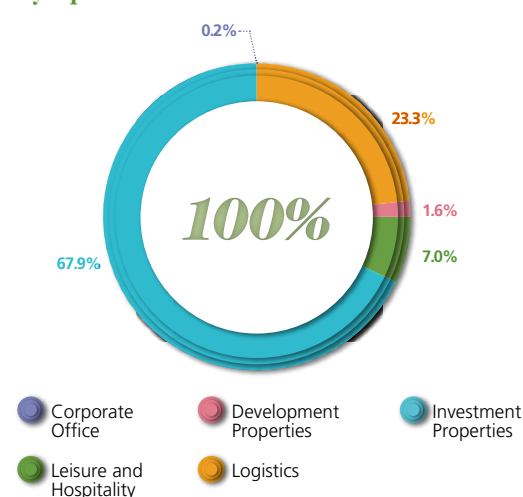
Note:

- (1) In 2017, purchased electricity of Niccolo Chengdu and Niccolo Chongqing were included in that of Investment Properties.
- (2) Purchased electricity of Niccolo Chengdu was included in the calculation of energy intensity in GJ per GFA m<sup>2</sup> under Investment Properties in 2018, while that of Niccolo Chengdu and Niccolo Changsha were included in the calculation of energy intensity in GJ per GFA m<sup>2</sup> under Investment Properties in 2019.
- (3) Energy intensity in GJ per TEU for Modern Terminals in 2017 and 2018 were recalculated with the adjustment in LPG conversion factor.

### Greenhouse gas (GHG) emissions in tonnes CO<sub>2</sub>e



### Percentage of total GHG emissions by operation



Note:

- (1) Part of the GHG emissions of Leisure and Hospitality was included in that of Investment Properties.
- (2) Scope 1 GHG emissions in tonnes CO<sub>2</sub>e for Modern Terminals in 2017 and 2018 were recalculated with the adjustment in LPG conversion factor.

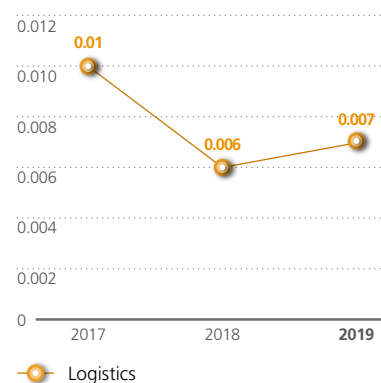
### GHG emissions intensity in tonnes CO<sub>2</sub>e per GFA m<sup>2</sup>



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



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



Note:

- (1) Part of the GHG emissions of Leisure and Hospitality was included in that of Investment Properties.
- (2) Only Scope 1 and Scope 2 GHG emissions were included in intensity calculation for comparison between 2017 and 2019 data on a like-for-like basis.
- (3) GHG emissions intensity in tonnes CO<sub>2</sub>e per TEU for Modern Terminals in 2017 and 2018 were recalculated with the adjustment in LPG conversion factor.



## Climate Risk Management

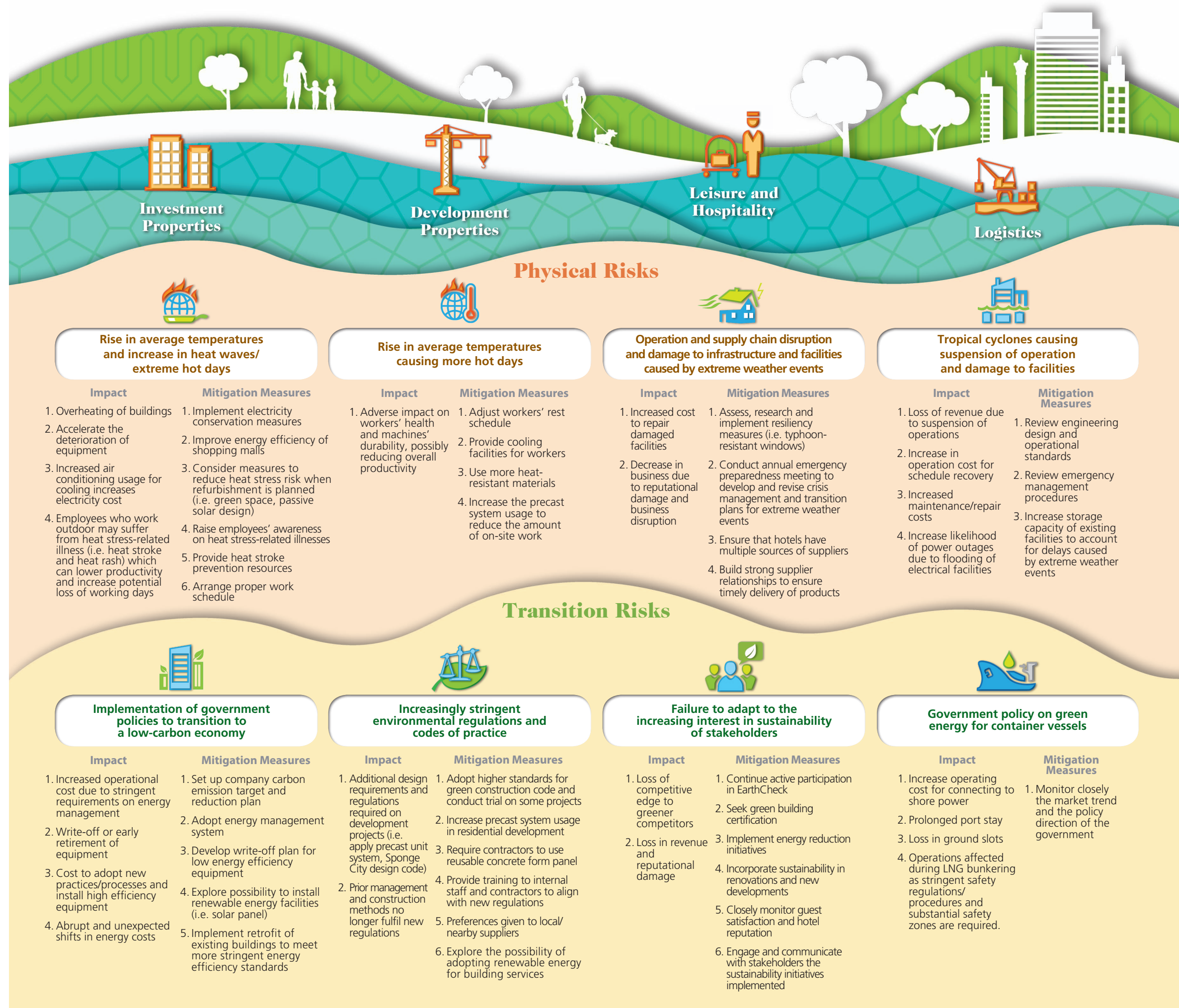
GRI 201-2, HKEX KPI A4.1

From the recent destructive fires in the midst of Australia and the Amazon to the deadly floods and landslides in South East Asia, the chain of extreme weather events is a wake-up call of the severe impacts of climate change. In addition to the changing climate which affects the day-to-day operations of businesses, the UN Climate Action Summit 2019 demonstrated the leadership of governments and businesses to deliver more ambitious climate plans, further accelerating their transition to a low-carbon economy to meet net zero emissions by 2050. Since businesses are at the heart of this change, the Group acknowledges the necessity to take appropriate measures in building our climate resilience and adaptive capacity.

As our initial step, the Group conducted a preliminary climate risk mapping exercise across our BUs with reference to the TCFD framework. We used Intergovernmental Panel on Climate Change's ("IPCC's") Representation Concentration Pathways ("RCPs") and adopted reference reports<sup>8</sup> to establish the plausible scenarios to determine the risks. Given that so much uncertainty is involved in the climate projection, we analysed using 2 extremes of RCPs, narrowed down gradually to allow shift in adaptation. As a result, financial and non-financial impacts of identified physical and transition risks were listed out, along with proposed risk mitigation measures.

The findings of the climate risk mapping exercise represent an important page in the Group's progress in climate risk mitigation. Looking forward, we will consider the gradual adoption of the TCFD framework and develop tangible pathways in combatting climate change.

<sup>8</sup> IPCC 2014 Climate Change Synthesis Report (<https://www.ipcc.ch/report/ar5/syr/>), Hong Kong Observatory Climate Projection for Hong Kong ([https://www.hko.gov.hk/en/climate\\_change/future\\_climate.htm](https://www.hko.gov.hk/en/climate_change/future_climate.htm)) and Committee on Climate Change and China Expert Panel on Climate Change (2018) UK-China Co-Operation on Climate Change Risk Assessment: Developing Indicators of Climate Risk (<http://www.theccc.org.uk/publication/indicators-of-climate-risk-china-uk/>)



## Water Management and Conservation

[GRI] 303-1, 303-2, 303-4, 303-5, CRE-2, [HKEX] KPI A2.2, A2.4, A3.1

Water is often an undervalued resource. Yet, the viability of many businesses heavily depends on accessible clean water supply. The Group recognises the risk and importance of reducing our water consumption through strengthening our water management and conservation efforts.

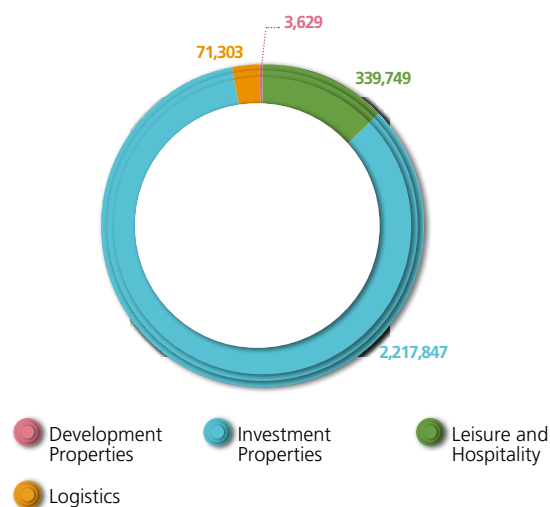
Water saving techniques and devices are undertaken to diminish water usage. At Niccolo Chengdu, the water flow was altered through reducing the water pump frequency to conserve water without undermining the enjoyable experience of our guests. Notable efforts were observed at Niccolo Chongqing as they replaced all the hotel toilets with low-flush toilets, in addition to installing water saving faucets at the hotel kitchen and back office toilets.

We strive to gradually increase water recycling in our business operations to efficiently make use of water which would otherwise be wasted. Since 2018, Dalian Times Square has recovered condensing water to use as recycled water. A total of 5,994.5 m<sup>3</sup> was collected during winter time in which the recycled water was supplied to small enterprise owners. In summer, Chengdu IFS utilised the condensing water from the air conditioners for irrigation, flushing water and supplementary water in cooling towers. This resulted in a reduction of 8,457 m<sup>3</sup> of municipal water consumption in the past 3 years. Rooftop drainage points and storage tanks are also designed at Chengdu IFS and Changsha IFS to facilitate rainwater harvesting.

Similarly, water recycling is also practiced in our Development Properties' construction sites. For instance, water from wheel washing of construction vehicles is reused after removing suspended particles via a sedimentation tank. Moreover, rainwater and industrial water are stored for collection and reused for dust removal. Tackling water leakage can play a significant role in reducing our water consumption. At Marco Polo Wuhan, daily equipment inspections are conducted in the kitchens to avoid water leakage. If the equipment is found to be deteriorating, repair will be arranged promptly. At Chengdu IFS, unavoidable water seepage in the lower ground floors is collected for irrigation and flushing use, as well as cleaning the external walls and replenishing the cooling towers. This measure led to a reduction in municipal water consumption by approximately 93,605 m<sup>3</sup>.

As we consider behavioural change a key component in water conservation, we adopted various measures to drive change in our employees and customers. We offered trainings to our employees regarding how water conservation measures can be adopted in their daily business activities. At Niccolo Chongqing, kitchen training incorporates day-to-day water saving tips such as avoiding the usage of flowing water to thaw frozen foods. Furthermore, new employees are required to attend an EarthCheck training session which provides knowledge on water conservation measures. Besides, our Development Properties in Hangzhou also organised an event "Energy Conservation Involves Me, Green Environment For All" which strived to help our employees develop a good habit of saving water. At our hotel operations, we run a green programme to engage hotel guests. Bed linens and towels used during the guests' stay are changed upon request only to reduce water wastage.

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



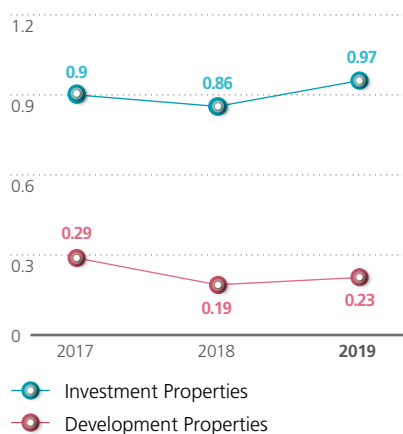
Note:

- (1) The Corporate Office does not have a separate meter. The consumption is included in the bills of Harbour City. Please refer to Wharf REIC's standalone [Sustainability Report 2019](#).





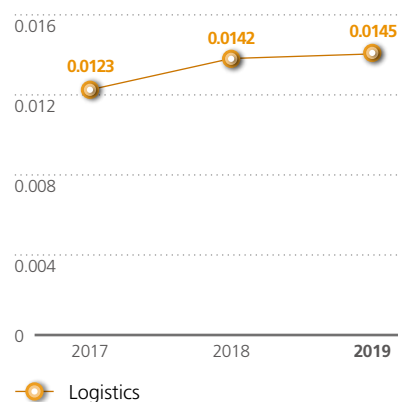
### Water intensity in m<sup>3</sup> per GFA m<sup>2</sup>



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



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



Note:

(1) In 2017, municipal water consumption of Niccolo Chongqing was included in that of Investment Properties.

## Waste Management and Resource Conservation

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

The Group strives to reduce our ecological footprint through putting considerable focus on managing our waste generation and resource conservation. Starting from our procurement practices, the Group gives precedence to sustainable resources and procurement. We have green procurement guidelines to urge our BUs to integrate biodegradability and ethical responsibility during procurement.

Moreover, we have carried out different measures to enhance our resource conservation efforts. A digitisation programme has been implemented across the Group to lower paper consumption. For instance, at Niccolo Changsha, all departments are encouraged to use electronic documents for reports and meeting minutes, saving 7,000 pieces of paper in the reporting year.

Our workflows have also been digitised through the asset management system, reducing the need of using paper in our daily operations. The system allows tenant feedback and employee reports to be collected digitally. Moreover, records of patrol, facility maintenance and repair can be logged through the system.

We adopt stringent procedures to ensure that waste is disposed of in adherence to applicable laws and regulations. For example, at Chongqing Times Square, clear procedures are listed out for the proper handling of waste and legally qualified waste collectors are appointed.

Throughout the construction process, construction materials are recycled whenever possible. At our Development Properties' sites, recycling management has been strengthened. Construction materials such as rubble and concrete material are reused for temporary road repair. Meanwhile, other construction materials such as scrap wood are also delivered to qualified contractors for recycling.



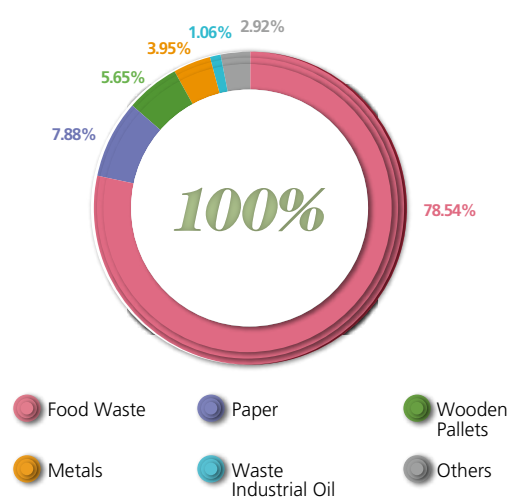
We endeavour to promote festive recycling to reduce the amount of waste generated during festive occasions. Modern Terminals organised a Lai See Packet Reuse and Recycle Programme and delivered over 12,000 lai see packets to Greeners Action as rejuvenated red packets. Our Investment Properties in Mainland China also started to promote the reuse and recycling of lai see packet, over 1,600 pieces were recycled.



One of the major waste categories at our hotel operations and shopping malls is food waste. Other than reducing food waste through measures such as refilling buffet food with smaller portions, we also repurpose food waste for further use. Please refer to Chengdu IFS's case study on P.29 for more details.

Employees and customers play a significant role in contributing to better waste management. As a result, Development Properties' office in Shanghai engaged their workers to pick up and sort waste at Jing'an Park, and Parc Royale's project team

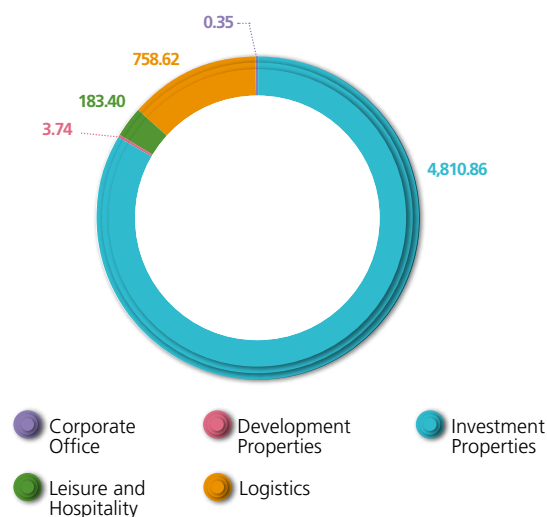
### Recycled waste by type in percentage



Note:

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

### Recycled waste by operation in tonnes



helped clean up the riverside, promoting awareness through first-hand experience. Meanwhile, Modern Terminals set up a waste monitoring system for tenants to keep track of their municipal solid waste generation. Tenants were also engaged in a waste reduction activity to boost their awareness. The waste monitoring system can further facilitate the exploration of new waste reduction opportunities and prepare for the upcoming Municipal Solid Waste Charging scheme.



### Air Quality Management GRI 305-7, HKEX KPI A1.1

Air quality has a direct impact on the health of our employees, shoppers and tenants that the Group is committed to maintaining and improving local air quality.

In the case of Modern Terminals, it complies with applicable laws and regulations including the Air Pollution Control Ordinance (Cap. 311) of the laws of Hong Kong. To reduce air pollution, Modern Terminals has completely replaced traditional rubber-tyred gantry cranes ("RTGs") with electricity-powered RTGs. Moreover, it collaborates with contractors to reduce emissions of air pollutants. It supported a contractor in adopting a pure electric-driven tractor that helps reduce the overall usage of diesel and emission of air pollutants.

# Case Study

## Chengdu IFS: Our Flagship Project with the Environment in Mind



In 2019, a HK\$2 billion Green Loan Facility was raised to refinance the Group's first IFS flagship project in Mainland China, Chengdu IFS, enabling it to earn the world-renowned LEED Platinum certification for "Operations and Maintenance: Existing Buildings".

### Enhancing Building Energy Efficiency

The incorporation of various green building features is considered from the design stage. To reduce the amount of air conditioning and lighting required, we have installed low emissivity hollow glass which restricts the amount of solar energy entering and leaving the building while maintaining the amount of sunlight provided. Moreover, a variable air volume air conditioning system is adopted in which air flow rates vary depending on the volume of cool air delivered to demand. Florescent lamps throughout the complex are gradually replaced by LED lights to lower electricity consumption. Motion sensors are also installed at the car park which only uses 10% of the lighting when no movement is identified.

### Indoor Air Quality

To maintain good indoor air quality, we upgraded the fresh air system of the office buildings to use electrostatic filtration, which can remove dust and fine particles more effectively and in principle, is also more energy-efficient. Recently, ultraviolet sterilisers have also been installed in addition to the range hood and air purifying system at the catering outlets, improving air quality.

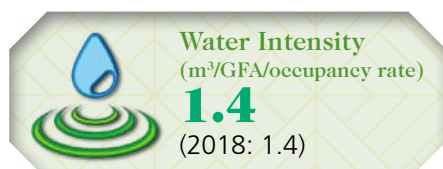
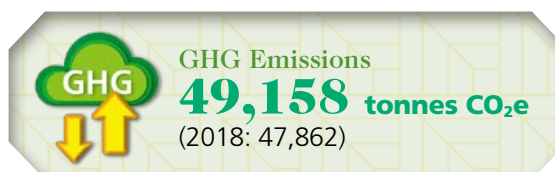
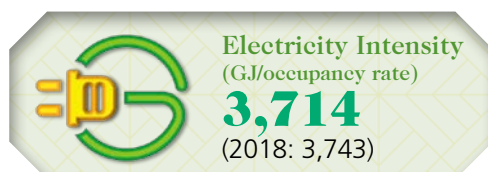
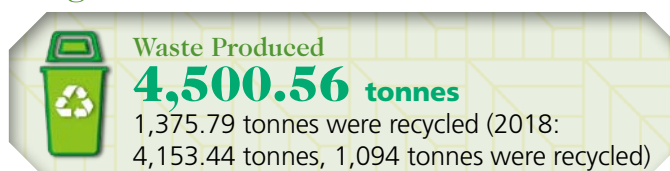
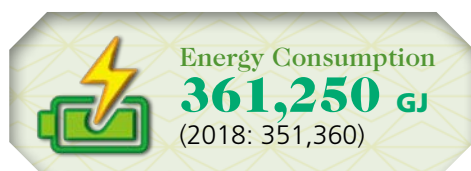


### Food Waste Management

To reduce the burden on landfills, food waste is collected and processed by the onsite food waste decomposer at Chengdu IFS. Meanwhile, food waste that cannot be treated onsite due to limited capacity is handled by qualified vendors for further treatment to produce agricultural fertilisers. A total of 1,274.04 tonnes of food waste was recycled in 2019.



### Environmental Performance of Chengdu IFS



At our Investment Properties, we proactively engaged with our tenants to manage air emissions. At Chongqing Times Square, all restaurants are required to have hood fans and purifiers installed to meet national and industry-level emission regulations and standard. At Shanghai Times Square, in response to the latest environmental protection requirements, the original oil boiler has been replaced with an air source heat pump, reducing the consumption of diesel and air pollutants emitted.

We have also undertaken industry standards at our Development Properties and aim to minimise dust emission during our construction works. For instance, we ensure that onsite waste and fugitive construction materials are covered appropriately. Moreover, to prevent dusty materials from leaving the construction sites, vehicle washing facilities are in place at site exits. Construction materials and waste are also transported appropriately with enclosed vehicles.

### Effluent Management and Spillage Prevention

**GRI** 306-3, 306-5

The Group is cautious in ensuring that our business operations do not cause any detrimental impact on water quality and marine habitats. Modern Terminals strictly adheres to the Water Pollution Control Ordinance (Cap. 358) and other laws and regulations regarding effluent discharge. All effluent is treated through underground fuel interceptor facilities to meet discharge standards. Water quality is inspected on a regular basis and assessments on facilities are conducted frequently. In the case of chemical spillage, an emergency response guide is established to direct employees in handling the situation effectively and appropriately. To ensure that our employees are always prepared in case of a chemical spillage, emergency drills are conducted.

### Employees' Environmental Awareness

Shifting the mindset and behaviour towards being more sustainable can further drive better environmental performance in our business operations. Our BUs actively engage the employees through a considerable number of programmes and activities.

Modern Terminals organised a "Nature of Our City" Hong Kong Wildlife Photo Contest to encourage employees to appreciate Hong Kong's natural landscape and rich biodiversity. Prior to the contest, an experienced full-time Hong Kong nature photographer was invited to host a Hong Kong Wildlife Photography Sharing Session with our colleagues. Many submissions appreciating the landscape and wildlife were received.

In April 2019, 16 of our employees from Wharf Limited and Modern Terminals participated in a Coastal Clean-up Volunteer Service organised by WWF-Hong Kong to collectively take action and work towards protecting our coastal environment. The event provided a meaningful opportunity for participants to strengthen their awareness on marine shoreline ecosystems and the issues of local plastic and marine litter. The coastal cleaning was then followed up with a workshop that allowed participants to transform the collected marine litter into beautiful art installations.



Development Properties also put substantial employee efforts in tackling climate change. The Carbon Account programme, which utilised Alipay's Ant Forest App, provided a personal carbon account for employees to encourage them to live a greener lifestyle through taking part in low-carbon activities. The app rewards its users with green energy points when taking actions to reduce their emissions such as biking to work. The points are further used to grow a virtual tree on the app, in which Alipay matches by planting a real tree or protecting a conservation area, in partnership with local NGOs. This initiative was participated by over 155 employees, and an impressive 1.37 tonnes of carbon emissions was reduced.

Riding on the cross-city environmental programme launched in the previous year, Investment Properties introduced "WE Green Our Future 2" in 2019. A series of activities including workshops, flea markets and second-hand item donation activities were organised to enhance environmental awareness and promote a sustainable lifestyle. Niccolo Chengdu and Niccolo Chongqing also held flea market events cum charity sale for the employees to exchange or resell unused items, extending the lifespan of unused products and raise fund for charity.



## Case Study

### Green Christmas Party

Christmas is about caring. We extended the care to our environment through the Wheelock & Wharf Christmas Party 2019. At the party, we not only celebrated the festive season with our managers, but also raised their environmental awareness and inspired change.

The Group's stance and support to sustainability and the emphasis on sustainable business were addressed at the beginning of the event. Different from a usual cocktail event in the past, a variety of interactive activities with educational purpose to promote environmental protection were organised.

For instance, the participants were challenged to recreate the Group's iconic properties with used materials. We engaged them through a fun and educational pop quiz, asking questions that many may overlook. We also included a meat challenge for the participants to try the plant-based meat substitute — Beyond meat.

We are delighted to have incorporated sustainability considerations to create a sustainable and meaningful company event. To further reduce our event's environmental impact, we avoided wrapping our prizes and presented cash prize. Moreover, we digitised the registration process through using QR code registration and also had an electronic lucky draw, reducing the amount of waste produced. As we strive to avoid food wastage, the food provided on the buffet line was prepared based on the order amount. To encourage participants to practice "bring your own bag" ("BYOB") in daily life, we also gave away tote bags to the participants as door prize.





# Nurturing Our PEOPLE



The Group appreciates and values the devotion of our employees, our key driver behind all progress in sustaining our business success. In an effort to attract talents, we continue to ensure a fair recruitment process and offer an attractive working environment with competitive remuneration. Through maintaining mutual respect, developing our talents and improving their wellbeing by means of rewards, opportunities and occupational safety and health (“OSH”), we aspire to be recognised as an employer of choice. We continue to invest in our people and foster a workplace culture that emphasises work-life balance, human rights, diversity and inclusiveness.

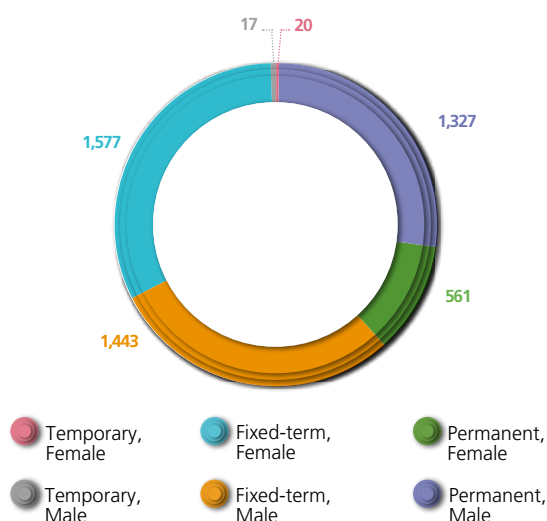
Our human rights and labour practices are governed by the Group-level CSR Guidelines. It sets out our requirements and standards of labour practice-related matters such as grievance handling, non-discrimination, principles and rights at work, working conditions, OSH, and staff development.

During the reporting year, we complied with the applicable laws and regulations, including the Employment Ordinance (Cap. 57) of the laws of Hong Kong and Labour Law of the People’s Republic of China. We also abide by the Labour Law of the People’s Republic of China in prohibiting the use of child and forced labour in our business.

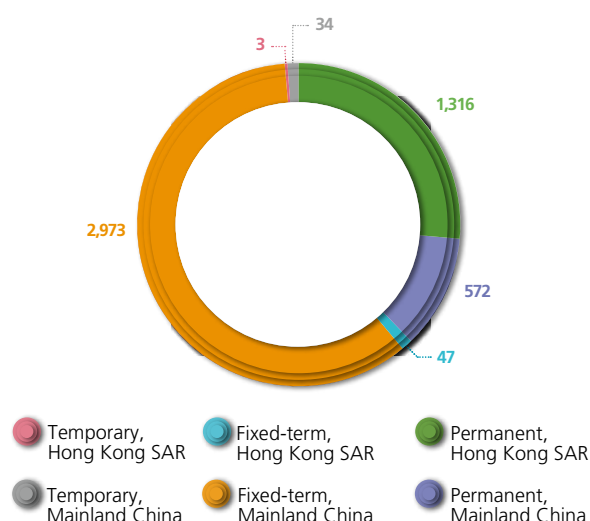
## Employee Composition [GRI] 102-8, [HKEX] KPI B1.1

As of 31 December 2019, we employed a total of 4,945 staff across our BUs<sup>9</sup>.

**Total workforce by contract type by gender**



**Total workforce by contract type by region**

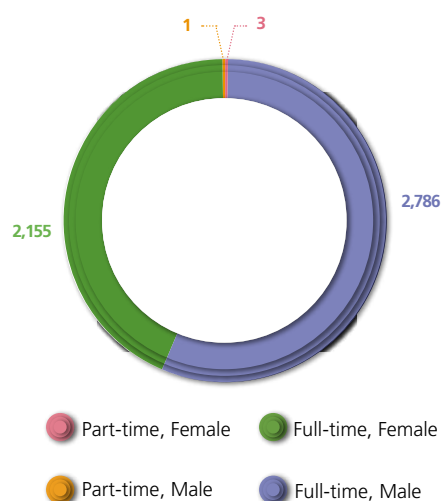


## Workplace Inclusiveness and Diversity [GRI] 406-1

[GRI] 406-1

Inclusiveness and diversity are the keys to cultivate a harmonious work environment that treasures talent uniqueness and individuality. In addition to our compliance with all anti-discrimination legislation in Hong Kong<sup>10</sup>, our staff handbook is in place to communicate our zero-tolerance approach to any form of workplace discrimination. Opportunities are given to every right talent based on their experience, ability and related qualifications, regardless of their background and conditions, gender, age, race, religion, nationality, sexual orientation or disability throughout our recruitment process.

**Total workforce by employment type by gender**

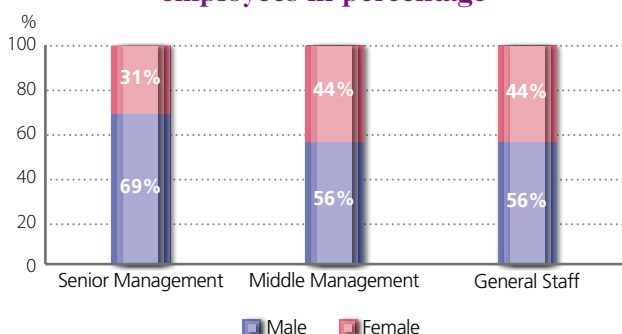


<sup>9</sup> The number of employees reported cover Wharf Holdings’ Hong Kong operations and Mainland China operations listed on P.7 of this Report.

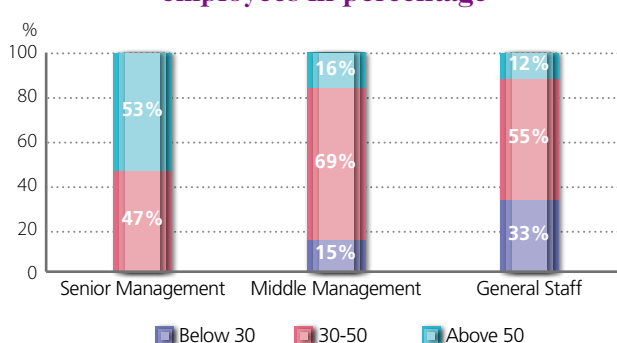
<sup>10</sup> Please refer to Significant Laws and Regulations for more details.



**Gender distribution of employees in percentage**



**Age distribution of employees in percentage**



## Employee Training and Development

[GRI] 404-1, 404-2, [HKEX] KPI B3.2, [UNSDG] 4, 8

The Group invests time and resources in employee training and development to ensure that our employees have the breadth and depth of skills and knowledge to achieve the business goal. To ensure the alignment of new employees with our business objectives and equip them with necessary skills, we arrange comprehensive orientation programme that introduces our corporate culture, mission and value and business structure to the new joiners.

For the existing staff, each BU conducts annual review of training needs and organises relevant training and development programmes in response to the evolving needs of our employees. We also foster a learning atmosphere by offering an array of training to employees at different job levels, setting up Training Sponsorship Scheme and paid study leave to incentivise full-time employees to participate in external, job-oriented training courses, seminars and conferences as well as professional qualification programmes.

At Modern Terminals, we have established a Continuous Learning Framework to direct employee competency development at all

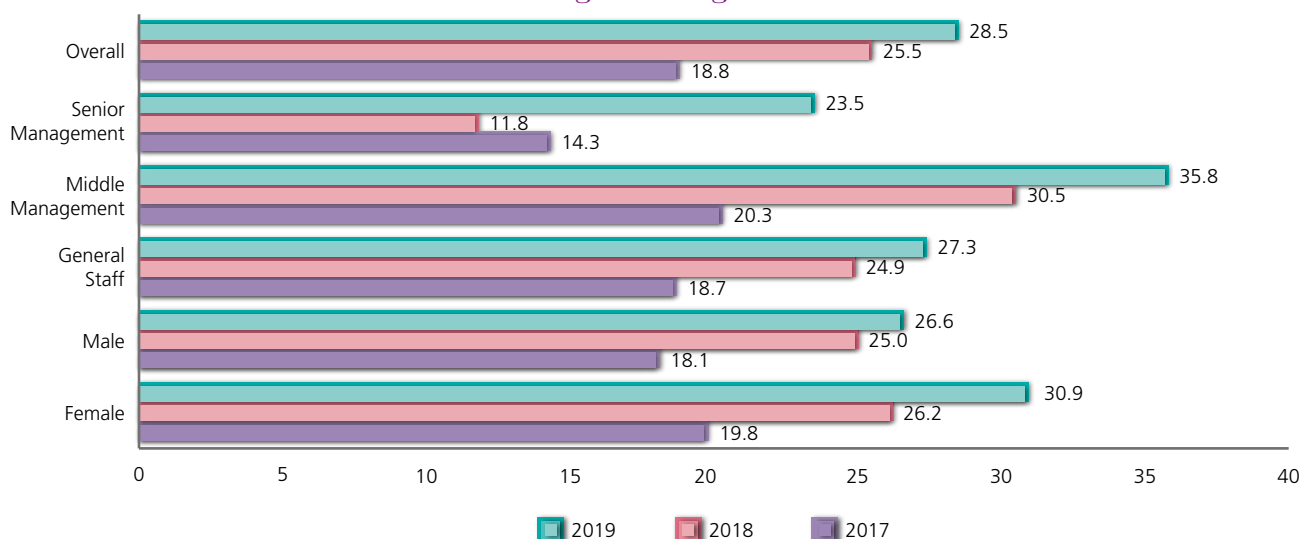
levels. Under the framework, the core skill requirements that employees need to achieve at each job level are identified. Corresponding trainings including leadership, supervisory skills and personal effectiveness are arranged to support their long-term career advancement.

Throughout the year, our BUs also held diverse training activities to enhance our employees' technical and functional skills required to perform their duties as well as competencies to cope with our future business development.

Besides, we provided a range of training, focusing on topics such as quality management, health and safety and emergency handling for contractors to ensure that they also uphold the Group's highest standards in all operations.



**Average Training Hours**



Operation	Training Focus
Corporate Office	<ul style="list-style-type: none"> <li>Human resources analytics, strategic negotiation, cyber and data security insurance, etc.</li> <li>Corporate regulatory and compliance workshops</li> </ul>
Investment Properties	<ul style="list-style-type: none"> <li>Team management skills, language skills, industry knowledge, customer service skills and time management</li> </ul>
Development Properties	<ul style="list-style-type: none"> <li>Team building</li> <li>Project management and costing</li> <li>Quantity surveying and contracts</li> <li>Technical skills and building technology (incl. "BIM")</li> <li>IT security and data privacy</li> </ul>
Leisure and Hospitality	<ul style="list-style-type: none"> <li>Human resources in the hospitality and tourism industry</li> <li>Myers-Briggs Type Indicator ("MBTI") certification training course</li> <li>Corporate regulatory and compliance workshops</li> </ul>
Logistics	<ul style="list-style-type: none"> <li>Leadership, supervisory skills and personal effectiveness</li> <li>Health and safety, anti-corruption, environmental protection, prevention of discrimination and harassment</li> </ul>



## Employee Engagement and Wellbeing

[GRI] 401-2, [UNSDG] 8

Our goal as an employer of choice guides us to move beyond basic employment practices to genuinely care about our employees. We actively engage our employees to foster open communication and a healthy corporate culture. Our employees enjoy competitive compensation and remuneration beyond the regulatory requirements. In Mainland China, we make reference to the society's average wage level, national salary guide and industry benchmark to provide competitive and reasonable remuneration. Our employees are also provided with benefits including voluntary employer's contribution to MPF, extra paid leaves<sup>11</sup>, pre-employment and regular health checks, counselling services, outpatient and hospitalisation coverage, special dental service rates, and subsidised meals subject to different BUs' policies. Our full-time employees in Mainland China are covered in the Five Social Insurance and One Housing Fund.

Two-way communications are essential for building mutual trust with employees. We constantly engage and collect employees' opinions through a variety of engagement channels to solicit views and proposals from employees that help improve our operational effectiveness as well as work environment. We have a staff grievances policy to timely handle the matters raised by employees. The Group makes active efforts to address the grievances by implementing appropriate corrective actions and revising our human resources management strategy. Some of our BUs have also taken the initiative to carry out programmes to foster the culture of respect. For example, managers from Chengdu IFS and Chongqing Times Square would try to work as frontline staff for a day to better experience the frontline situations to enhance mutual understanding and identify room for further improvement.



11 Extra paid leaves include annual leave, sick leave, maternity and paternity leave.

## Engagement Channels:



The Group understands the importance of work-life balance and helps our employees balance their professional life and private life through different arrangements. This year, with the theme of “Happy Infinity”, employees from Investment Properties went through a fruitful journey of experiential events and workshops of “Happy Formula”, “Happy Momentum”, “Happy Tasting” and “Happy Together”. On the other hand, our Development Properties have hosted fitness exercise and healthy eating seminars, periodic birthday parties and festive celebrations for the employees.

## Employees Wellness Activities 2019



### Happy Formula — Draw With Water-based Ink

Our employees from Investment Properties learnt to paint with watercolours to portray happy moments of life and find peace of mind.



### Happy Momentum — Zumba

Learning Zumba allowed our employees from the Investment Properties to exercise and enjoy rhythmic music at the same time.



### Happy Together — Happy Farm

This parent-child farm visit consisted of some interactive activities to enhance family bonding and nurture children’s respect for life and the nature.



### Happy Tasting — Cocktail Making

Under the guidance of professional bartender, our staff learnt basic knowledge of cocktail making and had the opportunity to prepare their own special drinks.





### Interest Group Sponsorship Scheme

Modern Terminals set up Interest Group Sponsorship Scheme to support employees. Currently, 3 interest groups with over 153 members have been established, namely basketball, soccer and badminton.



### Mooncake DIY Workshop

To celebrate Mid-Autumn Festival and appreciate the tradition, we offered the mooncake DIY workshop for staff from Mainland China's Development Properties.



### Outing

Our BUs arranged outings for the employees to take a break from busy life. Staff from Niccolo Changsha enjoyed an outing at Shiyianhu in Changsha.



### Ice-cream Day 2019

To show appreciation for our employees, especially for those working under critical weather conditions, Modern Terminals organised an Ice-cream Day to distribute ice-cream to over 1,800 employees and contractor's workers of different departments.



### Birthday Party

#### Visit Fire Station

Marco Polo Wuhan celebrated staff's birthday in an unusual way. A visit to fire station was arranged for the birthday stars to enhance their knowledge of fire safety.



### Team Building Day

Our BUs hold annual team building day to build synergy. Employees are divided into teams to compete in field orientation, games and other outreach activities.

## Case Study

### Red Ring Leadership Philosophy — Innovative Leadership Training Programme

To explore and seize the opportunities for long-term sustainable business development by shaping and transforming leadership culture, Wharf Hotels launched Red Ring Leadership Philosophy in 2017. The programme has successfully formed a clear leadership roadmap to foster the “LIVE BOLD. STAY SHARP” culture. Comprising of 12 leadership competencies under 4 major categories, we have aligned the leadership behaviour towards a common goal:



#### **Leading People:**

Empowerment, Leading and Inspiring, Talent Development



#### **Exceptional Results:**

Change and Innovation, Quality Driven, Business Mindset



#### **Personal Effectiveness:**

Self-development, Self-driven, Agile



#### **Strong Relationships:**

Customer-oriented, Effective Communication, Collaboration

These competencies have now defined the behavioural expectations of our leadership and management teams and as areas of strengths or development for individuals.

Besides, the leadership teams have been proactive in promoting Red Ring values to all employees through integration into different activities beyond classroom setting, ranging from monthly town hall meetings, outdoor team building exercises, annual dinner to usual coffee breaks. Training tools and collateral were also developed to support the training workshops and activities to encourage all employees to practise the 12 competencies in their daily interactions with guests and fellow colleagues.

In 2019, we continued the momentum and rolled out Phase 2 for the Red Ring Leaders to practise the concepts to live the Red Ring culture. We developed smaller modules of training programmes including “Bold Recovery System” which develops skills to handle guest complaints and “Sharp Improvement Model” to enhance business performance via working on projects of 3-month duration.

The programme currently covers over 500 associates in our hotels across Hong Kong, Mainland China and the Philippines. With these integrated efforts, Red Ring has become the DNA of our leaders in Wharf Hotels cascading through our organisation, and will continue to lead the success of our leadership teams.





## Occupational Safety and Health

[GRI] 403-1, 403-2, 403-5, 403-7, 403-9, [HKEX] KPI B2.1, 2.2, 2.3, [UNSDG] 3

Ensuring workplace safety and health is always a priority of the Group. With this in mind, each BU has set up a safety committee responsible for identifying, reviewing and managing OSH risks. We have also formulated Safety and Health Policy, which covers aspects including display screen equipment for offices, and communicated to all the staff. The staff handbook for the Investment Properties operations in Mainland China specifies proper safety work procedures and safety tips, further conveying the importance we attach to OSH.

To secure workplace safety to both our employees and contractors on sites, apart from providing personal protective equipment, we have a comprehensive management approach from early risk identification to actual accident. Our Development Properties have developed a construction risk management handbook that analysed various construction risks and corresponding precautionary measures to avoid workplace accidents. It also codifies the environmental and OSH management manual with reference to national regulations to set out control measures on construction sites. Our development sites have formulated emergency response plans and delegated working teams with clear accountability under defined accident categories, including construction accidents, hygiene at sites, dangerous goods and fire, to oversee diverse OSH hazards. We also provide comprehensive guidance and procedures on how to handle different accidents in case of occurrence.

The Group has continually improved our safety and health practices and standards to stay on par with international requirements. During the year, our OSH management system at Chengdu IFS and Changsha IFS were certified to ISO 45001:2018 respectively, showcasing our strong commitment to protecting our employees.



To detect and control OSH hazards at an early stage, we regularly maintain the safety emergency plan and conduct safety audits across operating sites. Should any OSH issues arise, the BUs would find out the root causes and formulate remediation or corrective measures accordingly to minimise the risk of workplace injury. In case of injuries, we would carry out serious investigation to avoid the recurrence. Meanwhile, we are examining OSH data and going to formulate relevant OSH targets to demonstrate our commitment to minimising workplace injury.

During 2017 to 2019, no incident of work-related fatality was recorded in both Hong Kong and Mainland China.

### Instilling Safety Consciousness at Work

Adhering to our OSH policy, we have adopted various safety and health approaches. At Modern Terminals, all new employees who are responsible for container handling at quayside and yard, as well as on board vessels are required to attend safety induction training which explains the applicable OSH standards and legislation in detail. Revalidation courses of mandatory basic safety trainings (Green Card and Blue Card) are also assigned to hired staff.

Our Development Properties and Investment Properties conduct regular fire drills and offer mandatory training on accident prevention, fire precaution and first aid as well as site safety for specific work position to equip our workers with OSH knowledge and skills. In daily operations, our staff from Development Properties are required to follow the safety guidelines which cover regular safety inspection on work equipment, firefighting supplies and workplace hygiene. During the year, our Corporate Office in Hong Kong invited the Labour Department to organise seminars on manual handling operation and prevention of back injuries.



Besides, Chengdu IFS published Work Injury Case Alert that summarises the causes of past incidents and provides safety tips to remind employees of self-protection techniques against potential OSH hazards. At Chengdu IFS and Dalian Time Square, Safety Day was organised to enhance both the OSH awareness and skills of our employees. It covered different activities including OSH training sessions, safety drills and debriefing. Competition on work-at-height safety, hazardous chemical handling procedures, first aid and firefighting knowledge was also conducted. In addition to managing OSH issues through a top-down approach, we welcome employees' suggestions to co-create a pleasant work environment.

### Capacity Building Training for Contractors

We are also concerned about the safety of our contractors' workers. Apart from listing relevant requirements in tender documents, we take OSH into consideration in contractor performance appraisal to ensure their compliance. We also provide them with relevant OSH trainings with the objective to facilitate work and reduce occupational hazards for contractors' workers. Training topics such as heat stroke prevention, container handling safety seminar, chemical spillage handling, etc. were covered.





# Business-in- COMMUNITY

[GRI] 203-1, 413-1, [HKEX] KPI 8.1, 8.2

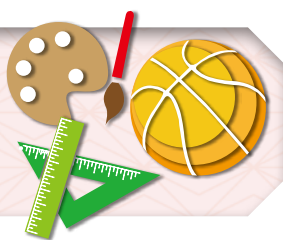


Following the Group's Business-in-Community philosophy, and mission of delivering positive social influence, we devote ourselves to various community programmes to drive positive social changes. Nurturing youth, promoting art and culture and supporting the needy form the three pillars of the Group's community investment. Through different activities, we hope to spread our care to those in need, and foster a corporate culture of volunteerism and create shared value in the society. In 2019, we supported over 100 community activities with different stakeholders.



Number of events and activities supported:

**120**



## Youth Development

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

The Group realises the important role of youth empowerment in advancing social development. Over the years, a wide range of youth programmes and activities have been launched to reach out to young talent in local communities and provide them with support and opportunities to unleash their full potential. We work closely with young people for a better future.

### Pilot Scheme on Corporate Summer Internship on the Mainland and Overseas 2019

The programme is organised by the HKSAR Government with the aim of providing valuable opportunities for young people to intern in Mainland China and overseas. This year, the Group remained supportive to forge partnership with the government.



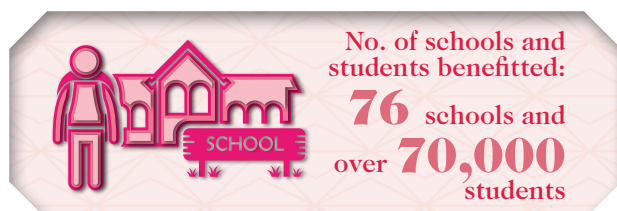
In 2019, the Group continued to support the programme by providing 8 university students with internship placements in different operational departments among our business locations in Mainland China, including Foshan, Chengdu and Chongqing, for a period of 6 to 7 weeks. The programme broadened the students outlook, particularly on the property and hospitality management industries. Besides, the Group offered financial support to the participants, including subsidising their airfare and accommodation expenses and giving them reasonable allowance.



## Project WeCan (“WeCan”)

Since its launch in 2011, *WeCan* has been our flagship programme in Business-in-Community initiative. The purpose of the programme is to provide secondary school students who are disadvantaged in learning with opportunities and care to empower them to pursue continuous education and future career goal. Financial resources and relevant support are provided through an “adopt a school” model.

*WeCan* serves as an open platform where every participating school enters a multi-year partnership with an organisation for continual financial and volunteer support. To facilitate the knowledge sharing and learning among the participating schools, we host a variety of joint-school activities in which students can develop a whole range of skill sets to better prepare for their career. Teachers can also make use of the platform to share best practices in youth education.



## WeCan Scholar Mentorship Programme 2019

To further affirm our commitment to nurturing the young generation, *WeCan* Scholar Mentorship Programme was rolled out this year. *WeCan* students were paired up with mentors who are successful leaders in their professions or areas. Through experience sharing by mentors, students received practical guidance on career planning, personal development and built up support networks.



## WeCan Scholar's Camp

In March, *WeCan* invited four cohorts of *WeCan* scholars to the 2019 Scholars' Camp at The Hong Kong Federation of Youth Groups Jockey Club Sai Kung Outdoor Training Camp. Secondary school students of *WeCan* schools were also invited where scholars shared their experience and university life with them. The 2-day camp gathered over 200 participants joining a wide range of team building activities to foster their bonding. One of the highlights was a sharing session by Mr. Peter Woo, Founding Patron of *WeCan*, who gave an inspiring talk on goal setting, personal development and career planning.



## WeCan's Partners Appreciation Reception

A Partners Appreciation Reception was held at the Government House to acknowledge our partners for their support and contributions over the years. The Chief Executive of the Hong Kong Special Administrative Region, Mrs. Carrie Lam, Mr. Peter Woo, and representatives from 69 partners and 76 schools, students and volunteers attended the event. Encouraging all to work together for the betterment of Hong Kong, Mr. Woo called for inputs, suggestions and ideas from the partners to improve the programme, and invited them to each bring one more organisation to the *WeCan* family to help the remaining half of the 150 target schools at the Ceremony.





## Art and Culture

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

The Group strives to create positive change by introducing art and culture into the local community, and raise the public attention to the role art and culture plays in building a vibrant society. To attain the goal and nurture young talents, we host and support artistic exhibitions.

### Changsha IFS

Changsha IFS brought a brilliant light world to the community. We organised exhibitions displaying featured art pieces from around the world including light projection art pieces by Portugal artists Carole & Nuno, an interactive light installation "Island of Warmth" by Atomic 3 as well as The Magical Maze by German architect Ben Busche. Guided tours and free workshops were also offered.



### Chengdu IFS

In April, Chengdu IFS and Tihho Art, a Tibetan art and cultural brand, jointly held the largest exhibition on Tibetan contemporary art — "Discover Himalayas" — ever in Mainland China. The exhibition with docent programmes organised, aimed to lead the public to rediscover Tibetan culture. Moreover, we organised "Dazzle Fashion" in Lhasa with Tihho Art in September. At the event, Tibetan culture was re-interpreted through cutting-edge summits and fashion shows.



## Community Care

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

Supporting the community is a part of our corporate culture. We aspire to serve and care for the needy in society, in particular the vulnerable individuals.

### Sanitation Workers Gift Giving Day

To express our gratitude to sanitation workers, Chengdu IFS, Changsha IFS, Chongqing Times Square, Dalian Times Square, Shanghai Times Square and Shanghai Wheelock Square prepared gift boxes with cooling items to help sanitation workers beat the summer heat. Our volunteer teams also helped clean the streets.



### Shanghai International Towerrunning Grand Prix 2019 – Wheelock Square Station

In 2019, Shanghai Wheelock Square supported the event again by sending a team of 13 staff members to take part in the charity event.



### Modern Terminals' Summer Fitness Programme

It is Modern Terminals' annual community programme with the Chinese YMCA New Territories Centre as a supporting organisation.



The programme provided sports training to participants including children from low-income families in Kwai Tsing, students from WeCan partner school Cotton Spinners Association Secondary School and kids of our colleagues. The Programme Alumni was formed in 2019 to maintain long-term connection with these young fans.

### Cross-city Volunteering Programme 2019 — Helping People with Disabilities

It is Investment Properties' major volunteering programme that aims to promote an inclusive society and create positive impact to the community collectively under the same theme. Some highlights as below:



Changsha IFS' volunteers visited Changsha QiYin Hearing Rehabilitation Center to serve the deaf-mute children and play games with them. The technical team of Changsha IFS utilised surplus material to build toy cabinets for the kids.



Volunteers from Chongqing Times Square and Chongqing IFS worked with the cinemas to arrange an exclusive session for the students from a special needs school.



Volunteers from Shanghai Wheelock Square organised a home visit to the local Sunny Home to engage with the members with hearing loss.



Chengdu IFS connected with the deaf-mute students by playing sports. At Chengdu Special Education School, our volunteers attended baseball training together with 28 deaf-mute teenagers.



Shanghai Times Square carried out an upcycling workshop for the disabled members of a Sunny Home. They made beautiful floral displays by using expired magazines together.



Volunteers of Dalian Times Square spent a day with the students from Dalian School for the Blind and Deaf to help them develop self-esteem. They played Rubik's cube together to encourage the children to build up confidence.



### Home Visit to the Elderly

We believe every elderly person deserves our continuous care and service. Our volunteer teams from Shanghai Wheelock Square, Shanghai Times Square, Chongqing Times Square, Dalian Times Square, as well as Changsha IFS visited the singleton elderly. Apart from delivering love and warmth, they also offered some repair and cleaning services to the elderly.

Wharf Hotels also sent volunteers to join elderly home visit in Ping Tin Estate with The Community Chest of Hong Kong.



### Reaching out to Communities to Promote Environmental Protection

To encourage waste recycling at source in the community, 3 representatives from our Imperial Park's project team visited door-to-door and distributed leaflets with useful environmental protection information to the residents in July 2019. On the other hand, Parc Royale's project team sent 12 volunteers in September to help clean up the riverside by collecting rubbish, making the neighbourhood more pleasant to live in.

WCEL also held cleaning activities across cities to remove plastic waste from the streets and riverside. A total of 87 volunteers participated in the activities which have brought to our volunteers' attention that plastic waste recycling should be addressed and promoted.

To further raise our employees' awareness of the importance of forest and biodiversity conservation, various tree-planting activities were organised. 54 volunteer participants from Chengdu IFS and Dalian Times Square were given the opportunity to work together to uplift the quality of our living environment while strengthening their team spirit.



### Expressing Care and Love to Underprivileged and Left-behind Children

Wharf Hotels partnered with The Hub, which aims to support the needs of these children by offering space and classes and help them become productive members of society that are free from the cycle of poverty, in a Christmas giving back event. Spreading love and support, the staff volunteers spent some joyful time with the children and presented Christmas gifts to them.



Joining hands with local community centres and schools, Shanghai Wheelock Square, Shanghai Times Square, Chongqing Times Square, Dalian Times Square and Changsha IFS initiated voluntary teaching across cities on English, drawing as well as craft-making to the underprivileged and left-behind children. It helped develop their interests and provided learning opportunities to empower them.





# Providing Value to Our CUSTOMERS

HKEX KPI B6.3



The Group strives to deliver quality products and services to our customers. Our BUs strictly adopt and follow guidelines regarding customer service, customer health and safety, personal data privacy, marketing and quality assurance, and adhere to the applicable laws and regulations. The Group follows Trade Descriptions Ordinance (Cap. 362), Personal Data (Privacy) Ordinance (Cap. 486), the Regulations on Telecommunications of the People's Republic of China, and the Law of Protection of Consumer Rights and Interests of the People's Republic of China.

### Quality Products and Services

**GRI** 417-3, **HKEX** KPI B6.2, B6.4

All our BUs provide regular customer service guidance and training to employees to equip them with the skills and knowledge required in delivering quality products and services. For example, Chengdu IFS and Chongqing Times Square provided a hands-on experience to service frontline managers through requiring them to work on the frontline for a day to gain a deeper understanding of the operations.



At our hotel operations, we ensure that customer feedback and concerns are addressed appropriately by following a six-step problem-solving process.



### Strategic Development Property

The Group adopts a strategic land acquisition policy with selective focus on key Tier 1 and Tier 1.5 cities including Chengdu, Hangzhou, Shanghai and Suzhou. For instance, Hangzhou Royal Seal and Shi Ji Hua Fu are good examples that reflect the quality standard of our Development Properties.



### Outstanding Investment Property Portfolio

In Mainland China, our diverse investment portfolio is mainly led by the IFS series located in prime locations, exhibiting strategic planning and design, as well as top-of-the-line management. Changsha IFS is well acclaimed as a one-stop destination for entertainment, lifestyle, culture and dining, rapidly emerging as the new landmark for Central China. Alongside the luxury hotel Niccolo, Changsha IFS comprises of corporate offices, residences, and luxury retail which offers over 370 international brands. It holds a vast array of exhibitions, cultural activities and festivals, giving new impetus in the Central China region. Changsha IFS adopted the nation's first 5G network smart commercial integrated system for commercial complex. 5G coverage, smart system iMall and our attentive services further provide a more innovative and genuine shopping and service experience for shoppers and tenants.





### Sophisticated Hotel Operations and Management

The Group currently manages 17 hotels in Mainland China, Hong Kong and the Philippines primarily under two main brands: Niccolo Hotels and Marco Polo Hotels. Distinguished by its understated luxury, intricate design and courteous hospitality, the Group has seen great success.



Niccolo Changsha, recently opened, has followed suit of its sister hotels and elevated luxury hospitality to new heights. In recognition of its provision of extraordinary and diverse customer experience through incorporating retail, unique dining experiences in sky-high destinations and corporate and leisure, Niccolo Changsha garnered numerous industry awards including the “Best Business Hotel in Central South and Southwest China” by TTG China Travel Awards 2019.

### Remarkable Terminal Service



Located in Kwai Tsing, Modern Terminals is a notable operator of top-notch container services in the South China region. In addition to operating in Hong Kong, Modern Terminals gained foothold in the Pearl River Delta (“PRD”) region and holds the shares in DaChan Bay Terminal in the PRD. Moreover, in response to the rapidly changing industry dynamics and growing competition in the region, Modern Terminals and 3 other terminal operators in Hong Kong entered into a Joint Operating Agreement in 2019 to achieve higher efficiency and provide improved overall service to customers.

### Customer Safety and Health GRI 416-2

In addition to delivering quality products and services, the Group highly prioritises the safety and health of our customers through regular evaluation of product and service safety, including areas that directly affect the health of our customers such as food safety and equipment sanitation. Our standard of quality management references industry best practices to maintain high quality services. For instance, Chengdu IFS adopts ISO 9001:2015 Quality Management System for its property management. Meanwhile, Modern Terminals appoints an external professional, HKQAA, to audit its safety and health management system annually to ensure full compliance with relevant regulations and code.

### Safe Premises and Clean Environment

In recent years, the impact of climate change to the business community has become increasingly evident. Apart from business disruption and asset damage, the safety and health of our customers and employees are put at risk in severe cases. Fuelled by the increasing threat of climate change to our business operations, the Group conducted a preliminary climate risk mapping exercise in all our BUs with reference to TCFD framework. Based on these findings, we can better prepare risk mitigation measures to maintain a safe environment. For more information on the climate risk findings and proposed mitigation measures, please refer to the section [Climate Risk Management](#).





At all the properties across our BUs, regular safety inspections and annual safety facility maintenance works are carried out. We also routinely conduct fire drills with our tenants to enhance their awareness of fire service equipment, emergency exits and firefighting duties. Emergency firefighting equipment and gear are located at designated areas for trained personnel to use in cases of incidents. Through the adoption of the latest innovations, Chengdu IFS invested in a fire-fighting robot to provide a more efficient and safe response to various emergencies. The efforts at Chengdu IFS were acknowledged through winning first place in the 2019 Jinjiang District Staff Fire Fighting Skills Competition.



Additional measures are employed to ensure crowd safety. Crowd control measures for emergency evacuations are in place along with adequately trained security personnel to carry out emergency plans. We provide training to our employees to enhance their emergency handling capabilities.

To further step up our security efforts, Shanghai Wheelock Square and Chengdu IFS employ detection dogs which are properly trained to search for explosives and assist in riot control. The detection dogs patrol our premises and stay on guard with our security personnel.



As indoor air quality directly impacts the health and safety of our customers and employees, we attach great importance to maintaining good indoor air quality. Our properties collaborate with nationally-recognised external organisations on air quality assessments to ensure that the indoor air quality has reached and surpassed national standards. Furthermore, air conditioning systems in public area are cleaned frequently. To provide a hygienic environment, Marco Polo Wuhan also cleans and disinfects goods such as bedding and towels in hotel rooms at high temperatures.





### Food Safety












Food safety is considered a key priority in our hotel operations as it is a significant risk factor to the health of our guests and employees. Our hotel operations follow an Operational Manual on Food Safety Hygiene strictly with weekly food and hygiene inspections conducted to ensure standards are met. Moreover, we provided food safety training during the reporting year, as well as assessments for our staff to communicate our expectations and enhance their knowledge on food safety. We extend our food safety standards to our suppliers. During the procurement process, certifications are required to ensure they meet the safety and health requirements. Supplier visits are also conducted monthly.



### Customer Satisfaction

The Group has a high regard for our customer's experience. We strive to continually boost our customers' satisfaction through regularly engaging with them and listening to their valuable feedback and concerns through a diverse array of engagement channels. Customer satisfaction surveys are carried out on a regular basis to keep track of our performance and identify opportunities for improvement. We are attentive to the feedback and concerns provided by our customers and strive to resolve any misunderstanding or complaint in a timely and suitable manner through adopting standardised procedures and escalating to higher authorities. As our frontline staff directly interact with our customers, a mindset of quality service is instilled in their daily operations.

Engagement Channel	Investment Properties	Development Properties	Leisure and Hospitality	Logistics
 Internet and e-mails	✓	✓	✓	✓
 Customer service hotlines	✓		✓	
 Social media platform	✓	✓	✓	✓
 Focus group discussion	✓			✓
 Interviews	✓	✓	✓	
 Online survey	✓		✓	
 Mystery shopper	✓			

	Overall Satisfaction Rate (%)	No. of Responses Collected/ Name of Index
 Chengdu IFS	Shopping Mall – <b>98.6%</b> Office – <b>95.8%</b>	<b>300</b> retail tenants and <b>187</b> office tenants surveyed
 Changsha IFS	<b>98.3%</b>	<b>387</b> tenants surveyed
 Wuxi IFS	<b>99.1%</b>	<b>74</b> tenants surveyed
 Shanghai Wheelock Square	<b>97.2%</b>	<b>90</b> tenants surveyed
 Shanghai Times Square	Shopping Mall – <b>93.5%</b> Office – <b>88.0%</b>	<b>37</b> retail tenants and <b>67</b> office tenants surveyed
 Chongqing Times Square	<b>99.8%</b>	<b>557</b> tenants surveyed
 Dalian Times Square	Office – <b>93.8%</b> Shopping Mall – <b>92.0%</b>	<b>37</b> tenants and <b>450</b> customers surveyed
 Niccolo Chengdu	<b>98.4%</b>	Guest Satisfaction Online Survey Global Index
 Niccolo Chongqing	<b>95.9%</b>	Guest Satisfaction Online Survey Global Index
 Niccolo Changsha	<b>96.7%</b>	Guest Satisfaction Online Survey Global Index
 Marco Polo Wuhan	<b>95.2%</b>	Guest Satisfaction Online Survey Global Index

## Customer Privacy

[GRI] 418-1, [HKEX] KPI B6.5

With the increasing adoption of technology to facilitate smoother business operations, we acknowledge our responsibility in safeguarding the data privacy of our customers. The Group puts forth dedicated efforts to ensure that our customers' information is handled safely and securely through carrying out consumer data protection measures. We are highly cautious in the process of gathering customers' consent on the use of their data. We communicate to our customers the purpose of data collection and the personnel having access to it through a privacy policy statement and personal information collection statement.



Internal guidelines regarding physical, environmental and IT security are in place to guarantee that customer data are handled with the utmost care throughout the entire data life cycle by relevant BUs, from collection to secure storage and disposal. The use of Information Communications Technology ("ICT") equipment both onsite and offsite is strictly regulated to avoid the occurrence of information loss, damage, theft or compromise. Sensitive customer information can only be accessed by authorised personnel. Moreover, physical access to secure properties including data centres and server rooms are logged in accordance with statutory requirements and industry's best practices.

As our ICT equipment contains sensitive information, we have stringent control on the maintenance works through appointing authorised and qualified personnel to carry out the tasks as stated in agreements. We adopt vigilant practices when disposing of ICT equipment. For instance, secure overwriting is required, and in cases that this is not possible, the concerned equipment and storage media will be physically destroyed and discarded. An external auditor is appointed to conduct an annual physical penetration, further reviewing the effectiveness of our physical security controls.

We have also leveraged the latest technology to ensure a more efficient process in data privacy protection. For instance, the iMall system of Changsha IFS can identify the types of customer information that is being collected, and based on the findings and specified requirements, corresponding management regulations and procedures are formulated.



Training is provided to employees regularly to ensure that they are aware of the proper handling of customer information. At our hotel operations, trainings were conducted regarding the EU General Data Protection Regulation ("GDPR") to equip our employees with the knowledge and standards on protecting our guests' sensitive information. Moreover, the Information and Technology Department also sent email reminders on a regular basis to our employees to ensure that every staff is aware of how to handle information securely and properly.

To identify and rapidly tackle data protection issues, employees are encouraged to report actual or potential data protection incidents to the Group's data breach team which consists of senior management, head of communications and IT manager. The team is responsible for formulating action plans, decision-making and informing the impacted individual. Following the GDPR, the relevant supervisory authority must be notified within 72 hours of data breach if the affected individual is situated within the EU.

The Group strictly complies with relevant laws and regulations including the Personal Data (Privacy) Ordinance (Cap. 486) and GDPR. During the reporting year, there were no complaints regarding breaches of customer privacy or losses of customer data.



# Performance Data Summary

## Key for Data Performance Table\*

Operation	Business Unit	Acronym
Corporate Office	<ul style="list-style-type: none"> <li>Wharf Limited</li> </ul>	WL
Investment Properties	Wharf China Estates Limited <ul style="list-style-type: none"> <li>Chengdu IFS</li> <li>Changsha IFS**</li> <li>Wuxi IFS</li> <li>Shanghai Wheelock Square</li> <li>Shanghai Times Square</li> <li>Chongqing Times Square</li> <li>Dalian Times Square</li> </ul>	WCEL
Development Properties	Wharf China Development Limited*** <ul style="list-style-type: none"> <li>Shanghai Office</li> <li>Chengdu Office and Sites (Times City, Times Town)</li> <li>Hangzhou Office and Sites (Parc Royale I, Parc Royale II, Imperial Park)</li> <li>Suzhou Office and Sites (Wuzhong Lot #24, Bellagio, Villa One, Xiangcheng Yuan He Street Lot #77)</li> </ul>	WCDL
Leisure and Hospitality	<ul style="list-style-type: none"> <li>Wharf Hotels Management Limited</li> <li>Niccolo Chengdu</li> <li>Niccolo Chongqing</li> <li>Niccolo Changsha****</li> <li>Marco Polo Wuhan</li> </ul>	Wharf Hotels Hotels
Logistics	<ul style="list-style-type: none"> <li>Modern Terminals Limited</li> </ul>	MTL

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

\* Suzhou office and construction sites in Chengdu and Suzhou are newly added to the 2019 reporting scope. For Wharf Hotels, only social data are reported. For Investment Properties, environmental data are collected from generation of public area. For Chengdu, Hangzhou, Shanghai and Suzhou branches of WCDL, data are collected from management offices.

\*\* Changsha IFS commenced operation on 7 May 2018.

\*\*\* Data from construction sites in Chengdu, Hangzhou and Suzhou is included in the calculations of Scope 3 GHG emissions and waste.

\*\*\*\* Niccolo Changsha commenced operation on 29 October 2018.

## Environmental Performance

### Air Emissions

**Air Emissions by type and source in tonnes**<sup>12</sup>  

	2019	2018 <sup>13</sup>	2017
NO <sub>x</sub>	1.158	1.423	0.271
SO <sub>x</sub>	0.046	0.049	0.001
PM	0.075	0.096	0.024

12 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. NO<sub>x</sub> and PM emissions from trailer mounted boom lifts at WCEL are not included.

13 The data in 2018 were recalculated for MTL with the adjustment in LPG conversion factor.

## Energy Consumption

### Energy consumption by source in GJ<sup>14</sup> [GRI] 302-1, [HKEX] KPI A2.1

		Corporate Office WL	Investment Properties WCEL	Development Properties WCDL	Leisure and Hospitality Hotels	Logistics MTL	Total
Diesel oil	2019	68	6,400	N/A	8	98,324	104,800
	2018	75	9,189	N/A	22	103,330	112,616
	2017	73	7,744	–	–	325,389	333,206
Unleaded petrol	2019	741	343	1,080	159	925	3,248
	2018	740	334	1,014	64	1,034	3,186
	2017	738	806	1,053	–	1,208	3,805
Liquefied petroleum gas ("LPG") <sup>15</sup>	2019	N/A	N/A	N/A	N/A	6,887	6,887
	2018	N/A	N/A	N/A	N/A	6,991	6,991
	2017	N/A	N/A	–	N/A	7,111	7,111
Towngas	2019	N/A	N/A	N/A	N/A	2,564	2,564
	2018	N/A	N/A	N/A	N/A	2,623	2,623
	2017	N/A	–	–	–	1,962	1,962
Piped natural gas ("PNG")	2019	N/A	85,704	N/A	57,897	N/A	143,601
	2018	N/A	75,310	N/A	38,165	N/A	113,475
	2017	N/A	43,739	–	6,181	N/A	49,920
Purchased electricity <sup>16</sup>	2019	2,855	845,288	630	50,238	175,610	1,074,621
	2018	2,731	772,636	568	53,755	177,466	1,007,156
	2017	2,732	562,003	1,136	–	179,299	745,170
Purchased steam	2019	N/A	8,845	N/A	N/A	N/A	8,845
	2018	–	–	–	–	–	0
	2017	–	–	–	–	–	0
Self-generated renewable energy – Solar	2019	N/A	0	N/A	N/A	N/A	0
	2018	N/A	0	N/A	N/A	N/A	0
	2017	N/A	4	N/A	N/A	N/A	4
Total	2019	3,664	946,580	1,710	108,302	284,310	1,344,566
	2018	3,546	857,469	1,582	92,006	291,444	1,246,047
	2017	3,543	614,296	2,189	6,181	514,969	1,141,178

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

	2019	2018	2017
Energy consumption per number of employee	271.90	259.59	285.79
Energy consumption per HK\$ million revenues	79.68	59.18	46.92

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

15 The data in 2017 and 2018 were recalculated for MTL with the adjustment in LPG conversion factor.

16 Purchased electricity of Niccolo Chengdu is included in that of Investment Properties since 2017. Purchased electricity of Niccolo Chongqing is included in that of Investment Properties in 2017, while that of Niccolo Changsha is included in that of Investment Properties in 2019.

## Water Consumption<sup>17</sup>

Water consumption by source [GRI] 303-3, [HKEX] KPI A2.2

		Investment Properties WCEL	Development Properties WCDL	Leisure and Hospitality Hotels	Logistics MTL
Municipal water (m <sup>3</sup> )	2019	2,115,736	3,629	338,861	71,303
	2018	1,818,115	565	267,871	74,134
	2017	1,085,316	877	94,439	62,763
Captured rainwater (m <sup>3</sup> )	2019	2,317	N/A	N/A	N/A
	2018	943	N/A	N/A	N/A
	2017	36	N/A	N/A	N/A
Underground water (m <sup>3</sup> )	2019	93,605	N/A	N/A	N/A
	2018	106,054	N/A	N/A	N/A
	2017	71,405	N/A	N/A	N/A
Recycled water (m <sup>3</sup> )	2019	6,189	–	888	N/A
	2018	12,952	–	132	N/A
	2017	8,232	–	–	N/A

Water intensity [GRI] CRE-2, [HKEX] KPI A2.2

	2019	2018	2017
Water consumption per number of employee	532.36	475.16	331.35
Water consumption per HK\$ million revenues	156.01	108.32	54.40

GHG Emissions<sup>18</sup> [GRI] 305-1, 305-2, 305-3, 305-4, CRE-3, [HKEX] KPI A1.2

### Scope 1, Scope 2 and Scope 3 GHG emissions in tonnes CO<sub>2</sub>e

		Corporate Office WL	Investment Properties WCEL	Development Properties WCDL	Leisure and Hospitality Hotels	Logistics MTL	Total
Direct (Scope 1) GHG emissions <sup>19</sup>	2019	66	5,745	89	7,139	7,806	20,846
	2018	67	4,472	84	2,323	8,179 <sup>21</sup>	15,125 <sup>21</sup>
	2017	67	3,288	87	376	24,399 <sup>21</sup>	28,217 <sup>21</sup>
Energy indirect (Scope 2) GHG emissions <sup>20</sup>	2019	404	135,310	123	7,336	24,908	168,082
	2018	387	124,281	103	7,850	25,141	157,762
	2017	410	92,999	215	–	26,919	120,543

	2019	2018	2017
Other indirect (Scope 3) GHG emissions <sup>22</sup>	18,680	15,878	–
Total (Scope 1, 2 and 3) emissions	207,608	188,765	148,760
Total (Scope 1, 2 and 3) emissions per number of employee	41.98	39.33	37.26
Total (Scope 1, 2 and 3) emissions per HK\$ million revenues	12.30	8.97	6.12

17 In 2017, municipal water consumption of Niccolo Chongqing is included in that of Investment Properties. 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). Captured rainwater and underground water are confined to Chengdu IFS.

18 CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O are included in the calculation of GHG emissions.

19 2019 Scope 1 emissions 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, town gas, and LPG. They are calculated based on Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong. Emission from combustion of PNG is calculated based on 2012 Guidelines to Defra/DECC's GHG Conversion Factors for Company Reporting. In 2017, direct (Scope 1) GHG emissions include 15,711 tonnes CO<sub>2</sub>e from diesel oil consumption of heavy goods vehicle by haulage contractors of MTL.

20 2019 Scope 2 emissions are indirect GHG emissions from the generation of purchased or acquired electricity and town gas consumed by Wharf, and were calculated based on the default factors provided by electricity providers in Hong Kong, Power Assets (0.80 kg CO<sub>2</sub>e/kWh), CLP (0.51 kg CO<sub>2</sub>e/kWh) and The Hong Kong and China Gas Company Limited (0.564 kg CO<sub>2</sub>e/unit). GHG emission by electricity purchased in China in this Report is calculated based on China grid emission factor in 2011 and 2012 中國區域電網平均二氧化碳排放因子 (0.7035 kg CO<sub>2</sub>e/kWh).

21 The data in 2017 and 2018 were recalculated for MTL with the adjustment in LPG conversion factor.

22 2019 Scope 3 emissions include: diesel oil consumption of heavy goods vehicle by haulage contractors of MTL, medium goods vehicle and other mobile machinery operated by contractors in Parc Royale I, and generator by contractors in Suzhou Huayuan Road Lot #78; LPG consumption of other mobile machinery by contractors in Parc Royale I; and purchased electricity in our construction sites.



## Waste Management<sup>23</sup> [GRI] 306-2, [HKEX] KPI A1.3, A1.4, A1.6

### Waste by type and disposal method in tonnes

		Corporate Office WL	Investment Properties WCEL	Development Properties WCDL	Leisure and Hospitality Hotels	Logistics MTL	Total
General refuse to landfill	2019	N/A	16,560.10	9.69	500.69	1,429.10	18,499.58
	2018	N/A	14,921.54	0.17	387.95	808.00	16,117.66
	2017	9.00	11,111.00	–	527.00	847.00	12,494.00
Waste collected for recycling							
Non-hazardous waste							
Paper	2019	N/A	411.68	1.39	16.65	24.12	453.84
	2018	N/A	399.58	0.55	20.06	25.31	445.50
	2017	5.93	67.35	0.13	11.47	24.93	109.81
Plastics	2019	N/A	8.12	0.36	6.22	0.11	14.81
	2018	N/A	22.59	0.00	10.03	0.17	32.79
	2017	0.01	1.20	0.02	8.42	0.17	9.82
Metals	2019	N/A	26.23	0.00	5.15	196.27	227.65
	2018	N/A	23.11	0.00	2.33	128.60	154.04
	2017	N/A	3.00	–	4.25	815.54	822.79
Food waste	2019	N/A	4,332.60	1.82	146.51	40.73	4,521.66
	2018	N/A	2,681.69	N/A	238.18	49.13	2,969.00
	2017	N/A	823.33	–	204.23	10.49	1,038.05
Glass	2019	0.01	0.00	0.00	6.29	0.31	6.61
	2018	0.00	0.00	0.00	7.37	0.18	7.55
	2017	0.07	0.00	–	0.01	0.16	0.24
Soap	2019	N/A	N/A	N/A	1.10	N/A	1.10
	2018	N/A	N/A	N/A	0.00	N/A	0.00
	2017	N/A	N/A	–	1.11	N/A	1.11
Hazardous waste							
Electrical appliances/ components	2019	N/A	0.13	N/A	0.00	0.00	0.13
	2018	N/A	0.00	N/A	0.00	4.78	4.78
	2017	1.12	0.00	–	0.01	0.50	1.63
Used ink cartridge	2019	0.34	0.16	0.10	0.06	0.08	0.74
	2018	0.35	0.04	0.17	0.18	0.11	0.85
	2017	0.38	0.00	0.11	0.24	0.13	0.86
Scrap tyres	2019	N/A	N/A	0.06	N/A	90.04	90.10
	2018	0.03	N/A	0.15	N/A	196.34	196.52
	2017	N/A	N/A	0.03	N/A	89.78	89.81

23 Hazardous waste includes cell batteries, industrial batteries, fluorescent lamps, light bulbs, electric appliances/components, used ink cartridge, scrap tyres, waste cooking oil, waste industrial oil, wooden pallets, waste filter and waste rag. Non-hazardous waste includes waste paper, plastics, metal, food waste, glass and soap.

		Corporate Office WL	Investment Properties WCEL	Development Properties WCDL	Leisure and Hospitality Hotels	Logistics MTL	Total
Waste cooking oil	2019	N/A	30.17	N/A	1.42	1.35	32.94
	2018	N/A	15.23	N/A	1.21	0.45	16.89
	2017	N/A	12.02	–	0.97	–	2.99
Waste industrial oil	2019	N/A	1.51	N/A	N/A	59.54	61.05
	2018	N/A	0.96	N/A	N/A	46.17	47.13
	2017	N/A	0.08	–	N/A	41.23	41.31
Wooden pallets	2019	N/A	N/A	N/A	N/A	325.29	325.29
	2018	N/A	N/A	N/A	N/A	334.64	334.64
	2017	N/A	N/A	–	N/A	315.02	315.02
Waste filter	2019	N/A	N/A	N/A	N/A	2.36	2.36
	2018	N/A	N/A	N/A	N/A	3.40	3.40
	2017	N/A	N/A	–	N/A	4.30	4.30
Waste rag	2019	N/A	N/A	N/A	N/A	13.55	13.55
	2018	N/A	N/A	N/A	N/A	10.58	10.58
	2017	N/A	N/A	–	N/A	9.22	9.22
Cell batteries	2019	0.00	0.36	0.01	N/A	0.00	0.37
	2018	0.00	0.35	0.01	0.06	0.00	0.42
	2017	0.00	0.15	0.01	0.06	0.00	0.22
Industrial batteries	2019	N/A	N/A	N/A	N/A	4.46	4.46
	2018	N/A	N/A	N/A	N/A	5.29	5.29
	2017	N/A	N/A	–	–	3.70	3.70
Fluorescent lamps	2019	0.00	0.00	N/A	0.00	0.41	0.41
	2018	0.00	0.91	N/A	0.02	0.59	1.52
	2017	0.05	0.30	–	0.03	0.42	0.80
Light bulbs	2019	0.00	0.00	N/A	0.00	0.00	0.00
	2018	0.00	0.00	N/A	0.00	0.00	0.00
	2017	0.00	0.08	–	0.05	0.00	0.13
Grand total	2019	0.35	21,371.06	13.43	684.09	2,187.72	24,256.65
	2018	4.24	18,066.00	1.05	667.39	1,613.74	20,352.42
	2017	16.56	12,018.51	0.30	757.85	2,162.59	14,955.81

**Construction waste to landfill and recycled<sup>24 25</sup>**

			Investment Properties WCEL	Development Properties WCDL	Logistics MTL	Total
Construction waste	2019	to landfill	3,584.20	8.00	95.89	3,688.09
		for recycling	76.71	7.90	0.00	84.61
	2018	to landfill	22,102.00	N/A	N/A	22,102.00
		for recycling	122.54	N/A	N/A	122.54
Wood	2019	to landfill	0.08	0.00	N/A	0.08
		for recycling	0.00	136.41	N/A	136.41
	2018	to landfill	N/A	0.00	N/A	0.00
		for recycling	N/A	0.80	N/A	0.80
Reinforcing steel bars	2019	to landfill	0.00	0.00	N/A	0.00
		for recycling	0.12	192.56	N/A	192.68
	2018	to landfill	N/A	0.00	N/A	0.00
		for recycling	N/A	3.65	N/A	3.65
Concrete	2019	to landfill	0.12	0.00	N/A	0.12
		for recycling	0.00	36.75	N/A	36.75
	2018	to landfill	N/A	0.00	N/A	0.00
		for recycling	N/A	0.70	N/A	0.70
Earthworks (m <sup>3</sup> )	2019	to landfill	N/A	72,510.00	N/A	72,510.00
		for recycling	N/A	76.60	N/A	76.60
	2018	to landfill	N/A	2,040.00	N/A	2,040.00
		for recycling	N/A	0.00	N/A	0.00
Mud (m <sup>3</sup> )	2019	to landfill	N/A	14,962.00	N/A	14,962.00
		for recycling	N/A	0.00	N/A	0.00
	2018	to landfill	N/A	283.00	N/A	283.00
		for recycling	N/A	0.00	N/A	0.00

24 The unit of all data is in tonnes, except the earthworks and mud are measured in m<sup>3</sup>.

25 Waste is produced mainly by tenants of Investment Properties and contractors on construction sites.



## Employee Statistics

### Employee Distribution

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

		Corporate Office WL	Investment Properties WCEL	Development Properties WCDL	Leisure and Hospitality Wharf Hotels Hotels		Logistics MTL	Total
2019	Male	65	1,059	247	16	597	803	2,787
	Female	105	976	257	42	676	102	2,158
	Full-time	169	2,035	504	58	1,270	905	4,941
	Part-time	1	0	0	0	3	0	4
	Permanent	151	631	105	37	61	903	1,888
	Fixed-term	18	1,403	399	21	1,178	1	3,020
	Temporary	1	1	0	0	34	1	37
2018	Male	68	1,074	196	18	559	812	2,727
	Female	102	978	221	35	636	101	2,073
	Full-time	170	2,031	417	53	1,193	913	4,777
	Part-time	0	21	0	0	2	0	23
	Permanent	149	497	101	38	64	912	1,761
	Fixed-term	21	1,532	316	15	1,108	1	2,993
	Temporary	0	23	0	0	23	0	46
2017	Male	67	800	232	21	373	823	2,316
	Female	96	737	243	35	460	106	1,677
	Full-time	162	1,518	475	56	831	929	3,971
	Part-time	1	19	0	0	2	0	22
	Permanent	143	440	114	35	61	924	1,717
	Fixed-term	19	1,070	361	21	741	5	2,217
	Temporary	1	27	0	0	31	0	59

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

		Corporate Office WL	Investment Properties WCEL	Development Properties WCDL	Leisure and Hospitality Wharf Hotels Hotels		Logistics MTL	Total
2019	Male	50	377	61	7	31	801	1,327
	Female	101	254	44	30	30	102	561
2018	Male	52	281	53	9	29	811	1,235
	Female	97	216	48	29	35	101	526
2017	Male	53	258	59	9	25	821	1,225
	Female	90	182	55	26	36	103	492

**Gender, age group and minority group distribution of all employees by employment category<sup>26</sup> in 2019**

GRI 405-1, HKEX KPI B1.1

		Male %	Female %	Below 30 %	30–50 %	Above 50 %	Minority Group <sup>27</sup> %	Non-minority Group %	
Corporate Office	WL	Senior management	76.92%	23.08%	0.00%	7.69%	92.31%	0.00%	100.00%
		Middle management	40.63%	59.37%	0.00%	65.63%	34.37%	0.00%	100.00%
		General staff	33.60%	66.40%	17.60%	59.20%	23.20%	0.00%	100.00%
Investment Properties	WCEL	Senior management	50.00%	50.00%	0.00%	66.67%	33.33%	0.00%	100.00%
		Middle management	48.55%	51.45%	0.72%	84.06%	15.22%	1.45%	98.55%
		General staff	52.30%	47.70%	30.99%	62.35%	6.66%	1.90%	98.10%
Development Properties	WCDL	Senior management	100.00%	0.00%	0.00%	25.00%	75.00%	0.00%	100.00%
		Middle management	67.44%	32.56%	0.00%	80.23%	19.77%	0.00%	100.00%
		General staff	44.15%	55.85%	22.93%	73.66%	3.41%	0.73%	99.27%
Leisure and Hospitality	Wharf Hotels	Senior management	42.86%	57.14%	0.00%	47.62%	52.38%	0.00%	100.00%
		Middle management	25.00%	75.00%	10.00%	75.00%	15.00%	0.00%	100.00%
		General staff	11.76%	88.24%	35.29%	52.94%	11.76%	0.00%	100.00%
	Hotels	Senior management	80.95%	19.05%	0.00%	80.95%	19.05%	19.05%	80.95%
		Middle management	45.27%	54.73%	39.50%	58.85%	1.65%	0.41%	99.59%
		General staff	46.58%	53.42%	55.80%	36.47%	7.73%	2.08%	97.92%
Logistics	MTL	Senior management	70.59%	29.41%	0.00%	35.29%	64.71%	17.65%	82.35%
		Middle management	74.07%	25.93%	4.17%	66.20%	29.63%	0.00%	100.00%
		General staff	93.90%	6.10%	11.16%	51.19%	37.65%	0.15%	99.85%
Group overall		Senior management	68.60%	31.40%	0.00%	46.51%	53.49%	8.14%	91.86%
		Middle management	56.19%	43.81%	14.69%	68.98%	16.33%	0.41%	99.59%
		General staff	56.13%	43.87%	32.64%	55.19%	12.17%	1.48%	98.52%

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

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

## New Employee Hires

### Gender and age distribution of new employee hires in number and in percentage<sup>28 29</sup> (GRI) 401-1

		Corporate Office WL	Investment Properties WCEL	Development Properties WCDL	Leisure and Hospitality Wharf Hotels Hotels		Logistics MTL	Total
2019	Male	11 (17%)	143 (14%)	39 (16%)	5 (31%)	274 (46%)	67 (8%)	539 (19%)
	Female	21 (20%)	173 (18%)	45 (18%)	13 (31%)	340 (50%)	18 (18%)	610 (28%)
	Below 30	9 (41%)	176 (30%)	27 (29%)	0 (0%)	420 (64%)	35 (42%)	667 (46%)
	30–50	23 (24%)	135 (10%)	56 (15%)	13 (38%)	176 (33%)	48 (10%)	451 (16%)
	Above 50	0 (0%)	5 (3%)	1 (3%)	5 (31%)	18 (21%)	2 (1%)	31 (5%)
2018	Male	11 (16%)	316 (29%)	28 (14%)	11 (61%)	274 (49%)	58 (7%)	698 (26%)
	Female	32 (31%)	359 (37%)	32 (14%)	7 (20%)	340 (53%)	24 (24%)	794 (38%)
	Below 30	14 (58%)	380 (56%)	24 (32%)	4 (57%)	431 (68%)	36 (36%)	889 (58%)
	30–50	24 (26%)	290 (23%)	36 (11%)	11 (37%)	173 (35%)	43 (8%)	577 (22%)
	Above 50	5 (10%)	5 (4%)	0 (0%)	3 (19%)	10 (14%)	3 (1%)	26 (4%)
2017	Male	8 (12%)	143 (18%)	31 (13%)	10 (48%)	275 (74%)	53 (6%)	520 (22%)
	Female	24 (25%)	207 (28%)	23 (9%)	12 (34%)	281 (61%)	13 (12%)	560 (33%)
	Below 30	19 (70%)	210 (43%)	24 (24%)	6 (100%)	347 (81%)	27 (29%)	633 (56%)
	30–50	9 (10%)	136 (15%)	30 (9%)	14 (39%)	196 (56%)	38 (7%)	423 (19%)
	Above 50	4 (8%)	4 (3%)	0 (0%)	2 (14%)	13 (25%)	1 (0%)	24 (4%)

### Regional distribution of new employee hires in number and percentage (GRI) 401-1, (HKEX) KPI B1.2

	Hong Kong SAR	Mainland China	Overall
2019	175 (13%)	974 (27%)	1,149 (23%)
2018	188 (14%)	1,304 (38%)	1,492 (31%)
2017	130 (9%)	950 (36%)	1,080 (27%)

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

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



## Employee Turnover

### Gender and age distribution of employee turnover in number and in percentage<sup>30</sup> [GRI] 401-1, [HKEX] KPI B1.2

		Corporate Office WL	Investment Properties WCEL	Development Properties WCDL	Leisure and Hospitality Wharf Hotels Hotels		Logistics MTL	Total
2019	Male	9 (14%)	197 (19%)	40 (16%)	7 (44%)	309 (52%)	83 (10%)	645 (23%)
	Female	20 (19%)	224 (23%)	51 (20%)	6 (14%)	439 (65%)	25 (25%)	765 (35%)
	Below 30	7 (32%)	199 (34%)	18 (19%)	0 (0%)	517 (78%)	20 (24%)	761 (52%)
	30–50	19 (20%)	204 (16%)	72 (19%)	7 (21%)	213 (40%)	49 (10%)	564 (20%)
	Above 50	3 (6%)	18 (12%)	1 (3%)	6 (38%)	18 (21%)	39 (12%)	85 (13%)
2018	Male	8 (12%)	137 (13%)	52 (27%)	10 (56%)	249 (45%)	70 (9%)	526 (19%)
	Female	23 (23%)	222 (23%)	46 (21%)	7 (20%)	326 (51%)	32 (32%)	656 (32%)
	Below 30	8 (33%)	184 (27%)	32 (42%)	3 (43%)	375 (59%)	29 (29%)	631 (41%)
	30–50	20 (21%)	158 (13%)	65 (21%)	12 (40%)	195 (40%)	46 (9%)	496 (18%)
	Above 50	3 (6%)	17 (13%)	1 (4%)	2 (13%)	5 (7%)	27 (9%)	55 (9%)
2017	Male	7 (10%)	164 (21%)	70 (30%)	12 (57%)	173 (46%)	80 (10%)	506 (22%)
	Female	27 (28%)	166 (23%)	65 (27%)	11 (31%)	155 (34%)	18 (17%)	442 (26%)
	Below 30	12 (44%)	183 (38%)	34 (33%)	5 (83%)	206 (48%)	22 (24%)	462 (41%)
	30–50	17 (20%)	133 (14%)	99 (28%)	13 (36%)	115 (33%)	36 (7%)	413 (18%)
	Above 50	5 (10%)	14 (11%)	2 (10%)	5 (36%)	7 (13%)	40 (12%)	73 (12%)

### Regional distribution of employee turnover in number and percentage [GRI] 401-1, [HKEX] KPI B1.2

	Hong Kong SAR	Mainland China	Overall
2019	210 (15%)	1,200 (33%)	1,410 (29%)
2018	192 (14%)	990 (29%)	1,182 (25%)
2017	167 (12%)	781 (30%)	948 (24%)

### Parental leave – Return to work rate<sup>31</sup> [GRI] 401-3

		Corporate Office WL	Investment Properties WCEL	Development Properties WCDL	Leisure and Hospitality Wharf Hotels Hotels		Logistics MTL	Overall
2019		100%	99%	100%	100%	93%	100%	98%
2018		100%	100%	100%	100%	100%	100%	100%

### Parental leave – Retention rate by gender<sup>32</sup> [GRI] 401-3

		Corporate Office WL	Investment Properties WCEL	Development Properties WCDL	Leisure and Hospitality Wharf Hotels Hotels		Logistics MTL	Overall
2019	Male	N/A	92%	87%	100%	90%	87%	90%
	Female	100%	96%	89%	N/A	80%	100%	89%

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

31 Parental leave – Return to work rate (in percentage) = Total number of employees that did return to work after parental leave / Total number of employees due to return to work after taking parental leave × 100%

32 Parental leave – Retention rate (in percentage) = Total number of employees that returned to work after parental leave ended that were still employed as of 31 December 2019 in the category / Total number of employee took parental leave in the category × 100%

## Health and Safety

### Injury rate by gender per 1,000 employees<sup>33 34</sup> [GRI] 403-9

		Corporate Office WL	Investment Properties WCEL	Development Properties WCDL	Leisure and Hospitality Wharf Hotels Hotels		Logistics MTL	Total
2019	Male	0	9	4	0	27	6	11
	Female	0	7	4	0	37	10	16
2018	Male	0	13	5	0	14	16	13
	Female	0	7	9	0	16	0	9
2017	Male	0	25	0	0	40	7	18
	Female	10	3	4	0	35	9	13

### Lost day rate by gender in percentage<sup>35</sup> [GRI] 403-9, [HKEX] KPI B2.2

		Corporate Office WL	Investment Properties WCEL	Development Properties WCDL	Leisure and Hospitality Wharf Hotels Hotels		Logistics MTL	Total
2019	Male	0.00%	0.05%	0.17%	0.00%	0.06%	0.56%	0.23%
	Female	0.00%	0.03%	0.04%	0.00%	0.15%	0.01%	0.06%
2018	Male	0.00%	0.15%	0.02%	0.00%	0.03%	0.50%	0.23%
	Female	0.00%	0.03%	0.25%	0.00%	0.05%	0.00%	0.05%
2017	Male	0.00%	0.10%	0.00%	0.00%	0.09%	0.33%	0.18%
	Female	0.01%	0.00%	0.02%	0.00%	0.15%	0.03%	0.05%

### Absentee rate by gender in percentage<sup>36</sup> [GRI] 403-9

		Corporate Office WL	Investment Properties WCEL	Development Properties WCDL	Leisure and Hospitality Wharf Hotels Hotels		Logistics MTL	Total
2019	Male	1.13%	0.83%	0.50%	0.29%	0.39%	2.45%	1.27%
	Female	1.65%	1.26%	1.24%	1.03%	1.01%	1.29%	1.20%
2018	Male	1.98%	0.71%	0.54%	0.57%	0.21%	2.14%	1.15%
	Female	1.72%	1.68%	1.17%	1.54%	0.97%	1.79%	1.47%
2017	Male	1.25%	0.83%	0.55%	0.66%	0.24%	1.89%	1.10%
	Female	1.46%	1.86%	1.50%	0.64%	0.75%	1.77%	1.45%

### Injury rate per 1,000 employees<sup>33 34</sup>, lost day rate in percentage<sup>35</sup> and absentee rate in percentage<sup>36</sup> by region

[GRI] 403-9

		Hong Kong SAR	Mainland China	Overall
Injury rate per 1,000 employees	2019	6	16	13
	2018	9	12	11
	2017	6	21	16
Lost day rate in percentage	2019	0.35%	0.07%	0.16%
	2018	0.25%	0.09%	0.15%
	2017	0.23%	0.07%	0.13%
Absentee rate in percentage	2019	2.09%	0.86%	1.24%
	2018	1.85%	0.92%	1.28%
	2017	1.77%	1.00%	1.26%

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

34 There was no incident of occupational disease recorded in both Hong Kong and Mainland China between 2017 and 2019.

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

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

## Training and Education

### Percentage of employees trained by gender and employment category [HKEX] KPI B3.1

		Corporate Office WL	Investment Properties WCEL	Development Properties WCDL	Leisure and Hospitality Wharf Hotels Hotels		Logistics MTL	Overall
2019	Male	70.77%	90.65%	85.02%	100.00%	100.00%	79.83%	88.63%
	Female	77.14%	89.55%	82.49%	97.62%	100.00%	85.29%	91.33%
	Senior management	46.15%	66.67%	50.00%	95.24%	100.00%	76.47%	79.07%
	Middle management	87.50%	91.30%	81.40%	100.00%	100.00%	85.65%	91.43%
	General staff	74.40%	90.11%	84.88%	100.00%	100.00%	78.87%	89.74%

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

		Corporate Office WL	Investment Properties WCEL	Development Properties WCDL	Leisure and Hospitality Wharf Hotels Hotels		Logistics MTL	Overall
2019	Male	7.6	12.4	5.2	20.8	50.8	21.3	22.5
	Female	5.5	14.8	3.6	22.0	51.1	19.9	24.8
	Senior management	2.6	3.8	3.1	24.8	41.5	8.6	18.9
	Middle management	17.5	15.3	7.1	17.9	58.3	22.3	30.8
	General staff	3.8	13.5	3.9	22.3	49.3	21.0	22.3
2018	Male	4.1	10.3	4.9	7.4	58.7	28.2	25.0
	Female	4.9	12.1	6.2	5.7	59.1	27.7	26.2
	Senior management	6.5	8.3	7.4	8.0	15.9	18.9	11.8
	Middle management	12.1	12.0	3.5	6.3	59.7	29.6	30.5
	General staff	2.4	11.1	6.2	4.4	59.8	27.9	24.9
2017	Male	2.2	10.6	7.3	12.0	40.0	20.0	18.1
	Female	4.3	11.0	7.0	12.0	43.4	25.0	19.8
	Senior management	5.7	4.8	1.0	12.0	42.6	9.3	14.3
	Middle management	7.4	10.0	2.9	12.0	33.9	31.1	20.3
	General staff	2.3	10.9	8.5	12.0	42.6	17.1	18.7



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

## Selected Awards and Recognitions

Organisers	Awards and Recognitions	Business Units
Hang Seng Index Company Limited	Constituent member of Hang Seng Corporate Sustainability Index	Wharf Holdings
Hong Kong Quality Assurance Agency	CSR Index Plus	Wharf Holdings
U.S. Green Building Council – LEED	Platinum for Existing Buildings: Operations and Maintenance Standard	Chengdu IFS, Changsha IFS
	Gold for Existing Buildings: Operations and Maintenance Standard	Shanghai Wheelock Square
	Gold for Core and Shell	Wuxi IFS
EarthCheck	Silver Certification	Niccolo Chengdu, Niccolo Chongqing, Marco Polo Wuhan
Labour and Welfare Bureau	Social Capital Builder Logo Award	Wharf Holdings
Federation of Hong Kong Industries and Bank of China (Hong Kong)	BOCHK Corporate Environmental Leadership Awards – EcoChallenger	Modern Terminals
Mandatory Provident Fund Schemes Authority	Good MPF Employer (5 years)	Wharf Limited, Modern Terminals
	Good MPF Employer	Wharf China Development Limited Wharf China Estates Limited
Employees Retraining Board	Manpower Developer	Wharf China Estates Limited, Modern Terminals
Promoting Happiness Index Foundation and Hong Kong Productivity Council	Happy Company	Wharf China Estates Limited, Modern Terminals
The Hong Kong Council of Social Service	Caring Company Logo	Wharf Holdings (5 years plus), Modern Terminals (10 years plus)
Occupational Safety and Health Council	Joyful@Healthy Workplace Best Practices Award (Enterprise/Organisation Category) – Excellence Award	Modern Terminals
TTG China	TTG China Travel Awards – Best Business Hotel in Central South and Southwest China	Niccolo Changsha
City Traveler	The Best New Opening Hotel	Niccolo Changsha
Urbanatomy – HK Focus Media	That's Hospitality Awards – Luxury Hotel of the Year	Niccolo Chengdu
The Stevie Awards	Silver Award for Innovation in the Use of Celebrities or Public Figures	Changsha IFS
	Bronze Award for Innovation in Cross-Media Marketing	Changsha IFS
ICSC China Awards	Gold Award for Marketing Excellence – China's First 3D Light Painting Interactive Digital Campaign	Changsha IFS
	Gold Award for Marketing Excellence – Grand Opening with Kaws SEEING WATCHING Art Project	Changsha IFS
	Silver Award for Design and Development Excellence – New Development	Changsha IFS
Retail & Leisure International	RLI International Shopping Centre 2019	Changsha IFS

## Selected Memberships and Charters

Organisations	Nature of Membership/ Name of Charters	Business Units
Hong Kong General Chamber of Commerce	Corporate Member	Wharf Holdings, Modern Terminals
Employers' Federation of Hong Kong	Corporate Member	Wharf Limited, Wharf Hotels, Modern Terminals
WWF-Hong Kong	Double Diamond Member	Wharf Holdings
	Silver Member	Modern Terminals
Business Environment Council	Council Member, Communications and Membership Committee Member	Modern Terminals
Occupational Safety and Health Council	Green Cross Group	Wharf Limited, Modern Terminals
	Corporate Member	Modern Terminals
	Joyful@Healthy Workplace Charter	Modern Terminals
The Chartered Institute of Logistics and Transport in Hong Kong	Corporate Member	Modern Terminals
Hong Kong Container Terminal Operators Association	Corporate Member, Committee Member and Treasurer	Modern Terminals
Office of the Privacy Commissioner for Personal Data	Data Protection Officer's Club	Wharf Limited
China Real Estate Chamber of Commerce – Commercial Real Estate Association	Member	Dalian Times Square, Chengdu IFS
Chengdu Association of Building Economy Promotion	Vice Chairman Unit	Chengdu IFS
Chengdu Retailers Business Association	Council Member	Chengdu IFS
Jinjiang Joint Association of Commerce in China-Chengdu	Vice President	Chengdu IFS
China Shopping Center Development Association of Mall China	Executive Council Member	Dalian Times Square, Chengdu IFS
Singapore Chamber of Commerce	Corporate Member	Niccolo Chengdu
The American Chamber of Commerce	Corporate Representative, Former Chairman, Member	Chengdu IFS, Modern Terminals
European Union Chamber of Commerce in China	Member	Chengdu IFS
The British Chamber of Commerce	Corporate Member	Niccolo Chengdu
Environment Bureau and Electrical and Mechanical Services Department	Energy Saving Charter	Modern Terminals
	4T Charter	Modern Terminals
Equal Opportunities Commission	The Racial Diversity and Inclusion Charter for Employers	Modern Terminals

# Significant Laws and Regulations

## Environment

### Aspect A1: Emissions

- Air Pollution Control Ordinance (Cap. 311 of the laws of Hong Kong)
- Waste Disposal Ordinance (Cap. 354 of the laws of Hong Kong)
- Noise Control Ordinance (Cap. 400 of the laws of Hong Kong)

### Aspect A2: Use of Resources

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

### Aspect A3: The Environment and Natural Resources

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

## Social

### Aspect B1: Employment

- Employment Ordinance (Cap. 57 of the laws of Hong Kong)
- Sex Discrimination Ordinance (Cap. 480 of the laws of Hong Kong)
- Disability Discrimination Ordinance (Cap. 487 of the laws of Hong Kong)
- Family Status Discrimination Ordinance (Cap. 527 of the laws of Hong Kong)
- Race Discrimination Ordinance (Cap. 602 of the laws of Hong Kong)
- Labour Contract Law of the People's Republic of China
- Labour Law of the People's Republic of China

### Aspect B2: Health and Safety

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

### Aspect B6: Product Responsibility

- Fire Services Ordinance (Cap. 95 of the laws of Hong Kong)
- Hotel and Guesthouse Accommodation Ordinance (Cap. 349 of the laws of Hong Kong)
- Food Hygiene Code published by the Government of the Hong Kong Special Administrative Region
- Food Safety Law of the People's Republic of China
- Food Hygiene Law of the People's Republic of China
- Urban Real Estate Administration Law of the People's Republic of China
- Trade Descriptions Ordinance (Cap. 362 of the laws of Hong Kong)
- Law of the People's Republic of China on Protection of Consumer Rights and Interests
- Consumer protection legislations in Hong Kong and logo guidelines
- Personal Data (Privacy) Ordinance (Cap. 486 of the laws of Hong Kong)
- EU General Data Protection Regulation (Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation))

### Aspect B7: Anti-corruption

- Prevention of Bribery Ordinance (Cap. 201 of the laws of Hong Kong)
- Competition Ordinance (Cap. 619 of the laws of Hong Kong)
- Telecommunications Ordinance (Cap. 106 of the laws of Hong Kong)
- Anti-Unfair Competition Law of the People's Republic of China



# GRI Standards and HKEX ESG Reporting Guide Content Index 102-55

Disclosures		HKEX ESG Guide	Page Number/Remarks
<b>102: General Disclosures 2016</b>			
<b>Organizational Profile</b>			
102-1	Name of the organization		The Wharf (Holdings) Limited
102-2	Activities, brands, products, and services		P.5
102-3	Location of headquarters		Hong Kong
102-4	Location of operations		P.5
102-5	Ownership and legal form		Publicly listed company
102-6	Markets served		P.5
102-7	Scale of the organization		P.5
102-8	Information on employees and other workers	KPI B1.1	P.33, 58
102-9	Supply chain	KPI B5.1, B5.2, B5.3, B5.4	P.19
102-10	Significant changes to the organization and its supply chain		P.5, 19
102-11	Precautionary principle or approach		P.8-9, 16
102-12	External initiatives		P.64-65
102-13	Membership of associations		P.65
<b>Strategy</b>			
102-14	Statement from senior decision-maker		P.2-3
<b>Ethics and Integrity</b>			
102-16	Values, principles, standards, and norms of behavior	KPI B7.2	P.8-9
<b>Governance</b>			
102-18	Governance structure		P.16-17
<b>Stakeholder Engagement</b>			
102-40	List of stakeholder groups		P.10
102-41	Collective bargaining agreements		Some of our business units in Mainland China have set up trade unions to safeguard the legitimate rights and interests of our employees and to establish a coordinated and stable employment relation. Collective bargaining agreements do not apply to the Group's operations in Hong Kong.
102-42	Identifying and selecting stakeholders		P.10
102-43	Approach to stakeholder engagement		P.10
102-44	Key topics and concerns raised		P.11
<b>Reporting Practice</b>			
102-45	Entities included in the consolidated financial statements		P.5 Annual Report 2019: Independent Auditor's Report (P.96-101)
102-46	Defining report content and topic boundaries		P.10-13
102-47	List of material topics		P.12
102-48	Restatements of information		P.23, 52-54
102-49	Changes in reporting		P.7, 12
102-50	Reporting period		P.7
102-51	Date of most recent report		Published in July 2019, Sustainability Report 2018 is the most recent report.
102-52	Reporting cycle		Annual
102-53	Contact point for questions regarding the report		P.7
102-54	Claims of reporting in accordance with the GRI Standards		P.7 This Report has been prepared in accordance with GRI Standards: Core option.
102-55	GRI content index		P.67-70
102-56	External assurance		P.71

Disclosures		HKEX ESG Guide	Page Number/Remarks
<b>200: Economic</b>			
<b>201: Economic Performance 2016</b>			
103	Management approach		P.5, 8 Annual Report 2019 – Chairman’s Statement (P.7-11)
201-1	Direct economic value generated and distributed		P.15 Annual Report 2019 – Directors’ Report (P.77-95)
201-2	Financial implications and other risks and opportunities due to climate change	GD A4, KPI A4.1	P.18, 24-25 Annual Report 2019 – Corporate Sustainability (P.48-51)
201-4	Financial assistance received from government		No financial assistance from HKSAR Government was received.
<b>202: Market Presence 2016</b>			
103	Management approach		P.16
202-2	Proportion of senior management hired from the local community		P.16
<b>203: Indirect Economic Impacts 2016</b>			
103	Management approach	GD B8	P.8-9, 15, 41
203-1	Infrastructure investments and services supported	KPI B8.1, B8.2	P.15-16, 41-45
<b>204: Procurement Practices 2016</b>			
103	Management approach	GD B5	P.8-9, 19
204-1	Proportion of spending on local suppliers	KPI B5.1	P.19 Based on the principle of materiality, the Report includes the number of suppliers whom are the most significant 70% by spending in our BUs’ supply chain.
<b>205: Anti-corruption 2016</b>			
103	Management approach	GD B7	P.8-9, 18
205-2	Communications and training about anti-corruption policies and procedures	KPI B7.3	P.18-19 Anti-corruption training was provided to staff but not directors in the reporting year. Transitioning to meet HKEX’s latest ESG requirements, we will arrange the training to both directors and staff in the future.
205-3	Confirmed incidents of corruption and actions taken	KPI B7.1	In 2019, there were no confirmed incidents of corruption.
<b>300: Environmental</b>			
<b>302: Energy 2016</b>			
103	Management approach	GD A2, A3	P.8-9, 21
302-1	Energy consumption within the organization	KPI A2.1	P.22, 53
302-3	Energy intensity	KPI A2.1	P.23, 53
CRE-1	Building energy intensity	KPI A2.1	P.23, 53
302-4	Reduction of energy consumption	KPI A2.3	P.21-22
<b>303: Water and Effluents 2018</b>			
103	Management approach	GD A2, A3	P.8-9, 26
303-1	Interactions with water as a shared resource	KPI A2.4, A3.1	P.26-27 The majority of the water consumed in Hong Kong and Mainland China are purchased and distributed by the Government’s municipal water supplies department.
303-3	Water withdrawal	KPI A2.2	P.26, 54
CRE-2	Building water intensity	KPI A2.2	P.27, 54

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<b>305: Emissions 2016</b>			
103	Management approach	GD A1, A3	P.8-9, 21
305-1	Direct (Scope 1) GHG emissions	KPI A1.2	P.23, 54
305-2	Energy indirect (Scope 2) GHG emissions	KPI A1.2	P.23, 54
305-3	Other indirect (Scope 3) GHG emissions	KPI A1.2	P.23, 54
305-4	GHG emissions intensity	KPI A1.2	P.23, 54
CRE-3	GHG emissions intensity from buildings	KPI A1.2	P.23, 54
305-5	Reduction of GHG emissions	KPI A1.5	P.21-23, 29
305-7	NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions	KPI A1.1	P.28, 52
<b>306: Effluents and Waste 2018</b>			
103	Management approach	GD A1, A3, KPI A2.5	P.8-9, 27 The Group does not have significant impact on the environment from packaging materials.
306-2	Waste by type and disposal method	KPI A1.3, A1.4, A1.6	P.28, 55-57
306-3	Significant spills	KPI A3.1	No significant spills was recorded.
306-5	Water bodies affected by water discharges and/or runoff	KPI A3.1	No water bodies are significantly affected by our operations.
<b>307: Environmental Compliance 2016</b>			
103	Management approach		P.8-9
307-1	Non-compliance with environmental laws and regulations		In 2019, the Group received no fines or non-monetary sanctions for incidents of non-compliance.
<b>400: Social</b>			
<b>401: Employment 2016</b>			
103	Management approach	GD B1	P.8-9, 33
401-1	New employee hires and employee turnover	KPI B1.2	P.60-61
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	KPI B1.2	P.35-37
401-3	Parental leave		P.61
<b>402: Labor/Management Relations 2016</b>			
103	Management approach		P.8-9, 35
402-1	Minimum notice periods regarding operational changes		We do not have a fixed notice period. Depending on commercial and/or other aspects of business sensitivity, reasonable notice is normally allowed for any significant operational changes of the company.
<b>403: Occupational Health and Safety 2018</b>			
103	Management approach	GD B2	P.8-9, 39
403-1	Occupational health and safety management system	KPI B2.3	P.39
403-2	Hazard identification, risk assessment, and incident investigation	KPI B2.3	P.39
403-5	Worker training on occupational health and safety	KPI B2.3	P.39
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	KPI B2.3	P.39
403-9	Work-related injuries	KPI B2.1, B2.2	P.39, 62



Disclosures		HKEX ESG Guide	Page Number/Remarks
<b>404: Training and Education 2016</b>			
103	Management approach	GD B3	P.8-9, 34
404-1	Average hours of training per year per employee	KPI B3.2	P.34, 63
404-2	Programmes for upgrading employee skills and transition assistance programmes		P.34-35
<b>405: Diversity and Equal Opportunity 2016</b>			
103	Management approach		P.8-9, 33
405-1	Diversity of governance bodies and employees	KPI B1.1	P.16, 59
<b>406: Non-discrimination 2016</b>			
103	Management approach		P.8-9, 33
406-1	Incidents of discrimination and corrective actions taken		In 2019, there were no recorded incidents of non-compliance with anti-discrimination legislation.
<b>408: Child Labor 2016</b>			
103	Management approach	GD B4	P.8, 19, 33
408-1	Operations and suppliers at significant risk for incidents of child labor	KPI B4.1, B4.2	P.19, 33 Child labour is not material to our business. The relevant KPIs are therefore not disclosed.
<b>409: Forced or Compulsory Labor 2016</b>			
103	Management approach	GD B4	P.8, 19, 33
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	KPI B4.1, B4.2	P.19, 33 Forced labour is not material to our business. The relevant KPIs are therefore not disclosed.
<b>413: Local Communities 2016</b>			
103	Management approach		P.8-9, 41
413-1	Operations with local community engagement, impact assessments and development programmes		P.41-45
<b>416: Customer Health and Safety 2016</b>			
103	Management approach	GD B6	P.8, 48-49
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	KPI B6.1, B6.4	In 2019, there were no recorded incidents of non-compliance.  Product recall is not applicable to the Group's business.
<b>417: Marketing and Labelling 2016</b>			
103	Management approach	GD B6	P.8, 47
417-3	Incidents of non-compliance concerning marketing communications	KPI B6.2, B6.3	In 2019, there were no recorded incidents of non-compliance.
<b>418: Customer Privacy 2016</b>			
103	Management approach	GD B6	P.8, 51
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	KPI B6.5	In 2019, there were no recorded incidents of non-compliance.
<b>419: Socioeconomic Compliance 2016</b>			
103	Management approach		P.8
419-1	Non-compliance with laws and regulations in the social and economic area		In 2019, there were no recorded incidents of non-compliance.

# Verification Statement

GRI 102-56



## Scope and Objective

Hong Kong Quality Assurance Agency ("HKQAA") has been commissioned by The Wharf (Holdings) Limited ("Wharf Holdings") to undertake an independent verification for its Sustainability Report 2019 ("the Report"). The scope of this verification covers the sustainability performance data and information of its business in Hong Kong and Mainland China for the period of 1st January 2019 to 31st December 2019, 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"), the GRI G4 Construction and Real Estate Sector Disclosures and the Environmental, Social and Governance Reporting Guide ("ESG Guide") of The Stock Exchange of Hong Kong Limited.

## Level of Assurance and Methodology

The process applied in this verification was based on the International Standard on Assurance Engagements 3000 (Revised) — Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. The verification process was designed to obtain a reasonable level of assurance in accordance with the standard for the purpose of devising the verification conclusion.

The verification procedures performed included discussion of the materiality analysis process, reviewing systems and processes for collecting, collating and reporting of the performance data, verifying relevant documentation, interviewing responsible personnel with accountability for preparing the Report. Raw data and supporting evidence of the selected samples were thoroughly examined during the verification process.

## Independence

Wharf Holdings was responsible for the collection and presentation of the information. HKQAA did not involve in the collection and calculation of data or the compilation of the reporting contents. HKQAA's verification activities were entirely independent and there was no relationship between HKQAA and Wharf Holdings that would affect the independence of the verification service.

## Conclusion

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

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

In the past year, Wharf Holdings has been improving its data management mechanism and extending the scope of its risk management approach especially on climate issues. The Report outlines its continuous efforts in transparent disclosure to stakeholders of its progress and performance towards sustainability.

## Signed on behalf of Hong Kong Quality Assurance Agency

Connie Sham  
Head of Audit  
April 2020

