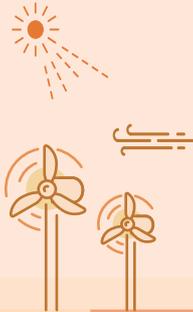




世紀城市國際控股有限公司  
**Century City**  
International Holdings Limited

(Incorporated in Bermuda with limited liability)  
(Stock Code : 355)



# 2021

## Environmental, Social and Governance Report





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## ABOUT THIS REPORT

### Reporting Standard

This report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

### Reporting Principles

The Group has adhered to the four fundamental reporting principles outlined in the ESG Reporting Guide in the preparation of the report. These principles facilitate effective communication and informed decision making. The details are as follows:

- **Materiality:** Stakeholder engagement and materiality assessment were conducted to identify material environmental, social and governance (“ESG”) issues in our business operations. 16 material ESG issues were identified, which form the focus of this report.
- **Quantitative:** In order to assess the performance of different environmental and social responsibility initiatives, data about environmental and social responsibility were identified, collected and monitored.
- **Balance:** This report would disclose both achievements and improvement plans in order to present an unbiased view on ESG performance.
- **Consistency:** Consistent reporting methodologies are adopted to present an effective year-on-year performance comparison. Any changes in the methodologies and reporting scope are explained in remarks for stakeholders’ reference.

### Reporting Scope and Boundary

This is the sixth annual standalone ESG report of Century City International Holdings Limited (“Century City” or the “Company”, and together with its subsidiaries, the “Group” or the “Century City Group”). This report details the sustainability performance of ESG issues that are material to the Group’s owned and managed properties and hotels in Hong Kong and includes the initiative highlights for the Group’s business in Mainland China.

### Reporting Period

Unless otherwise stated, this report presents the highlights of our progress and performance on material ESG issues for the period from 1 January 2021 to 31 December 2021.

### Accessibility of the Report and Feedback

An electronic copy of this report can be accessed on Century City’s website [www.centurycity.com.hk](http://www.centurycity.com.hk). Should you have any enquiries about the report or opinions regarding Century City’s ESG performance, please feel free to contact us via [info@centurycity.com.hk](mailto:info@centurycity.com.hk).

### Board Approval

This report was reviewed and approved by the Board of Directors of the Company (the “Board”) on 31 May 2022.



## CHAIRMAN'S STATEMENT

I am pleased to present herein the Environmental, Social and Governance Report 2021 of the Company.

Due to the coronavirus (COVID-19) pandemic, stringent control and social distancing restrictions have overall been imposed, which posed severe challenges to our business operations. Consequently, our business and operational activities have been materially affected. In view of the adverse situation, the Group continued to adjust its business strategy and implemented various precautionary measures to maintain a smooth operation.

The Group fully supports the community in fighting against the COVID-19 pandemic. Four of the hotels within the Group have since December 2020 enrolled in different cycles of the Designated Quarantine Hotel Scheme implemented by the Hong Kong Government, providing accommodation to citizens returning to Hong Kong. We also adopted a series of protective measures across our different business arms, including our construction sites, properties and hotels, to safeguard the health and safety of our customers, tenants, residents, guests and employees amid the COVID-19 pandemic.

We are also focused on the environmental front. We believe that taking environmental considerations into our business development strategies is in alignment with our goal of creating the best interests for our stakeholders. We have incorporated various green features in our business over the past few years and we shall continue to strengthen our efforts to address carbon emissions and other environmental issues. During the reporting year, we have established a new set of environmental targets for our operations and conducted our first climate risk assessment to identify material climate risks that have potential impacts on our operations. These initiatives will assist us to be prepared for the accelerating climate changes and gaining climate resilience.

The local communities are where our businesses stand. Through collaboration with different organisations and engaging in various community initiatives, we strive to create a harmonious society, where the Group, our stakeholders and the local community would all stand to benefit.

We are committed to uphold our sustainability values as we expand our presence in Hong Kong and Mainland China. We are also determined to collaborate with our stakeholders to jointly build a more sustainable community throughout our sustainability journey.

**LO YUK SUI**  
*Chairman*

Hong Kong  
31 May 2022



## ABOUT CENTURY CITY

### Our Businesses

Century City is the ultimate holding company of a listed conglomerate comprising a total of five listed entities in Hong Kong. Century City presently holds a controlling shareholding interest in Paliburg Holdings Limited (“Paliburg”), the principal subsidiary of Century City, and the core businesses of the Group are conducted through various subsidiaries of Paliburg. Paliburg, holds a controlling shareholding interest in Regal Hotels International Holdings Limited (“Regal”) which, in turn, holds a controlling interest in the issued units of Regal Real Estate Investment Trust (“Regal REIT”). Paliburg also owns, indirectly through P&R Holdings Limited (“P&R Holdings”), a 50:50 joint venture between Paliburg and Regal, a controlling shareholding interest in Cosmopolitan International Holdings Limited (“Cosmopolitan”). Apart from Century City, all of Paliburg, Regal, Regal REIT and Cosmopolitan are also listed on the Main Board of the Stock Exchange in Hong Kong.

Based in Hong Kong, the Group’s major investments and business activities mainly consist of property development and investment, construction and building related businesses, hotel ownership, operation and management, and other businesses.

The Group’s property development and investment businesses are mainly focused in Hong Kong and Mainland China. The Hong Kong projects are primarily undertaken by P&R Holdings. Regal itself also owns certain property projects, primarily in Hong Kong. In the meanwhile, Cosmopolitan mainly conducts property development in Mainland China.

Regal operates and manages the majority of the Group’s hotels, and Regal REIT owns nine of those hotels. While the newly completed Regala Skycity Hotel is owned and self-operated by Regal, the iclub Mong Kok Hotel is owned and self-operated by P&R Holdings and the iclub AMTD Sheung Wan Hotel, officially opened in November 2020, is owned by a 50% associate of P&R Holdings. All of the Group’s hotels are managed by Regal.

### Our Presence

The Group’s property projects (apart from hotels) in Hong Kong and Mainland China are listed below, the details of which are set out in Century City’s Annual Report for 2021 (the “2021 Annual Report”).

### Property Development and Investment Business

#### Property Development and Investment in Hong Kong

Completed Projects	Use
Mount Regalia, Kau To, Sha Tin	Residential
Domus and Casa Regalia, Yuen Long	Residential
The Ascent, Sham Shui Po	Residential/Commercial
Regalia Bay, Stanley	Residential
We Go MALL, Ma On Shan, Sha Tin	Shopping mall

Projects under development	Use
The Queens, No.160 Queen’s Road West	Residential/Commercial
Nos.9-19 Kam Wa Street, Shau Kei Wan	Residential/Commercial
Nos.291-293 and 301-303 Castle Peak Road, Cheung Sha Wan	Residential/Commercial
Nos.227-227C Hai Tan Street, Sham Shui Po	Residential/Commercial



## Property Development and Investment in Mainland China

Projects being completed in phases	Use
Regal Cosmopolitan City in Chengdu	Composite development
Regal Renaissance in Tianjin	Composite development

## Hotel Business

Over the years, Regal has built an extensive presence in Hong Kong and Mainland China. In the reporting period, we are operating and/or managing twelve hotels under the Regal, Regala and iclub by Regal brands in Hong Kong, nine of which are owned by Regal REIT.



### “Regala Skycity Hotel” at the Hong Kong International Airport

In February 2017, a wholly owned subsidiary of Regal was awarded by the Airport Authority Hong Kong the development right for a new hotel project at the Hong Kong International Airport.

The hotel project has a site area of approximately 6,650 square metres (71,580 square feet) and permissible gross floor area of 33,700 square metres (362,750 square feet) and is situated at a site surrounded by Terminal 2 of the Hong Kong International Airport, the Asia World-Expo and SkyPier. The hotel project is the first phase of the mega SKYCITY Project by the Airport Authority, which also contains large scale retail and office spaces as well as dining and entertainment facilities.

The hotel has 13 storeys (including one basement floor) with a total of 1,208 guestrooms and suites, complemented with extensive banquet, meeting and food and beverage facilities. The hotel operates as a full-service hotel targeting at commercial, airline related, leisure and meeting businesses. The hotel was soft opened for business in December 2021.





## ABOUT CENTURY CITY

In Mainland China, Regal is presently managing four operating hotels. Regal Xindu Hotel, a component part within the Regal Cosmopolitan City being developed by Cosmopolitan will also be managed by Regal upon its completion.

As for overseas, Regal owns the Campus La Mola, located in Barcelona, Spain, which was leased to an independent third party for operation. Furthermore, Regal acquired in 2019 a freehold existing property located at a prime location in London. Renovation works to develop this property into a niche urban hotel with a restaurant, proposed to be named as The Waterman by Regal, are anticipated to be commenced later this year. The hotel will be self-operated by Regal after completion of the renovation works.



Regal Hotels in Hong Kong and Mainland China



## OUR ESG APPROACH

### Board Statement on ESG Matters

The Board of Century City is responsible for oversight of the ESG matters of the Group's operations. The Board has responsibilities in guiding the development of Century City's ESG values, approaches, strategies and policies, in addition to reviewing the identification, evaluation and management of ESG matters. The Board is also responsible for reviewing and monitoring the progress made against ESG related goals and targets. The preparation of the ESG Report is delegated to the executive committee to ensure balanced disclosure of ESG performance and compliance with all applicable Listing Rules.

Under the guidance of the Board, the Group identifies, assesses and prioritises the ESG matters and their importance to Century City and its stakeholders through engagement with internal and external stakeholders. ESG initiatives and measures are developed and implemented in accordance with the assessed materiality of various ESG matters, and reported in the ESG Report. Please refer to "Stakeholder Engagement" section of this Report for details of the stakeholder engagement process and the results of the materiality analysis.

### Our ESG Strategy

Upholding the core values of sustainability, Century City is devoted to integrating sustainable considerations into our daily operations whenever possible.

In 2021, the Group has placed a sustainable deposit with the Standard Chartered Bank Hong Kong in supporting the green initiatives of the banking sector. The sustainable deposit is referenced against sustainable assets that align to the United Nations Sustainable Development Goals (SDGs), funding works that address some of the world's long term problems, such as climate change.



#### Our Sustainability Core Values and Commitments:

- To build an outstanding, environmentally friendly and sustainable community
- To construct superior living space and warm and comfortable homes for our customers
- To create brand value for the enterprise, steady cash flow and room for long-term value enhancement for investors
- To provide appropriate development platforms and professional training to nurture staff teams





## OUR ESG APPROACH

### Corporate Governance

Century City Group seeks to maintain a comprehensive and high-standard corporate governance system by strictly adhering to the Code Provisions in the Corporate Governance Code as set out in Appendix 14 of the Listing Rules. We adopt a rigid corporate governance structure under the leadership of the Board, in which the three board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee, are responsible for performing various governance functions. The Board reviews the Group's management policies and practices on a regular basis to ensure strict compliance with the stipulated regulations. New policies and measures are implemented whenever necessary.

For further information about our corporate governance and the Board of Directors, please refer to the 2021 Annual Report.

### Sustainability Governance

Century City recognises the importance of sustainability and places sustainability as one of the Group's core objectives. We balance our key stakeholders' interests with our common goals by consulting and sharing sustainability performance with them. The Group also targets to promote long-term sustainable development by engaging various stakeholder groups, including but not limited to customers, business and community partners, suppliers and employees.

To ensure effective sustainability management, a sustainability governance framework is established, with the Board of Directors overseeing the Group's sustainability performance. The Executive Directors, with the assistance of senior managers from key divisions, are delegated with responsibilities of implementing, monitoring and evaluating the performance of the Group's sustainability plans under three principal objectives: environmental sustainability, social sustainability and economic sustainability. The Executive Directors also evaluate, prioritise and manage the ESG issues identified to be material to the Group on a regular basis. The execution of sustainability plan will then be performed by different operating divisions of the Group, with the purpose of accomplishing the established goals and targets. During the reporting year, the Group has established a set of environmental targets covering greenhouse gases emissions, electricity intensity and waste. The progress made against the environmental targets will be monitored by the Executive Directors and will be reported to the Board of Directors for review annually.



## OUR ESG APPROACH

### Stakeholder Engagement

With the aim to understand the views and needs of various stakeholder groups, the Group has established a number of transparent and diverse communication channels. We ensure their opinions are effectively gathered and well considered. Through regular communication and engagement exercises, the Group gathers and understands their expectations on our sustainability performance. The key engagement channels for each stakeholder group are listed as follows:

Stakeholder Groups engaged		Methods of Engagement <sup>1</sup>
Internal Stakeholders	<b>Management</b>	<ul style="list-style-type: none"> <li>Regular meetings</li> <li>Ongoing engagement</li> </ul>
	<b>General Employees</b>	<ul style="list-style-type: none"> <li>Employee satisfaction surveys</li> <li>Regular meetings</li> <li>Orientation activities</li> <li>Bulletin boards</li> <li>Annual appraisal meetings</li> <li>Employee engagement events</li> </ul>
External Stakeholders	<b>Community</b>	<ul style="list-style-type: none"> <li>Media conferences</li> <li>Volunteer activities</li> <li>Face-to-face meetings</li> </ul>
	<b>Customers/Tenants</b>	<ul style="list-style-type: none"> <li>Website and social media</li> <li>Guest satisfaction questionnaires</li> <li>Daily communication with front-line staff</li> <li>Customer feedback mechanism</li> <li>Hotlines</li> </ul>
	<b>Investors/Shareholders</b>	<ul style="list-style-type: none"> <li>Analyst briefings</li> <li>Investor meetings</li> <li>General meetings</li> <li>Annual and interim reports</li> <li>Press releases/announcements</li> </ul>
	<b>Industrial Associations</b>	<ul style="list-style-type: none"> <li>Industry forums</li> </ul>
	<b>Suppliers/Contractors/ Business Partners</b>	<ul style="list-style-type: none"> <li>On-site assessment visits and meetings</li> <li>Owners committee meetings</li> <li>Regular meetings</li> </ul>

<sup>1</sup> Due to the pandemic and social distancing restrictions, most events involving physical gatherings have been temporarily suspended during the reporting year.



## OUR ESG APPROACH

### Materiality Assessment

Century City regularly reviews the material sustainability issues related to its business operations. The outcome of the stakeholder engagement exercises serves as the basis for the materiality assessment. The prioritisation of the material topics follows the principles defined in the ESG Reporting Guide and the steps taken in our materiality assessment are summarised as follows:



With accordance to our stakeholders' views and our business operations, the following 16 issues are considered material and are discussed in detail throughout this report:

<div style="display: flex; align-items: center; justify-content: center; margin-bottom: 10px;"> <div> <p><b>Environmental</b></p> <ul style="list-style-type: none"> <li>• Environmental Management</li> <li>• Energy Efficiency</li> <li>• Greenhouse Gas Emissions</li> <li>• Waste Management</li> </ul> </div> </div>	<div style="display: flex; align-items: center; justify-content: center; margin-bottom: 10px;"> <div> <p><b>Operating Practices</b></p> <ul style="list-style-type: none"> <li>• Anti-corruption</li> <li>• Product and Service Quality</li> <li>• Customer Privacy</li> <li>• Customer Health and Safety</li> <li>• Customer Feedback Mechanism</li> <li>• Supply Chain Management</li> </ul> </div> </div>
<div style="display: flex; align-items: center; justify-content: center; margin-bottom: 10px;"> <div> <p><b>Employees</b></p> <ul style="list-style-type: none"> <li>• Employment Relations</li> <li>• Employee Retention</li> <li>• Employee Training and Development</li> <li>• Occupational Health and Safety</li> <li>• Labour Standard Compliance</li> </ul> </div> </div>	<div style="display: flex; align-items: center; justify-content: center; margin-bottom: 10px;"> <div> <p><b>Community</b></p> <ul style="list-style-type: none"> <li>• Community Investment and Engagement</li> </ul> </div> </div>



## ENVIRONMENTAL RESPONSIBILITY

Century City Group is committed to reducing environmental impacts and building a green community for a better future. With this vision in mind, the Group strives to enhance sustainable development of the communities by pursuing environmental protection measures. With the development of our business, we aim at placing greater emphasis on environment and economic values which can reduce negative impacts on the environment.

Our environmental policy is implemented throughout different stages of business operations, ensuring that environmental considerations are vital priority in all our decisions. Aligned with our future development and sustainability plan, the Group will continue to devote resources on energy consumption optimisation, water conservation and waste management. We strive to enhance sustainable development through identifying the potential risks of environmental impacts and adopt appropriate mitigating measures. By continually reviewing and evaluating our environmental performance against the set objectives and targets, we are able to identify areas for improvement.

During the reporting period, the Group complied with all relevant laws and regulations<sup>2</sup> relating to the Group's air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

### Environmental Management

#### Properties – Hong Kong

The Group recognises the importance of implementing systematic approach to mitigate the environmental impacts on our business operations. Supported by the project managers and other senior staff, and led by designated directors, we have formulated a robust environmental management structure to provide clear directions and guidance for the Group to operate responsibly. Within this structure, we conducted periodic monitoring and reviews of the Group's environmental performance and all staff members are well informed of their responsibilities and duties for attaining environmentally sustainable operations. For example, the project managers and site agents are responsible for upholding all applicable legal and internal environmental standards, as well as implementing green initiatives to minimise adverse impacts to the surrounding and wider environment. The robust management structure, with close cooperation at all operating levels, has made possible the significant progress achieved in this aspect.

We have stringent environmental management measures in place for unifying the interpretation and application of management standards among various construction and development projects. The Group strives to align with different stakeholders to build up a sustainable community together. Encouraging and communicating with our business partners to explore various solutions in reducing pollution in daily operations whenever practicable. By constant review and analysis of our environmental performance, strategies and objectives, we can identify operating weakness and implement ameliorative measures in a timely manner. We consult with different bodies and professional firms to ensure the policy and industry standards are subject to timely updates.

The Group is committed to building a sustainable community. We pay close attention to the sustainability performance of our business and strive to integrate environmentally friendly features into project development. We take into consideration the potential environmental impacts of our projects as early as we initiate the design and planning. The Group has put great resources in making changes to become as environmentally friendly and sustainable as possible. In recognition of our efforts in sustainable development, we attained BEAM Plus Certification (BEAM Plus) from Hong Kong Green Building Council.

<sup>2</sup> The environmental laws and regulations that might be significant to the Group include Air Pollution Control Ordinance (Cap. 311), Noise Control Ordinance (Cap. 400), Water Pollution Control Ordinance (Cap. 358), Waste Disposal Ordinance (Cap. 354), Environmental Impact Assessment Ordinance (Cap. 499) and Dangerous Goods Ordinance (Cap. 295).



## ENVIRONMENTAL RESPONSIBILITY

### Case Study: Green and Sustainable Building

#### Regala Skycity Hotel:

Regala Skycity Hotel is Regal's latest hotel development project, newly opened in December 2021, and is operating as a full-service hotel targeting commercial, airline related, leisure and meeting businesses.

We have adopted a series of measures in the hotel to improve energy efficiency and reduce energy emissions. Beginning from the design stage of the hotel, we implemented the following measures to construct green building:

- 1) Installing demand control ventilation with CO<sup>2</sup> sensor for air conditioning system serving hotel podium;
- 2) Water-cooled VSD centrifugal chillers with COP of 6.2;
- 3) Installing cooling towers with variable speed fans;
- 4) Chilled water pumps and condensing water pumps with variable speed drive motor;
- 5) Temperature reset function for chilled water and condensing water;
- 6) Using water source heat pumps with heating COP of 3.7;
- 7) Gas fired condensing boilers with efficiency of 90%;
- 8) Installing 30% reduction in lighting power density for guest room (9.1 W/m<sup>2</sup>) compared with BEC 2015 requirement;
- 9) Setting 30% reduction in rated power for lifts compared with BEC 2015 requirement; and
- 10) Fresh water, irrigation, cleansing and flushing water pumps with variable speed drive motor.



## ENVIRONMENTAL RESPONSIBILITY

### The Queens:

The Queens, a commercial/residential project undertaken by Regal in Hong Kong, is being developed into an exquisite rendezvous of heritage and modernity. Together with its luxurious features and prime location, the project embraces with extensive green elements.

We aim to create great environmental values in terms of energy and water efficiency, use of sustainable materials and open greenery, as early as in the construction stage. For instance, we have adopted the following measures in the building design and fit-out works:

- 1) Installing gearless ACVVVF Lifts;
- 2) Installing air-conditioning units for residential flats with energy efficiency label grade 1, resulting in around 19.2% energy consumption reduction compared with BEAM Plus Baseline for common areas;
- 3) Installing water efficient devices, with around 34.7% potable water consumption saving; and
- 4) Building an open greenery with a 128-square-metre planter area at the Skygarden.

During the construction stage, monthly construction reports and specifications for both Regala Skycity Hotel and The Queens were submitted to the Group's project management team from the site management, for active and close monitoring in project progress and relevant environmental performance. We practise responsible constructions through:

- 1) Avoiding virgin-forest timber product temporary works; and
- 2) Setting up a waste management system for the sorting, recycling and proper disposal, with a 30% waste reduction in Construction & Demolition (C&D) waste target. In 2021, Regala Skycity Hotel and The Queens have recorded 30.45% and 7.2% C&D waste recycled, respectively.





## ENVIRONMENTAL RESPONSIBILITY

The following list summarises the Group's achievements in constructing and maintaining a green built environment:

### Project

The Ascent



### Certifications

BEAM Plus Final Gold



We Go MALL



BEAM Plus Final Silver



Mount Regalia



BEAM Plus Final Bronze



Regala Skycity Hotel



BEAM Plus Provisional Gold





## ENVIRONMENTAL RESPONSIBILITY

### Hotels

Regal endeavors to foster a tranquil and pleasant environment for every individual through maintaining a highly environmentally conscious hospitality operation. Regal implements a comprehensive environmental management approach and put in place an Environmental Policy Statement that details its internal expectations and guidelines on minimising the adverse environmental impacts across its hotel businesses. The Statement sets forth its environmental missions, which include compliance, monitoring and reporting, employee awareness, enhancement initiatives and risk management.

Regal has evaluated the hotel operations and identified four key aspects, including energy consumption, water consumption, waste management and climate risk management, which are prioritised in its environmental responsibility. Regal has further established a Green Committee to monitor the hotels' performances and to implement various environmental management initiatives on a regular basis to achieve continuous enhancements in its environmental performance.

The hotels in Hong Kong under Regal's operation and/or management have attained a number of well-recognised awards and certification. As a case in point, the environmental performance of a number of its hotels has met the requirements of the EarthCheck Certification standards, which is the world's leading scientific benchmarking, certification and advisory group for travel and tourism. By engaging with their Global Tourism Advisory Group to conduct independent third-party verification, Regal has adopted a systematic and process-driven method for continuous improvement of environmental sustainability. Hotels' environmental performance in 2021 have been certified by EarthCheck. Regal Airport Hotel, Regal Hongkong Hotel, Regal Kowloon Hotel, Regal Oriental Hotel and Regal Riverside Hotel attained the EarthCheck Gold Benchmarking Certificates while iclub Fortress Hill Hotel, iclub Ma Tau Wai Hotel, iclub Sheung Wan Hotel and iclub Wan Chai Hotel are the holders of the EarthCheck Silver Benchmarking Certificate. In addition, in recognition of Regal's efforts in incorporating green building features into its hotel planning and developments, iclub Mong Kok Hotel has been certified Gold rating in HKGBC Beam Plus by the Hong Kong Green Building Council.

### Properties – Mainland China

Cosmopolitan has established a group-wide Environmental Policy Statement applicable to all property development projects. It outlines our approach in creating minimal environmental impacts while delivering quality products and services. Our management acknowledges and understands that environmental pollution is one of the key outcomes in our property development operations, therefore pollution prevention remains our focus. To ensure our environmental objectives and requirements are met, we review our performance and update the statement regularly to keep up with the tightening regulations and changing industrial practices.



## ENVIRONMENTAL RESPONSIBILITY

### Environmental Targets

As a responsible company, Century City recognises the importance of aligning its business models with the global trends of environmental issues. We continuously strive to mitigate our environmental impacts by established environmental targets.

The Group has set an appropriate baseline for long-term reduction targets after conducting a baseline assessment of our environmental performance.

### Properties – Hong Kong

Key Aspects	Targets
Greenhouse Gases Emissions	Mid-term Reduce greenhouse gases emissions intensity by 10% by 2030 with 2018 as baseline year
Energy Efficiency	Mid-term Reduce energy intensity by 10% by 2030 with 2018 as baseline year
Waste	N/A Maintain 100% hazardous waste recycling

### Hotels

Key Aspects	Targets
Greenhouse Gases Emissions	Long-term Achieve Carbon Neutrality by 2050
	Mid-term Achieve 15% reduction in greenhouse gases emissions intensity by year of 2035 with 2018 as baseline year
Energy Efficiency	Mid-term Achieve EarthCheck Certification “Platinum” and “Master” Rating for five Regal Hotels in Hong Kong by 2033 and 2038 respectively
	Mid-term Achieve 15% reduction in electricity consumption intensity by year of 2035 with 2018 as baseline year
Waste Reduction	Mid-term Minimise the use of single-use plastic packaging and toiletries gradually, and replace with biodegradable materials by 2028
	Short-term Reduce food waste generation by 25% by 2025 with 2023 as baseline year



## ENVIRONMENTAL RESPONSIBILITY

### Properties – Mainland China

Key Aspects	Targets	
Green Transportation	Mid-term	Increase the number of parking spaces with electric vehicles chargers
	Short-term	Have at least 10 parking spaces with electric vehicles chargers in its current projects
Waste reduction and recycling	Short-term	Reduce the use of non-recyclable materials with 100% waste handled by qualified third parties in compliance with relevant government regulations



## ENVIRONMENTAL RESPONSIBILITY

### Our Response to Climate Change

The Group realises that climate change can pose a huge threat to its hotel and property operations. In this regard, managing climate change risks has become one of the prime focus of our environmental management. We are dedicated to developing and implementing solid management approaches and action plans to enhance the climate adaptability and resilience across our operations.

During the reporting year, the Group has appointed a third-party consultant to conduct a climate risk assessment exercise, with the purpose to identify and evaluate material climate transition and physical risks across its hotels as well as property management and development operations. The assessment results are valuable for the Group to establish mitigation measures to address the material climate risks.

In terms of climate transition risks, policy and legal risk is considered as the most material risk to Century City's operations as the Group's owned and operating hotels and properties are concentrated in Hong Kong and Mainland China. Following the announcement of Hong Kong's Climate Action Plan 2050, the local government is likely to issue more stringent guidance, targets and regulations to achieve its carbon emissions targets and carbon neutrality goal. We expect additional requirements regarding equipment and facilities enhancement projects from regulators to achieve better energy efficiency, which may result in higher operating costs in the Group's operations in the medium term.

Regarding the physical risk exposure, strong winds/cyclones and coastal flooding could pose material risks to our hotel operations.

The Group has implemented diverse mitigation measures to minimise the impacts of material climate risks on our operations. As a case in point, the Group has formulated internal policies and procedures, including work arrangement under extreme weather, such as black rainstorm and typhoon. The standard procedures are well-communicated to our employees to enhance the Group's preparedness to climate risks. In addition, the Group's engineering department conducts training for engineering staff from time to time to ensure that sufficient material, equipment and manpower are provided to cope with emergencies.

### Energy Efficiency and Emissions

#### Properties – Hong Kong

Climate crisis is impacting our business operations in various ways. As a responsible enterprise, the Group takes initiatives to adopt practical measures and mitigate the impacts of climate change risks on our business operations. We actively respond to and co-operate with the government to minimise energy emissions by observing efficient energy consumption practices. For example, we have declared the External Lighting Charter of the Environmental Bureau for We Go MALL since 2018.



## ENVIRONMENTAL RESPONSIBILITY

Paliburg has been exploring ways to further address the potential environmental challenges of its business. Various strategies and initiatives have been implemented throughout the operations to reduce energy consumption and improve energy efficiency. In addition, we strive to integrate green features into our development projects. In our recent development projects, we made the best use of window and layout designs and carefully selected building materials that collectively balanced heat gain and daylight penetration to the interior compartments. For example, we applied excessive full-height glass curtain walls and skylights, as well as green roof, in our residential development projects. These details help to avoid a significant amount of energy consumed later at the operation stage or by occupants through air-conditioning for cooling and lighting. The car parks of our properties also feature electrical vehicle charging facilities that bring convenience to residents for switching to low-carbon transportation practices.



Green roof and full-height glass curtain wall design



EV charging facility at car park

To create greater environmental value, Paliburg is working to improve energy efficiency and mitigate energy emissions by implementing energy-efficient devices. The Group has incorporated several sustainable energy measures into its daily operations to cut unnecessary energy consumption. Reduced artificial lighting power density is one of the conducive means to energy conservation. The lighting power density in the common areas, clubhouses, plant rooms and car parks in our development projects is at least 10% lower than the Electrical and Mechanical Services Department requirement. Moreover, we also replaced all the lighting devices with the LED light bulbs in 2021, resulting in around 30% reduction of the electricity consumption in comparison to 2020.

To further enhance the energy efficiency of our operations, the operating performance of air-conditioning systems in We Go MALL has benefited from specialised shifting arrangements, effective temperature monitoring and ventilation setting. Through the employment of this system, the amount of energy was reduced considerably by 23% from June 2020 to June 2021 while maintaining an optimal physical comfort for our customers. Since 2020, we further installed air curtains at the entrances to keep warm air from entering the mall while cooling air inside, to reduce the cooling load and energy consumed for temperature control.

Moreover, we engage independent third-party consultants from professional firms to conduct regular energy and carbon audits and provide suggestions for further improvement. They also provided a list of strategies and action plans on green features across the business units for the management's consideration.



## ENVIRONMENTAL RESPONSIBILITY

### Hotels

Regal acknowledges that reducing carbon emissions is an integral part of global climate action. As a responsible hotel operator, Regal conducts regular review on the hotels' energy management system to identify key hotspots and improvement areas, ensuring that its performance of hotels satisfies operational needs and aligns with industry best practices. To look up to international standards on energy efficiency, several hotels have adopted ISO 50001 Energy Management System and measured their greenhouse gas emissions according to ISO 14064 Greenhouse Gas Accounting and Verification certification.

To further enhance our approach in energy management and utilise energy management tools, Regal plans to conduct carbon audit for the five Regal Hotels and six iclub Hotels in Hong Kong by year of 2025 and 2028, respectively. In addition, Regal will implement the energy saving projects progressively in the hotels according to the recommendations in the energy audit reports.

With the commitment to making gradual changes in its hotel operations in transition towards a low-carbon development, Regal continued to strengthen its energy management and enhance energy efficiency across the hotels. In order to achieve our carbon neutrality goal and energy saving targets, Regal is implementing various improvement measures in its hotels, including:

- implementing Intelligent Building Management System (iBMS) to all Regal Hotels by 2030;
- partnering with electricity companies to conduct energy audits in the hotels to explore Energy Management Opportunities (EMOs);
- replacing all T5 lighting fittings with more energy efficient LED lighting fittings with motion and daylight sensor by 2028;
- upgrading all the motors to high efficiency models (IE3 or above) by 2030;
- installing automatic induction devices in areas with lower guest flows to reduce unnecessary lighting;
- reviewing the energy efficiency of the water heating equipment and systems and replacing them with more energy-efficient models whenever practicable;
- applying adequate insulation to reduce heat loss in piping and reduce energy consumption to maintain room temperature for hotels with space heating systems; and
- replacing centralised air conditioning systems in some hotels to enhance energy efficiency.



## ENVIRONMENTAL RESPONSIBILITY



A frequency conversion system of the screw water pump in the central air-conditioning system is installed in Regal Jinfeng Hotel, which can save electricity consumption by 50% or above.



Energy saving LED lamps are installed in Regal Airport Hotel, Xi'an.



Boilers are renewed with more energy efficient models and achieved 8% of energy saving in Regal Airport Hotel, Xi'an.

In addition to installing improved equipment, the Group also encourages green actions among our employees and guests to further advocate energy saving. We posted energy-saving tips and signs in the hotel lobbies and guestrooms to serve as a reminder for our employees and guests to turn off all lighting and electronic devices after use.

Apart from the aforementioned energy saving initiatives, Regal has also taken proactive approaches to minimise its greenhouse gases emissions, so as to mitigate the increasing threat from climate change and the associated risks. The measures being implemented or planned include:

- purchasing Renewable Energy Certificates by 2035 to support the use of renewable energy;
- increasing the utilisation of electric vehicle (EV)s and achieving 80% EVs in corporate fleet and 100% hotel EVs by 2025 and 2028 respectively;
- installing 52 EV charging stations in the hotels by 2025 and achieving 100% of car parking space equipped with EV chargers by 2030 to promote clean and low carbon transportation;
- installing solar panels at selected hotels by 2025 if such installation is practically feasible for the purpose of achieving energy saving;



## ENVIRONMENTAL RESPONSIBILITY

- phasing out and replacing diesel-powered equipment with natural gas-powered equipment to reduce air and carbon emissions;
- setting up organic farms in some of our hotels in Hong Kong to reduce carbon emissions and provide fresh and chemical free herbs for our restaurants; and
- modernisation of the guest lifts in phases at Regal Kowloon Hotel to reduce power consumption of the motor-generator.



Signs placed in the hotel lobbies and guestrooms in Regal Airport Hotel, Xi'an to remind employees and guests to turn off electronic appliances after use to save energy

### Properties – Mainland China

Cosmopolitan acknowledges that, as a property developer, our business is exposed to climate change risks. Energy consumption at construction sites and buildings generates greenhouse gas emissions and we are committed to reducing greenhouse gas emissions. A series of measures are adopted to mitigate the risks and minimise energy consumption and greenhouse gas emissions. We also advance our use of materials and component parts and designs to comply with energy efficiency requirements and achieve energy consumption reduction in the operational phase of our projects.

The design of both Chengdu and Tianjin projects follows the Design Standard for Energy Efficiency of Public Buildings and the Design Standard for Energy Efficiency of Residential Buildings of the national GuoBiao (GB) Standards. These national standards set out the energy efficiency requirements in terms of lighting, heating, ventilation and cooling with the aid of structural design and the use of materials. For example, energy-efficient heating, ventilation and air-conditioning systems, such as Variable Water Volume (VWV) system, Variable Speed Driver (VSD) chillers and Variable Refrigerant Flow (VRF) system, are applied in our projects to maintain optimal energy consumption.



## ENVIRONMENTAL RESPONSIBILITY

Our construction materials and component parts are certified with Construction Energy Efficiency Performance Labelling Certificates. LED lighting and other energy efficient equipment are deployed to achieve energy savings in the operational phases with the help of building automation systems. Further restrictions are set on the operating hours of air-conditioners to avoid energy wastage.

Cosmopolitan has also deployed the following energy efficient measures in its projects:

- Installed motion sensors in the lift lobbies of some of our residential towers. Lights are dimmed to basic level when there is no resident in the lobby area. Lighting in the lift is switched off when it is not in operation.
- Used Low-e glass for the residential towers to strengthen insulation and lower energy demand for air-conditioning.
- Introduced natural ventilation to some of our underground car parks by installing louver outlet in our landscaping area in the residential component to reduce the demand for mechanical ventilation and electricity consumption.
- Heat generated from the cooling chiller for hot water supply is recycled by the chiller system deployed for the hotel in the Chengdu Project to avoid over usage of energy for boiling water in the hotel operations.
- Water pumps with different power ratings are installed to cater for various needs of the residential buildings. The system switches to pump with smaller power rating to save energy during off-peak usage period.
- Bridge-cut aluminium is used in the Tianjin Project to provide thermal insulation to avoid thermal bridging which leads to heat loss. This can reduce energy consumption of air-conditioning.
- EVs are used to reduce energy consumption and air emissions and we have reserved space in the underground carpark for EV charging system. Use of low carbon transport by residents is also encouraged to promote low carbon lifestyle.

We have implemented multiple control measures to prevent air pollution, especially dust which is the major pollutant emitted from our construction and operation activities. Construction materials are cautiously selected to produce less pollutants including dusts in the Chengdu Project. We also utilise landscaping of the projects to absorb air pollutants. To manage and reduce generation of dust, we regularly spray water over the construction sites and apply dust cloth to cover dust waste during our construction phases. Real-time dust monitoring is used to ensure the dust concentration is controlled within acceptable level. Work would be suspended if the site is exposed to high concentration of dust and the dust level exceeds acceptable level, which will only be resumed after the dust level returns to normal. In addition to the control measures, vehicles are required to drive through a washing bay before leaving the construction sites to ensure that the dust attached is removed and not polluting the surrounding environment.

In response to the severely polluted weather, we comply strictly with the local emergency response plan for heavy pollution weather and implement various mitigation measures to minimise the impacts on our operations. When the air pollution level reaches the "serious level", we require our construction sites to halt or restrict industrial processes, such as earthworks and cement grinding processes, in order to avoid additional adverse impact on the environment and public health.



## ENVIRONMENTAL RESPONSIBILITY

### Water Management

#### Properties – Hong Kong

Water accounts for a crucial part of our daily life and we are committed to treasuring the water resources we have. In this regard, Paliburg strives to make optimal utilization of water resources and proactively practise water saving initiatives.

We actively pursue effective water management in different development stages. As early as design stage, Paliburg has integrated water efficient concept and measure into projects. For example, we installed water efficient devices at The Queens, with an estimated 34.7% saving of potable water consumption annually.

During the construction stage, we also endeavour to mitigate water consumption and consume water responsibly. An abundant amount of water is used for mortar and cement concrete preparation, cleaning and washing of equipment in this stage. We promote water conservation awareness to the workers by delivering training courses and sending reminders on environmental protection messages. Meanwhile, water consumption performance and report are registered regularly by our contractors to monitor and analyse the water usage. Any identified potential risks will be addressed timely.

Furthermore, all wastewater discharge from construction sites is properly treated. We have requested our contractors to comply with the local standards and regulations when discharging construction wastewater. One example of the environmental protection measures we have implemented is selecting a designated area to collect wastewater generated from surface run-off; while also recovering the soil exposure at site after excavation and backfilling to prevent soil erosion and associated water pollution.

Realising the importance of conserving water, the Group is set to use resources in a sustainable manner to minimise water consumption and increase water use efficiency in our buildings.

#### Hotels

Regal is committed to maintaining close monitoring of water consumption in the hotels in all aspects of their operations, such as catering and cleaning. To reduce consumption of water resources, Regal has implemented various water management practices and water-saving initiatives, including:

- recycling and reusing air-conditioning condensing water;
- retrofitting hotel toilets with automatic faucets and toilet flushers;
- installing flow controllers on water tap in all hotel areas to avoid excessive water use;
- installing dual-flush toilets while renovating guestrooms, which enables the use of an appropriate amount of flushing water;



## ENVIRONMENTAL RESPONSIBILITY

- checking all water meters daily to fix any possible water leakage in a timely manner;
- encouraging hotel guests to participate in the linen and bath towel reuse programme; and
- requiring all new shower heads to fulfil the Water Efficiency Grade 2 requirements set by the Water Supplies Department (i.e. with water-saving design with flow rate at 10 litres per minute).

Swimming pools are the most water-intensive among all hotel facilities in hotel operations. Hence, Regal focuses on minimising water consumption in pools through modification projects. In Regal Airport Hotel and Regal Riverside Hotel, Regal adopted quartz sand in boiler tanks for water filtration to reduce the frequency of pool water refill and enable water conservation, as well as enhancing the water quality of the swimming pools.

Whenever economically viable and practicable, Regal is motivated to explore and initiate different measures to enhance performance in water saving across hotel operations. For example, water-saving shower and faucet, dual flow water closet and low flow urinal are installed at the Regala Skycity Hotel, with an estimated 30.6% saving of potable water consumption and 31% reduction of effluent discharge every year.

### Properties – Mainland China

At Cosmopolitan, water conservation initiatives are implemented and monitored regularly to improve water management practice. We choose drought-resilient plants for the greenery and drip irrigation method in the landscape of projects and use quality corrosion-resistant and durable water pipes to reduce water consumption and prevent water leakage in advance. In the Tianjin Project, water meters are installed for recording and reviewing water consumption on each floor of the buildings and for the entire project. We constantly observe water usage and in case there are abnormal fluctuations and contact the users and arrange checking on the water pipes to investigate if there is any water leakage. Water seepage tests are also conducted periodically to minimise such risks. In the Chengdu Project, a 493m<sup>3</sup> rainwater cistern is installed to fulfil the standards of a sponge city and reduce the use of water. The rainwater collected is for recycle and reuse.

We treat wastewater discharge properly and cautiously by applying stringent treatment process to protect water quality and reduce contamination to the water bodies and the environment. We strive to collect and handle wastewater in an on-site water treatment tank before discharging effluent into the municipal sewage system. We also reuse wastewater where possible. We comply with the relevant standards to ensure the quality of the effluent and water.



## ENVIRONMENTAL RESPONSIBILITY

### Waste Management

#### Waste Minimisation and Recycling

##### Properties – Hong Kong

The Group makes every effort to tackle waste problems throughout our operations and across different business units. We have implemented a set of waste management practices to encourage waste generation reduction and ease the burden to the environment. Policies and guidelines are set up under the system and are clearly communicated to staff for compliance.

Paliburg has established the waste management policy and introduced various environmental initiatives for waste reduction. To further reduce waste consumption, Paliburg has expanded the waste management policy from 3Rs (Reduce, Reuse, Recycle) to 5Rs (Reform, Refuse). In 2021, 146,000 kilograms of papers, 3,000 kilograms of plastic, and over 23,000 kilograms of aluminium were collected for recycling. Moreover, a number of our managed properties, namely Fulrich Garden, The Ascent, Mount Regalia and Domus and Casa Regalia have participated in the Glass Container Recycling Charter from The Environmental Protection Department of Hong Kong in 2021.

We ensure that proper and effective waste management and reduction are carried out. In our business operations, we implement waste management practices and retain waste records for analysis. We track the waste generation and recycling figures and carry out review regularly to compile and put into action different improvement plans. A systematic waste management system that provides for the sorting, recycling and proper disposal of construction waste materials has been implemented. We dedicate efforts to initiate proactive recycling practices and handle waste materials in a responsible manner. By sorting out waste items in the designated storage areas, we achieve the maximum recycling amount before sending the remaining waste to landfills. To minimise wastage, equipment and packaging material are also recovered and properly stockpiled for further use. All on-site workers are required to strictly comply with our standard working procedures and relevant regulatory requirements to avoid cross-contamination of recyclable and reusable materials. To monitor the implementation of standard working policy and waste management, our on-site environmental officers are responsible for conducting weekly inspections.

In our recent projects, Regala Skycity Hotel and The Queens, we applied different measures to reduce waste consumption such as ensuring no virgin-forest timber product has been used for temporary works. Furthermore, we have set a target of 30% Construction & Demolition (C&D) waste reduction as per the green building certification requirement, with an actual target achievement of 30.45% C&D waste recycled at Regala Skycity Hotel in 2021.



## ENVIRONMENTAL RESPONSIBILITY

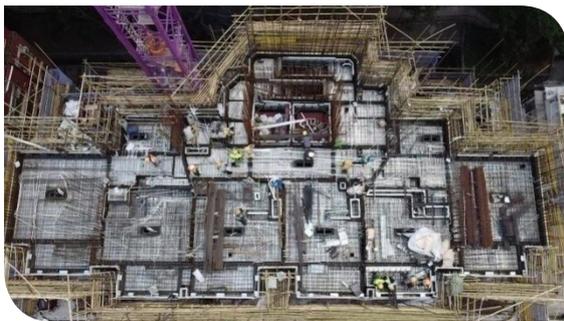
As part of our sustainability practices, we aim to promote sustainable concept in waste management. We source sustainable materials globally for our construction projects. For example, timber used in our projects is certified by Program for the Endorsement of Forest Certification Schemes. To further enhance recycling practices, timber is reused according to its conditions and reinforcement materials are collected properly and transported to local recycling factories for reuse after handling.



Timber collected at the construction site for recycling



Metal collected at the construction site for recycling



Aluminium formwork used for the construction of typical floors to reduce timber use

We constantly make substantial efforts on property management operations, and partner with stakeholders including customers, tenants and our employees to better handle waste matters by the operation lifecycle. The waste recycling practices have been widely adopted in our owned or managed properties. For example, waste separation bins and recyclable waste collection points are set up for customers' and tenants' convenience. In addition, festive decorations in We Go MALL are properly stored for reuse.

Abiding by our sustainable development strategies, we strictly comply with regulatory regulations and established standard procedures on handling electronic waste systematically to prevent inappropriate disposal of devices with high contamination risk. All obsolete and unused electronic devices collected from our operations will be centralised and delivered to professional third-party for handling in proper and environmental manner.



Recycling bins placed in managed properties



## ENVIRONMENTAL RESPONSIBILITY

### Hotels

Waste generation is one of the most material environmental concerns in the hospitality industry. With the acknowledgement of its importance in its environmental responsibility, Regal adopts various measures to enable an effective waste management along the production and disposal phases. From material consumption to handling waste, it works in collaboration closely with its employees, guests and non-profit organisations to reuse and recycle waste whenever economically practicable.

As food waste is one of the main sources of waste in hospitality and catering operation, Regal implements stringent procurement control procedures to reduce waste generation. Through conducting regular evaluations and adjustments, Regal controls food procurement volume by estimating the number of guests and meal reservations to avoid over-purchasing.

To tackle the food waste issue from our catering services, Regal has initiated food waste reduction campaigns in hotels in Mainland China. In Regal Airport Hotel, Xi'an, the event "Clear Your Plate" was organised to promote the behaviour of serving the "just right" food portions during buffet to avoid generating food waste. Reminders and signs were displayed in visible areas in the hotel restaurants, aiming to reduce the amount of food waste generated from its catering services by enhancing guests' awareness in their consumption habits.



Posters and signs are put up in Regal Airport Hotel, Xi'an to encourage guests to minimise food waste.



## ENVIRONMENTAL RESPONSIBILITY

Disposable room amenities are another major sources of waste in hotel operations. To advocate the concept and practices of “Green Hotel”, Regal encourages guests to bring their personal care items and reduce disposable products consumption during their stay. All the guestrooms in our hotels in Hong Kong have replaced bath amenities with the use of shower dispensers to minimise the use of plastic small bottles since 2020. During the year, Regal donated a total of 80 kg of soap to the needy through local non-profit organisations such as Clean The World and Soap Recycling. For the managed hotels in Mainland China, employees are required to sort unused amenities such as soap and shampoo to reduce wastage by reusing them for cloth washing.



Biodegradable items are used in Regal Airport Hotel, Xi’an to alleviate the pollution brought by waste generation.

Regal emphasises waste recycling in its waste management approach. In this regard, we support upcycling through increasing the use of recycled content of materials in our hotel operations. For instance, we provide guests with silicon foldable lunch boxes, reusable water bottles and reusable shopping bags. We are also planning to put in place in-room rubbish bins with compartments in our hotels. In our iclub hotels, we provide umbrellas that are made up of PET fabrics from recycled plastic bottles. In addition, in order to reduce yard waste in the community, Regala Skycity Hotel, Regal Airport Hotel, Regal Hongkong Hotel and Regal Kowloon Hotel participated in a peach blossom trees recycling programme in 2021 to recycle suitable collected trees into useful materials.



## ENVIRONMENTAL RESPONSIBILITY



Posters on waste separation and recycling bins are placed in Regal Jinfeng Hotel to promote waste recycling.



In the peach blossom trees recycling programme, suitable trees are collected to recycle into useful materials.



## ENVIRONMENTAL RESPONSIBILITY

Regal aims to avoid excessive paper consumption in our daily operations. By adopting an online customer relations management platform, it has facilitated the digitalisation of hotels' reservation and documentation process. Regal has also digitalised its Food and Beverage (F&B) dining membership programme, where mobile application and digital coupons are used instead of membership cards and paper coupons. For its administrative operations, Regal has a printing guideline in place to promote duplex printing of documents and the use of double-sided paper when printing documents. For hotel advertisement, different digital channels are utilised, including e-brochure, e-flyers, e-banners, social media posts, and online direct marketing. Through optimising digital marketing, Regal minimises the use of traditional printed sales materials to promote hotel service offerings. In addition, Regal carefully selects the types of papers that are certified by the Forest Stewardship Council whenever practicable for office use to promote responsible consumption.

Throughout its hotel operations, Regal strictly complies with internal waste management procedures and relevant local laws and regulations to ensure the process of waste collection, categorisation and disposal are properly and responsibly carried out, while optimising the opportunity to recycle materials whenever applicable. For instance, guided by the Shanghai Municipal Solid Waste Management Regulation, hotels in Shanghai provide four types of waste garbage collection boxes. The collection boxes enhance the waste sorting process to separate wet and dry waste, hazardous waste and other recyclable items respectively. Hotel employees evaluate the amount of waste generated and recycled regularly to strive for continuous performance in waste recycling and reduction.

Regal's hospitality operations do not generate any significant amounts of hazardous waste. Nonetheless, Regal acknowledges the irreversible and adverse impacts on environment that can be potentially caused by hazardous waste. Therefore, its hotels handle all our waste in a cautious manner. The major types of hazardous waste generated from hotel operations mainly consist of chemicals from cleaning products and their containers. To minimise the harmful impact on the environment by using products with hazardous chemicals in cleaning, Regal requires its suppliers to provide eco-certificates or labels for their products. To avoid water and land contamination induced by improper handling of hazardous waste, Regal has implemented a protocol on hazardous materials, waste storage and waste handling to provide guidance for its employees on the proper procedures and precautions. Regal has also appointed qualified collectors to handle the disposal of electrical appliances, such as computers, fridges and televisions in order to avoid land pollution and refrigerant leakage.

### Properties – Mainland China

At Cosmopolitan, we strive to reduce waste in our construction and operation activities of our properties. We have put into practice our waste management policies to reduce and recycle waste. Our engineering functions focus on monitoring and improving waste recycling performance.

The first step yet the most effective way is waste management. Waste reduction measures are implemented in our projects to improve overall waste performance. In the Chengdu Project, we use brick formwork for the foundation instead of traditional construction waste to reduce the use of disposable materials and avoid excessive generation of construction waste. A prototype guidance system is also adopted such that construction only takes place after prototypes are approved by relevant departments. Recyclable and durable construction materials, such as steel, glass and aluminium alloy, are also applied whenever feasible. Our unwanted office furniture in construction sites is collected during refurbishment of our office and reused to reduce wastage.

We have implemented high standard procedures to handle construction waste that are non-recyclable and non-reusable. General waste is gathered in the garbage chambers in every building and transported to collection points daily. Construction waste, including building debris and waste engine oil, is handled by qualified service vendors regularly. Sludge is also cleared and transported to landfills regularly.



## SOCIAL RESPONSIBILITY

As a committed corporate citizen, we have firm belief that it is our responsibility to benefit the community and support our community partners. We are committed to building a better community together with our employees, business partners and community organisations. Meanwhile, we strive to give back to the community and foster cohesions by leveraging our strengths and expertise.

### Fostering Community Engagement

#### Properties – Hong Kong

At Century City, we advocate social responsibility culture across our operations. To fulfil our responsibility, we strive to support community and shape a better future to everyone by participating in community services, operating community events and caring for the environment.

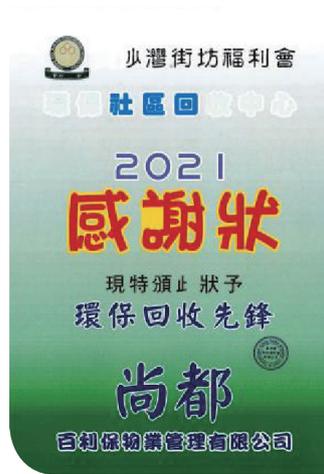
Apart from the conventional recycling programme mentioned in the environmental sections of this report, both Paliburg and Regal collaborate with non-governmental organisations to recycle other resources. For instance, our managed properties, the Ascent and Fulrich Garden, supported the recycling programme held by the Cheung Sha Wan Kai Fong Welfare Association. Meanwhile, Regalia Bay participated in the Mooncake Boxes Recycling Program 2021 held by Greeners Action to collect mooncake boxes from residents for recycling. We also took part in the No Air Con Night 2021 organised by Green Sense at different properties. With the active support and participation from our residents and tenants, we received several certifications from the organisations in recognition of our contributions.



Certification of Mooncake Boxes Recycling Program 2021 (月餅盒回收大行動2021) by Greeners Action



Certification of No Air Con Night 2021 (無冷氣夜2021) by Green Sense



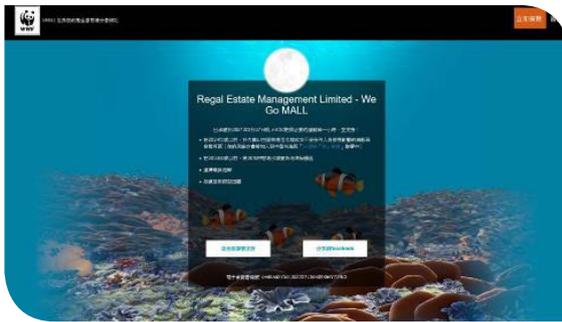
Pioneering Recycler (環保回收先鋒) – the Ascent and Fulrich Garden by the Cheung Sha Wan Kai Fong Welfare Association





## SOCIAL RESPONSIBILITY

In addition, we have participated in the Earth Hour 2021 organised by WWF at We Go MALL and some other managed sites, raising public awareness on energy saving and climate change.



Earth Hour 2021 – We Go MALL

### Hotels

While providing quality accommodation service, Regal also emphasises on creating social benefits to the society in order to become a socially responsible corporate citizen. Regal strives to make the community and society a better place for all by actively participating in different community programmes.

Regal values corporate social responsibility (CSR), that “Social Responsibility” is a pillar of its long-term sustainability programme. It has also set up a Social Responsibility Steering Committee to monitor its CSR efforts continuously. The Committee is chaired by Regal’s chief operating officer and supported by all function heads. The Committee has identified three social responsibility focuses:

- Youth Development;
- Health Enhancement; and
- Social Inclusion.

Regal believes that long-term community participation is very important as it can encourage hotel employees to develop their personal capabilities such as leadership, management and communication skills. To foster the process, two volunteer teams, which are Colour our World and Young Colour our World, were established. They consist of adults and young people respectively and work together to serve the society.

In 2021, Regal collaborated with 19 non-profit organisations and participated in different community programmes, through which the employee volunteers had the opportunities to connect with different social groups and understand their needs. However, due to the outbreak of COVID-19, the organisation of visits to community centres or elderly homes have been suspended during the reporting year. Nevertheless, Regal continued to express our care with donations of useful resources to different parties in need.

Highlights of Community Investment in 2021 were as follows:

- Number of partnering non-profit organisations and other institutes: 19
- Number of organised volunteer activities: 13
- Total volunteer hours contributed by employees: 286 hours
- Amount of donation and sponsorship: HK\$656,500



## SOCIAL RESPONSIBILITY

Regal has been recognised as a “Caring Company” by the Hong Kong Council of Social Service for 19 years consecutively with the award of “15 Years Plus Caring Company Logo”.



### Youth Development

Regal believes the younger generation represents the future of the society, so it is important to provide them with good education and personal development opportunities. Through organising internship programmes and hotel tours, Regal hopes to complement conventional school education, offering young people a different and rewarding learning experience.

#### Regal Hotels International Youth Development Programme 2021

Regal hopes to provide more opportunities for young people who are interested in the hospitality industry. Since 2015, we have launched the “Regal Hotels International Youth Development Programme”. Students from Hotel, Service and Tourism Studies disciplines at the Hong Kong Institute of Vocational Education (IVE), a member of the Vocational Training Council (VTC), are offered scholarships and 300 hours of invaluable internship opportunities every year. During the internship period, students have the chances to experience different roles and duties, such as working in the front office, food & beverage department as well as helping with our housekeeping team. As a result, they could gain a more comprehensive understanding of the complex hotel operations and practical experience at different departments. We believe the internship scheme can pave the way for their early success in the industry. During the year, Regal continued to carry out the programme though certain activities have been suspended due to the pandemic.



## SOCIAL RESPONSIBILITY

### Hotel tours

Understanding the limitation of conventional school education, Regal seeks to provide young people with learning experiences outside the classroom. With Tourism and Hospitality Studies now an elective subject in the Hong Kong Diploma of Secondary Education Examination, the hospitality industry has gained increasing attention in recent years. Responding to this on-going trend, Regal spares no effort to support education in our local community and enhance students' learning experiences. Despite the pandemic, Regal still managed to organise a hotel tour in 2021, in cooperation with non-profit organisations, for over 100 participating students from Vocational Training Council (VTC) to illustrate the operation at Regal Riverside Hotel and Regal Oriental Hotel.



### Career talks

Regal encourages youth to explore different career paths and enhance their personal development. To provide training opportunities, we have collaborated with YMCA and Caritas Institute of Community Education in offering 5 career talks for over 100 trainees of Doula Re-training Programmes in 2021. In the programme, we introduced job scopes and career opportunities for being a doula in hotels to participants who were interested in pursuing a career in post-natal care service.





## SOCIAL RESPONSIBILITY

### Health Enhancement

A good living condition has always been the key to fostering a harmonious and prosperous society. Especially during the outbreak of COVID-19, Regal believes that it is important to spare additional effort in providing different social groups with support and medical resources in order to enhance their health and improve their living condition.

In supporting the government's initiatives to combat the pandemic, four of our hotels, namely, Regal Airport Hotel, Regal Oriental Hotel, iclub Ma Tau Wai Hotel and iclub Fortress Hill Hotel enrolled in different cycles of the Designated Quarantine Hotel Scheme in the reporting year.

### Cookie charity sale for Helping Hands

During the outbreak of COVID-19, medical resources are essential for everyone and it is critical to provide more assistance to social groups who do not have enough access to medical resources. Therefore, our Regal Kowloon Hotel organised a cookie charity sale and the revenues from the sale together with 1,000 protective masks were donated to Helping Hands to support the elderly services.



### Lifestyle workshops

In 2021, we supported the "We Love Dance" workshops organised by the China Light and Power in various hotels to promote a healthy and environmentally friendly living lifestyle to our employees.





## SOCIAL RESPONSIBILITY

### Social Inclusion

#### Hotel

Regal believes the success of a society can only be achieved through the creation of an inclusive community. Every individual, regardless of their background and capability, should be treated equally and respected. In this year, Regal took the initiatives to show care to some groups which are easily neglected by the society, such as abandoned animals. Regal believes that by putting the participants into others' position through the educational programmes, they can gain more understanding of the needs of others in the society.

#### Others

##### Career Trainings

We have collaborated with SHINE of Vocational Training Council in providing career trainings and opportunities for challenged individuals. To help students in adapting the real-life work environment, a room at the Tuen Mun Campus is redecorated to mimic a guest room in Regal Hotels.

##### Barrier Busters Program

In 2021, we supported the Barrier Busters Program organised by The Hong Kong Society for Rehabilitation and Chi Heng Foundation to promote equal opportunity and anti-discrimination against minority groups and under-privileged persons in the society.



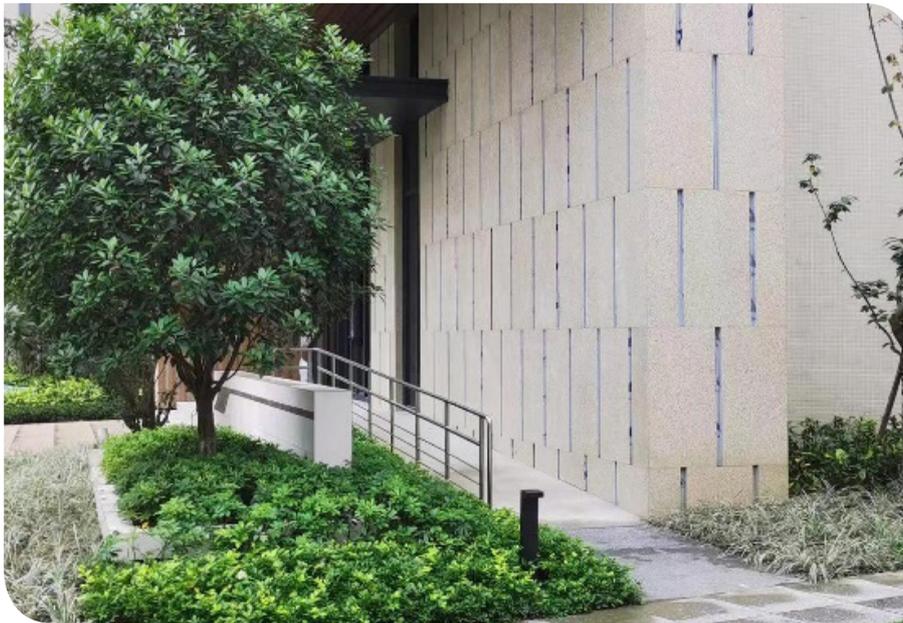


## SOCIAL RESPONSIBILITY

### Properties – Mainland China

#### Social Inclusion

We are committed to fostering an inclusive community by ensuring equal access for all people. To provide a comfortable and enjoyable living environment for residents of all ages and abilities, we have embedded inclusive features and elements into our development projects. For example, ramps are installed for the convenience of disabled persons and elderlies. In our Tianjin Project, we created an accessible environment for wheelchair users by designing spacious barrier-free restrooms, lowering buttons of lifts, and accessible parking spaces. Through these inclusive designs, we extend our care to the underprivileged.





### Animal welfare

The Group believes that animals should be treated with respect and care. Hence, animal welfare is one of our focuses in community work. In our Chengdu Project, we supported various non-profit organisations that carry out animal rescue work for homeless pets. We have made a donation of RMB100,000 to Love charity, let pets have a home (“爱心公益行 • 讓寵愛有家”) where employees volunteered to help homeless pets. In addition, we donated RMB23,850 to Xingduhui charity bank through purchasing fruits to sponsor animal rescue work.



Employees volunteered in the Love charity, let pets have a home (“爱心公益行 • 讓寵愛有家”) event.



## 星都荟 捐款支票

收款单位：成都市双流区爱之家动物救助中心

人民币 (大写)	拾万元整	亿	仟	百	十	万	千	百	十	元	角	分
				¥	1	0	0	0	0	0	0	0

Donation to support animal rescue work in Chengdu



## SOCIAL RESPONSIBILITY

In addition, we have organised a charitable activity in Chengdu to raise the community's awareness on animal welfare and support animal rescue work. The event utilised social media platforms for people to share information about animal rescue work. With every 30 likes on the shared post, participants will receive free oranges as a reward. Through this activity, we hope to encourage the public to support animal rights and animal rescue.



Social media event to raise the awareness of supporting animal rescue work

## Care for the Community

In addition to our business operations, we care about the local communities and are ready to offer help to the underprivileged. During the year, our office in Chengdu showed our gratitude and made in-kind donations to the elderly and disabled people in the local communities. For our Tianjin office, we have donated RMB1,000,000 to Tianjin Sports Association as a sponsorship to support sports activities in the community.

As a property developer, the Group is fully aware of its impacts on local communities during its operations. We actively engage with the local community to further understand their needs and concerns while continuing to explore the possibilities and opportunities of serving the underprivileged and creating shared value in the society.



## ECONOMIC RESPONSIBILITY

### Caring for Employees

To maintain long-term relationships with our employees, the Group has established a human resources policy that defines the important values, standards and terms. Its purpose is to direct our efforts in building and sustaining a welcoming and inclusive working environment for our employees. All relevant employment practices of the Group are in line with the industrial benchmark and are regularly reviewed to best reflect our appreciations to employees' contributions.

As our employees serve as the backbone of our business operations, we aim to grow alongside with them and provide the support they need. Employees can improve their skills and flourish at work by taking advantage of the Group's learning and development initiatives. Employees have access to a wide choice of training programs and materials, in addition to obtaining professional and close assistance from their superiors. These initiatives are critical to the Group's ability to deliver high-quality products and services.

Maintaining a safe environment for the employees is our vital responsibility. Paliburg adopts a series of health and safety practices to protect our employees. For example, full sets of Personal Protective Equipment (PPE) are provided to relevant employees who need them. Moreover, Paliburg regularly conducts inspections on site to identify potential workplace hazards and assess risks.

The Company complies with all relevant laws and regulations<sup>3</sup> regarding employment and labour issues, including compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, provision of benefits and welfare, safe working environment and child and forced labour.

### Recruitment, Retention and Benefits

As a responsible employer, the Group is committed to offering equal opportunity and valuing ones' capability, skills and experience in its recruitment and promotion. We have put in place an organised and fair system to ensure transparent and fair employment practices and hence protect our employees' rights.

The use of child and forced labour is strictly prohibited by the Group. To this end, we impose stringent background check on applicants during the hiring process, particularly at our construction sites. In case of breach, we will immediately terminate the concerned employment relationship and penalise the employees involved in the related hiring processes.

To maintain our long-term relationships with employees, we strive to retain employees by offering them competitive remuneration packages. For example, monetary rewards on festivals and birthdays and special leave are provided for employees of our operations in Mainland China. We also value our employees' career and personal developments, assisting them to reach their full potentials through various training and performance enhancement programmes.

Our Employee Handbook outlines the general roles and obligations of employees, as well as the applicable norms for workplace behaviours and other employment related issues. The Handbook is distributed and clearly communicated to every staff member on their onboarding day. Meanwhile, we value our employees' views and suggestions. By maintaining different communication channels, we collect their feedback and consider them in creating a supportive and harmonious workplace.

<sup>3</sup> The laws and regulations include the Employment Ordinance (Cap. 57), Sex Discrimination Ordinance (Cap. 480), Disability Discrimination Ordinance (Cap. 487), Family Status Discrimination Ordinance (Cap. 527), Race Discrimination Ordinance (Cap. 602), Occupational Safety and Health Ordinance (Cap. 509), Factories and Industrial Undertakings Ordinance (Cap. 59), Employment of Children Regulations (Cap. 57B) and Employment of Young Persons (Industry) Regulations (Cap. 57C), together with the Labour Law, Labour Contract Law, Employment Promotion Law and Social Insurance Law of the People's Republic of China.



## ECONOMIC RESPONSIBILITY

### Learning and Career Development

We clearly recognise the positive relationship of employees' capability and skills and our operational efficiency. We also believe that it is our corporate responsibility to support employees in career and personal development. Therefore, we encourage all employees to pursue life-long learning and provide them with financial and educational resources. For employees' acknowledgement and reference, the Group's staff training and development policies are detailed in our Employee Handbook.

We believe that a smooth transition is vital for new employees. Therefore, we have devised a comprehensive induction programme to familiarise them with our working environment and corporate culture. Throughout their time with us, we organise all-year-round series of training programmes to ensure employees at all levels and positions are equipped with the necessary skills and knowledge to meet the ever-changing market demands and industry trends.

For example, we provide training to property management employees at Mount Regalia on building services related systems such as the Fire Services Installation (FSI) system and the Entrance Access Control System, enriching their problem-solving skills to handle resident related urgent enquiries including emergency fire alarm and breakdown of door intercom system. Apart from this, employees also gain appropriate techniques and knowledge for daily operation from regular health and safety training.

In addition to internal training, we encourage our employees to participate in external training and other educational events, such as conferences and seminars, to enhance their skills and observe diverse market practices. We subsidise the tuition as well as the related application and examination fees with case-by-case considerations.

### Employee Engagement

The Group strives to maintain an open and harmonious workplace and foster a culture of work-life balance by conducting active employee engagement activities and communication. Due to the social distancing regulations, we did not organise any festival celebrations and annual dinners in Hong Kong during 2021, to avoid gathering of employees. Instead, we organised an online Mindfulness Training to share with our colleagues on methods to deal with challenges and respond in a discerning and less agitated manner. While the pandemic in Mainland China was relatively stable, we arranged an annual meeting and Christmas party for employees to bond again after a long time. Moreover, in recognition of employees' contributions and loyalty to the Group over the years, we honour our long-serving staff with the Year-of-Service Awards.



## ECONOMIC RESPONSIBILITY



Employee gatherings during festivals

With the aim to improve the overall working experience, we emphasise mutual respect and understanding and therefore value our employees' feedback and views. To this end, various communication channels have been established for employees to express their concerns or suggestions. Regular staff meetings, annual questionnaires and Facebook page are several examples, while a formal grievance mechanism is in place for employees to voice out any issues over the workplace and employment practices to their immediate supervisors and the management. The management must then coordinate follow-up actions and respond to the enquiries within a given timeframe.



## ECONOMIC RESPONSIBILITY

### Workplace Health and Safety

#### Properties – Hong Kong

We are dedicated in providing a safe and healthy working environment for employees and has established a Safety Management Committee to oversee the safety performance of our managed properties and development projects. We also have a safety and health working system in place and have set up stringent safety and health standards to manage the related issues. Depending on the actual working environment and operational needs, we have implemented safety measures at our construction sites and offices under the system. To ensure all practices are timely, effective and up-to-standards, the Committee evaluates and revamps the occupational health and safety-related guidelines and measures on a regular basis.

Internal and external audits are utilised to evaluate the Company's workplace safety performance and black spots are identified and brought to our attention. The Committee and safety officers are in charge of formulating remedial measures and monitoring their implementation, as well as results obtained. At the same time, employees working in the corresponding sites are given related information to minimise occupational health and safety risks.

On the other hand, we believe education and training are the most effective tool to raise employees' awareness of occupational health and safety. Prior to any construction work, it is compulsory for all construction workers and site staff to take part in specific induction training that covers topics including occupational health and safety. Furthermore, workers are only permitted to perform duties with the personal protective equipment on. They must also adhere to all applicable laws and regulations, as well as standards set forth in our policies and workplace guidelines. Site inspections are conducted on a regular basis to identify potential workplace hazards. We conduct regular evacuation drills to familiarise employees with the rescue and handling protocols, therefore ensuring a rapid response in case of emergency.

To safeguard both our employees and customers during the COVID-19 pandemic, we strive to strengthen hygiene standards at our operating locations, the managed properties and construction sites. For more information about our anti-pandemic efforts, please refer to the Product and Service Quality: Properties – Hong Kong section under the Caring for Our Customers chapter.

#### Hotels

Regal has established a Safety Committee to monitor its safety management system. Under the leadership of the Committee, Regal formulated and implemented robust policies and operating procedures to ensure a safe and healthy workplace. Regal performs regular review on the Safety Policy and related measures to stay updated with the latest developments in workplace health and safety, as well as relevant laws and regulations.

At the operational level, a dedicated team comprising experienced Safety and Security Officers is responsible for identifying potential hazards, and developing prevention and improvement measures. Meanwhile, in terms of internal rules and procedures, Regal has formulated a Safety Manual, which stipulates its standards on management, control and coordination of our safety work. The Safety Manual is circulated among employees to ensure their solid understanding, as well as to instruct them to mitigate the potential occupational safety risks throughout all stages of our hospitality operation, from room cleaning and catering to engineering and renovation work. Employees who fail to comply with the safety rules and procedures may be subject to penalty.



## ECONOMIC RESPONSIBILITY

Regal organises regular internal training for all employees and invites external professionals to provide training for supervisory and management staff members. In addition, it has established contingency plans and organises drills from time to time, in order to equip employees with sufficient skills to handle emergencies. Health and safety information sheets, newsletters and bulletins are provided to introduce to the employees the latest health and safety measures. Safety and health-related information are also in place in the forms of warning signs, emergency procedures and notices. To advocate the culture of working safely across the Group, a Safety Award is given to employees that demonstrate the best health and safety practices at work.

Moreover, Regal requires Safety and Security Officers to submit monthly safety reports detailing any accidents, injury statistical data, health and safety training undertaken, safety inspections and audits. A health assurance programme is also in place to arrange pre-job medical examinations as well as regular medical examinations for these employees who are exposed to hazardous waste and materials to ensure their physical well-being.

### Protecting our employees under the pandemic

Under the pandemic, we have improved our hotels' hygiene-related measures to ensure the safety of all guests and employees. We have developed a COVID-19 precautionary measures operation standard for all our hotels in Hong Kong. Based on the standard, a disinfection cleaning standard is in place to provide a safe hotel environment. On the other hand, Regal makes available to its employees sufficient hygiene supplies and personal protection equipment to further secure their safety at work. We strictly follow all government policies and have arranged extra staff trainings to strengthen employees' awareness for any updates and new measures.





## ECONOMIC RESPONSIBILITY

### Properties – Mainland China

The Group strives to ensure our employees' safety and health through providing a safe working environment. We have a Safety Construction Management Policy in place along with other relevant guidelines, including safety procedures in case of natural disasters or other incidents of emergency. Our operations fully comply with the occupational health and safety related laws and regulations<sup>4</sup> in Mainland China. Our effort placed on maintaining health and safety of employees has been recognised by the Ministry of Housing and Urban-Rural Development of the People's Republic of China and the Tianjin Municipal People's Government.

During the reporting year, no non-compliance cases of occupational health and safety were observed in our operations.

To safeguard the health and safety of our employees, the Group is committed to minimising health and safety related risks through identifying and monitoring material safety issues or risks regularly in our offices and construction sites. In case of any deficiencies discovered, remedial actions will be carried out to ensure proper execution of our safety measures. Trainings regarding occupational health and safety are provided to our employees to enhance their awareness and strengthen their readiness to handle emergencies. Workers are not eligible to work-on-site unless being qualified in passing our safety trainings. In addition to safety trainings, we utilise different engagement channels to remind employees of safety precautions by distributing safety leaflets and placing warning signs with preventive measures about operating vehicles and machines, accidents, fire and other major hazards. We also actively engage with our contractors through meetings, workshops and training, requiring them to provide compulsory safety training to ensure all new workers are equipped with safety knowledge before working on-site.

Fire safety is also one of our safety concerns within our operations. The Group has set up a fire-prevention system which fully complies with relevant legal requirement in Mainland China. The system is reviewed and maintained regularly by qualified professionals. Evacuation drills are arranged for employees in order to help them familiarise with the safety procedures in case of emergency situations including fire accidents and gas leakage.

In addition, we strive to enhance the indoor air quality in our offices to improve our employees' health. Monitoring of volatile organic compounds (VOC)'s concentration level and formaldehyde is carried out regularly. We have appointed qualified personnel for removal of such substances effectively whenever necessary.

This year, the Group continues to implement preventive measures to safeguard our employees' health amidst of the COVID-19 pandemic. To lower their risk of infection, employees are required to measure their body temperature on a daily basis and to always wear masks at work. Employees have to maintain appropriate social distance in workplace in order to avoid close contact. We also provide employees with anti-pandemic supplies, including medical masks and alcohol sanitisers to ensure they maintain good personal hygiene. We aim to maintain a safe workplace while providing appropriate support to our employees during this challenging period.

<sup>4</sup> The occupational health and safety laws and regulations that might be significant to Cosmopolitan include the Law on the Prevention and Control of Occupational Diseases, Work Safety Law, Regulation on Work-Related Injury Insurance and Measures for the Administration of Occupational Health Examination of the People's Republic of China.



## ECONOMIC RESPONSIBILITY

### Caring for Our Customers

The Group places its customers at the centre of its business by offering superior products and services. The Group strives to maintain high-standard quality management and make every effort into safeguarding customers' health and safety. Beyond this, we highly cherish their opinions and spare no effort to listen to and address their concerns.

### Product and Service Quality

#### Properties – Hong Kong

Paliburg strives to develop high-quality properties and deliver services with heart to customers and tenants. To achieve this, a comprehensive quality assurance system is in place to ensure and regulate the delivery in accordance with all applicable laws and regulations<sup>5</sup>.

We have formulated a three-pronged quality management approach to manage our construction and property quality. We divide the procedure into 3 stages under this approach, namely pre-construction, construction and post-construction phases. Architecture and construction experts develop and review decisions and plans regarding construction design and materials throughout the pre-construction phase.

To ensure our building quality, we request an individual certificate and related assessment reports for each material planned to be used in the project, minimising potential hazards caused by the use of any unsatisfactory material. During the construction phase, designated personnel are in charge of monitoring the structural work, construction of reinforced concrete, construction of sample layouts and information management to achieve optimal quality. The post-construction phase serves as a critical step in which quality inspections are conducted strictly according to the quality and safety criteria set.

Apart from building quality, we endeavour to maintain high-quality services in our managed properties, with the goals of improving residents' day-to-day living quality and tenants' business operational efficiency. We gather feedback from our residents and tenants through various channels and take it into account when formulating and implementing improvement plans. For instance, we installed speed bump to enhance road safety level within Mount Regalia after receiving comments from the residents. We also conduct regular customer satisfaction questionnaires to obtain objective data on our performance in a variety of areas, such as staff attitude, safety, cleanliness and clubhouse services, etc. Suggestion boxes and hotlines are also available for our managed properties. During the reporting year, our property management received 822 complaints. All complaints and inquiries received from residents, tenants, customers and the general public were handled promptly and effectively by designated personnel.

Both Paliburg and Regal place priority on our residents and tenants' health and safety. We have established a set of Working Guidelines for our frontline employees, stipulating their duties and responsibilities in identifying and eliminating health and safety hazards in the properties and hotels owned or managed by us. For instance, the security team is given detailed instructions on how to spot, record and report any abnormalities, malfunctions or facility damage throughout their daily patrol routine. This ensures that infrastructure such as water tanks, pipelines, metre rooms and alarm systems are cleaned, repaired or maintained in a timely manner.

<sup>5</sup> The laws and regulations include the Residential Properties (First-hand Sales) Ordinance (Cap. 621), Public Health & Municipal Service Ordinance (Cap. 132), Gas Safety Ordinance (Cap. 51) and Fire Services Ordinance (Cap. 95).



## ECONOMIC RESPONSIBILITY

Handling, investigating, reporting and follow-up procedures have also been established as part of the Guidelines. Furthermore, emergency drills are conducted regularly at the properties to ensure frontline staff are familiar with the procedures.

Our primary responsibility is to safeguard our customers' health and safety. We have adopted a variety of measures at our managed properties during the challenging pandemic period. Different products and technologies have been deployed to maintain a high standard of environmental and personal hygiene of our employees, further extending the protection to our customers. For example, numerous instant hand sanitizers, UV air purifiers and UV air sterilisation devices were installed in common area, lifts and garbage rooms respectively; disinfectant tablets are applied in the toilet water tanks. Meanwhile, to minimise the potential spread of virus, all customers, tenants or residents will have their body temperatures checked via a thermometer camera at the property entrances.



Instant hand sanitiser



UV air purifiers in the lift



Body temperature measurement camera



## ECONOMIC RESPONSIBILITY



Air purifier – management office



Air purifier – common area



UV air sterilisation device for garbage room  
– Mount Regalia



UV air sterilisation device for garbage room  
– We Go MALL



## ECONOMIC RESPONSIBILITY

As confirmed cases of COVID-19 were reported at Fulrich Garden, our property management team arranged disinfection and germicidal treatment in the entire building by a professional service provider, to avoid any potential spread of virus inside the building and minimising the residents' risks of infection.





## ECONOMIC RESPONSIBILITY

### Hotels

Regal strives to offer hotel services and amenities of premium quality. “Regal”, “iclub by Regal” and “Regala”, its well-known hotel brands, are reinforced and strengthened by its commitment to safety, quality and attention to detail.

In 2021, the COVID-19 pandemic continued to pose huge health threat to every individual, including our employees and guests. Regal has developed a COVID-19 precautionary measures operation standard to tackle the situation, and to ensure a clean and safe environment for all the guests in its hotels. These preventive and monitoring measures include:

- requiring all employees and hotel guests to check their body temperatures before entering the hotel areas;
- requiring all guests to complete Health Declaration Forms upon checking-in;
- strictly complying with the government’s social distancing rules and regulations within the hotels;
- implementing “Regal Care” COVID-19 Precautionary Hygiene Measures Programme with scheduled internal audits;
- increasing the cleaning and disinfecting frequencies at the hotel public areas; and
- enhancing disinfection measures in the guestrooms after the guests have checked out.

Apart from hospitality services quality, our guests’ health and safety is another prime concern of Regal.

Regal has formulated a Food Safety Policy Statement to oversee the operating procedures on food supply. Regal’s suppliers are required to provide a full list of ingredients with supporting documents for their delivery for ready-made food products. This ensures the food quality as well as their compliance with government regulations. Four hotels under “Regal” brand, namely, Regal Airport Hotel, Regal Hongkong Hotel, Regal Kowloon Hotel and Regal Riverside Hotel have established a robust food safety management system in accordance with the ISO 22000:2005 Food Safety Management System, demonstrating Regal’s commitment to food quality and safety. “Traceability” is one of the key requirements under the system. Regal conducts safety checks on all incoming raw materials from suppliers, and stores all food products separately according to their categories to prevent risks of cross-contamination.

Furthermore, Regal strives to serve as customer oriented and engages with customers through different networks, such as the Regal Rewards and 925 Club, guest questionnaires and websites, to gather views on the service offerings during their stay. All collected feedback will be categorised and distributed to relevant business units for follow-up actions. According to its Guest Comments Reply Standards, relevant business units are required to reply to the customer in writing within 48 hours after receiving the feedback, and if necessary, further follow-up steps will be carried out under relevant procedures.

### Virtual Mindfulness Classes to Take Care of Guests’ Wellness

In December 2021, Regal began to offer guests staying in their quarantine hotels in Hong Kong complimentary nightly mindfulness classes as an additional wellness perk during their stay.

Hotel guests participated in the Zoom mindfulness lessons that were led by professional instructors from a registered charity, Bodhi Love Foundation. The classes ran for 28 consecutive nights and guests who successfully attended at least 7 classes received a digital certificate of course completion.



## ECONOMIC RESPONSIBILITY

### Properties – Mainland China

For our property development projects, we have implemented strict quality assurance and monitoring systems to ensure our product and service quality. We operate in accordance with the Law of the People’s Republic of China on Construction and Quality Management of Construction Projects in Mainland China. To further understand and respond to our customers’ needs, we actively engage with customers through multiple communication channels regularly and collect their feedback for continuous improvement. During the year, we have carried out customer satisfaction surveys, which covers a wide spectrum of aspects including employee attitude, technical skills and professional quality. We further analyse the survey results and formulate plans in key areas for continuous improvement.

To ensure building quality, similar to Hong Kong operations, we have implemented a three-pronged quality management approach which is divided into three phases, covering the period from pre-construction to post-construction. Through the implementation of this comprehensive strategy, we ensure that each project will be managed with a high level of safety and quality standards.

Our Quality Management approach:

Pre-construction phase	Building plans and construction materials are the main focus of our quality control. Building plans are reviewed and project developments are monitored by architectural and construction professionals. All issues identified in the plans are properly addressed before progressing to the next stage. To ensure the safety of end-users, construction materials including steel bars, concrete and cement are chosen cautiously through checking the compliance certificates assessment reports of construction materials.
Construction phase	We closely monitor the structural work and information management of development projects to ensure the high quality of our buildings. Monthly meetings are arranged with our main contractors to address any identified quality related issues and follow up on the mitigation measures.
Post-construction phase	Assessments will be carried out based on a set of evaluation criteria formulated by the building plan designers and senior engineers, in order to guide the rectification work before the official hand-over and acceptance.



## ECONOMIC RESPONSIBILITY

### Customer Privacy

#### Properties – Hong Kong

The Group respects the rights of every customer and spares no effort to protect their privacy. When processing personal information collected from our customers and tenants, we comply with all applicable laws and regulations in Hong Kong and Mainland China<sup>6</sup>.

The Group and the contracted third parties are aware of the personal information collected for various operational purposes and handle it with attentive care. Access rights to view and deal with the relevant information and data are only granted to employees with delegated duties.

To further protect our customers' rights, we provide a Personal Information Collection Statement to buyers of our residential units in the preliminary agreement for sales and purchase. All relevant documents containing private and confidential information are destroyed properly before disposal when the information is no longer needed for any operational procedures. All of our employees are obliged to sign a confidentiality agreement, which outlines their legal obligations to maintain trade secrets and sensitive customer information confidential.

#### Hotels

Regal's operations involve the collection and handling of customers' personal information, and it understands the importance of protecting customers' privacy as a responsible hotel operator. Regal's Privacy Policy emphasises the importance of confidentiality in handling personal data and is aligned with all laws and regulations on personal data privacy in its operating jurisdictions. Only authorised employees can access our customers' personal data, with employees of different rankings granted appropriate personal data access right according to their positions and job duties.

In hotel daily operations, customers' personal information are collected with their consent for membership management and marketing purposes. Apart from local data protection regulations, Regal also observes the European Union General Data Protection Regulation as we serve guests worldwide, and explains clearly to the customers on how their personal data will be collected, stored and used, and their personal information will be used only under the circumstance that Regal has gained their permission to comply with the above regulations. During the reporting period, Regal observed no non-compliance cases against Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong).

#### Properties – Mainland China

The Group fully respects the privacy of our customers' personal data. The collection and handling of customers' information fully comply with applicable laws and regulations<sup>7</sup> concerning personal data privacy in Mainland China. We secure confidential information of our customers through implementing various security measures such as setting passwords to all electronic files. Employees are required to sign a confidentiality agreement to accept the accountability of legal responsibility in unauthorised use or disclosure of internal and personal information, such as trade and customer information.

<sup>6</sup> The applicable laws and regulations include the Personal Data (Privacy) Ordinance of Hong Kong.

<sup>7</sup> The personal data privacy laws and regulations that might be significant to Cosmopolitan include the Personal Data (Privacy) Ordinance of Hong Kong Special Administrative Region, Cybersecurity Law of the People's Republic of China and General Data Protection Regulation.



## ECONOMIC RESPONSIBILITY

### Supply Chain Management

#### Properties – Hong Kong

To support our daily operations, we procure from a variety of suppliers and contractors who offer quality products and services, mainly construction materials and services and other office consumables. We collaborate closely with them according to the supply chain management approach set out with the goal of forming long-term sustainable partnerships.

We have established a set of standard protocols to specify the roles and responsibilities of the personnel responsible for sourcing and tendering exercises, in conjunction with the criteria set for suppliers and contractors during their engagement with the Group. Tenderers must provide relevant working records for background checks and examination during the tendering process. Only accredited applicants will be considered. The engaged suppliers or contractors will then be selected and monitored in various aspects, ranging from product and services quality to occupational health and safety policies, as well as their compliance with applicable environmental and social regulations. Beyond basic compliance, we give priorities to suppliers who share our sustainability values and exhibit environmental and social stewardship.

Based on a series of detailed checklists, personnel from the property management office and project department are designated to track and review the overall performance of the suppliers engaged. We also undertake regular on-site inspections to examine directly the operation conditions and standards, particularly the labour working and environmental conditions. The evaluation results are used to determine the continuity and possibility of future engagements.

#### Hotels

Regal's supply chain comprises an extensive network of global vendors and suppliers who provide a variety of products and services. Suppliers and vendors are prudently selected based on their specific procurement terms and guidance on listed criteria in order to control and balance the quality and cost of the procured materials. A Supplier Code of Conduct is formulated, with the suppliers' compliance of which is regarded as one of Regal's consideration criteria for expanding or extending their cooperation with Regal.

Regal has a rigorous procedure for supplier qualification and selection. In the pre-qualification period, vendors must submit samples and catalogues for testing and examination. On-site evaluations are also conducted for in-depth assessment. Regal also prioritises suppliers who are ISO9001 certified, ensuring its supply chain is well managed and at minimal risks.

As the partnerships carry on, Regal monitors the on-going performance of its suppliers by implementing a rigid system. The Purchasing Department is responsible for monitoring product and service delivered by suppliers and making sure they are of expected quality.

In addition, Regal also incorporates environmental and social responsibility consideration into its supply chain management. Regal has formulated a Green Purchasing Policy, that guides the Group Purchasing Manager and Group Hygiene Manager to assess potential contractors using an On-site Evaluation Checklist to ensure environmentally friendly techniques are used in production. Preference will be given to suppliers that share the same commitment with us to create an environmentally and socially responsible supply chain whenever practicable.



## ECONOMIC RESPONSIBILITY

### Properties – Mainland China

The Group is devoted to maintaining our sustainable business operations and supply chain management while upholding business ethics. We strongly support our suppliers and contractors to adhere to high ethical standards to align with the Group's policies. To promote and enhance fair and effective operating practices, the Group closely monitors and actively engages with our supply chain through a three-stage assessment system, comprising qualifying assessment, on-going assessment and post-performance assessment, respectively, from the procurement stage until the end of the business partnership.

We dedicate efforts to ensure procurement and tendering procedures are carried out in an open and fair manner. We adopt a holistic approach to decentralise the tendering management and decision-making tasks. Multiple levels and groups are responsible for different assigned tasks involved in managing the supply chain, with attentive coordination among different functions. The cost control functions at different operating levels act as the key communicators of the management system. Close cooperation among all departments is required to monitor financial policies and maintain a well-organised and transparent tendering process.

This year, our procurement management strategy continued to uphold our core ESG responsibility principles. All purchasing items are subject to tender invitations in compliance with our relevant environmental and social policies and procedures. We also prioritise suppliers that share our commitments to promote and construct a fair and competitive business environment whenever practicable.

The qualifying assessment aims to review the background and performance of contractors and suppliers prior to their qualification in our supplier database. We ensure the suppliers we endorse are capable of offering high standard products that suit our customers' needs. Qualified suppliers who are licensed by the government and equipped with certified management system, such as ISO 9001 and ISO 14001, are prioritised and selected. Qualified contractors and suppliers will undergo regular reviews by Cosmopolitan on their business operations and sustainability performance as a record for consideration in future tendering processes. To ensure the high standards of safety and quality, assessments on the contractors and suppliers' compliance to regulatory requirements are carried out by the Engineering Department. In addition, the Group prioritises local enterprises in the tendering process, as local sourcing can reduce carbon footprints from logistics, while creating job opportunities for the local community and boosting its economic development.

During the process assessment, we closely monitor our engaged suppliers and contractors to ensure the quality and integrity of their operations during the partnership. We ensure all raw materials are up-to-standard for our construction projects. Through establishing long-term engagement and supervision systems, we maintain close contact and effective communication with our suppliers and contractors on our concerns.

To monitor and evaluate the suppliers' performance, post-performance assessment will be carried out after completing the contracts through a quantitative scoring mechanism, with aspects such as working attitude to be evaluated. Suppliers will then be provided with a final rating. Suppliers with higher ratings are prioritised in the procurement process.

The Group prioritises the business ethics and integrity of our suppliers and contractors. There is no tolerance of any forms of corruption and misconduct. To avoid any corruption or misconduct during business collaboration, all our suppliers and contractors are required to sign a "Sunlight Declaration (「陽光宣言」)". To further avoid any cases of misconduct, a targeted total transaction value or targeted unit value is predefined for internal reference before the tendering process.

We strive for continuous improvement of our procurement management. Hence, we welcome all suggestions, complaints, and whistleblowing from suppliers and contractors. We have set up a feedback mechanism and a telephone hotline to receive any feedbacks. During the reporting period, there were no material incidents of corruption related to our supply chain reported.



## ECONOMIC RESPONSIBILITY

### Anti-corruption

#### Properties – Hong Kong

Century City has implemented detailed anti-corruption policies and conducts its business in strict accordance with related laws and regulations<sup>8</sup>. The Company also has zero-tolerance towards any breach of the requirements and standards stipulated in its anti-corruption policies, including but not limited to bribery, anti-competition, money laundering, fraud and corruption. Employees are expected to perform their duties with utmost attention to the Company's standards and report any suspicious activity to the management if applicable.

For example, Century City has established a series of policies regarding conflict of interest, gift and gratuities. Employees shall act with integrity, ethics and propriety and in compliance with applicable laws and regulations. Any employee who is not complying with the gift and gratuities policy will be subject to appropriate disciplinary action.

#### Hotels

Regal and all of its employees uphold the highest standard regarding business integrity and fair competition. Regal aims to prevent any bribery and corruption from occurring in its hotel operations. To that end, all suppliers and employees must comply with the Supplier Code of Conduct included in the Supplier/Distributor Registration Application Form. As a prerequisite of cooperation with the Group, it provides guidance on managing corruption and bribery incidents in a proper manner. It strictly prohibits any forms of gift-giving among its employees and business partners, as it affects the fairness and integrity of the partnership. Employees who request or receive gifts from a supplier, in money or any other form, during business dealings may be subject to termination of employment.

Regal regularly organises training programmes on anti-corruption, covering our standards on business ethics and anti-corruption. During the reporting year, no anti-corruption training was provided to hotel employees due to health and safety concerns under the pandemic.

#### Properties – Mainland China

Adhering to a high standard of business ethics is of fundamental importance to our operations. We see anti-corruption and anti-bribery behaviours as one of the core principles of the Group. Anti-corruption policies are established based on the compliance with Criminal Law of the People's Republic of China, Anti-Unfair Competition Law of the People's Republic of China, Interim Provisions on Prohibition of Commercial Bribery established by the State Administration for Industry and Commerce of the People's Republic of China and other related laws and regulations.

The Group requires all employees to maintain a high standard of integrity and honesty in their day-to-day duties, which is illustrated in the Employee Handbook. We strictly forbid any forms of violation of the code of conduct and inappropriate behaviors. To raise employees' awareness of work ethics, we provide trainings on ethical conduct and anti-corruption to all employees. In case of any suspected misconduct and malpractice being observed within the Group, employees are encouraged to raise their concerns through numerous channels that we have developed. All subsidiaries, departments, business units, and projects are subject to rigorous control mechanisms.

<sup>8</sup> The relevant laws and regulations include the Prevention of Bribery Ordinance (Cap. 201) of Hong Kong, together with Criminal Law of the People's Republic of China, Anti-Unfair Competition Law of the People's Republic of China, Interim Provisions on Prohibition of Commercial Bribery established by the State Administration for Industry and Commerce of the People's Republic of China and other related laws and regulations.



## APPENDIX I – PERFORMANCE TABLES

### Environmental Responsibility Performance<sup>9</sup>

 Air Emissions <sup>10, 11</sup>	Units	Performance in 2020	Performance in 2021
<b>Nitrogen Oxides (NOx)</b>	kg	665	5.36
Hotels	kg	663	4.32
Properties – Mainland China	kg	1.79	1.04
<b>Sulphur Oxides (SOx)</b>	kg	6.34	5.52
Hotels	kg	6.30	5.47
Properties – Mainland China	kg	0.04	0.05
<b>Particulate Matters (PM)</b>	kg	31.13	0.39
Hotels	kg	31	0.32
Properties – Mainland China	kg	0.13	0.08

<sup>9</sup> The performance data includes the property development and management in Hong Kong and Mainland China, and the hospitality operations in Hong Kong in 2020 and 2021.

<sup>10</sup> The air emission data of the property development and management operations in Hong Kong is insignificant, thus the data is not included.

<sup>11</sup> In 2021, the operation of hotel shuttles was suspended, which resulted in a significant reduction in emissions of NOx and PM.



## APPENDIX I – PERFORMANCE TABLES

	Units	Performance in 2020	Performance in 2021
<b>Greenhouse gas (GHG) emissions</b>			
<b>Total GHG emissions<sup>12</sup></b>	tonnes of CO <sub>2</sub> equivalent (tonnes CO <sub>2</sub> e)	39,382	41,421
Property management – Hong Kong	tonnes CO <sub>2</sub> e	5,219	5,248
Property development – Hong Kong	tonnes CO <sub>2</sub> e	881	1,487
Hotels <sup>12</sup>	tonnes CO <sub>2</sub> e	33,240	34,573
Properties – Mainland China	tonnes CO <sub>2</sub> e	42	113
<b>Direct GHG emissions (Scope 1)<sup>13</sup></b>	tonnes CO <sub>2</sub> e	5,517	5,211
Property management – Hong Kong	tonnes CO <sub>2</sub> e	2	3
Property development – Hong Kong	tonnes CO <sub>2</sub> e	32	9
Hotels	tonnes CO <sub>2</sub> e	5,476	5,153
Properties – Mainland China	tonnes CO <sub>2</sub> e	7	46
<b>Indirect GHG emission (Scope 2)<sup>14</sup></b>	tonnes CO <sub>2</sub> e	33,614	35,905
Property management – Hong Kong	tonnes CO <sub>2</sub> e	5,217	5,244
Property development – Hong Kong	tonnes CO <sub>2</sub> e	849	1,478
Hotels	tonnes CO <sub>2</sub> e	27,514	29,116
Properties – Mainland China	tonnes CO <sub>2</sub> e	35	67
<b>Indirect GHG emission (Scope 3)</b>	tonnes CO <sub>2</sub> e	251	304
Hotels	tonnes CO <sub>2</sub> e	251	304
<b>GHG emission intensity<sup>15</sup></b>			
Property management – Hong Kong	kg CO <sub>2</sub> e/m <sup>2</sup>	28.70	28.87
Property development – Hong Kong	kg CO <sub>2</sub> e/m <sup>2</sup>	10.39	18.22
Hotels <sup>16</sup>	kg CO <sub>2</sub> e/equivalent guest night <sup>17</sup>	20.61	16.37
Properties – Mainland China	kg CO <sub>2</sub> e/m <sup>2</sup>	0.07	0.22

<sup>12</sup> Indirect GHG emissions (Scope 3) are included into the calculation of total GHG emissions.

<sup>13</sup> Direct GHG emissions are generated from fuel consumption.

<sup>14</sup> Indirect GHG emissions (scope 2) are generated from electricity and Towngas consumption.

<sup>15</sup> The intensity figures are divided by total gross floor area of associated Paliburg or Cosmopolitan business units.

<sup>16</sup> The results in 2020 recorded a substantial decrease in the number of equivalent guest nights caused by the spread of the COVID-19 pandemic.

<sup>17</sup> Equivalent guest nights include the total number of guests staying overnight in Regal hotels and one-third of the total number of guest patrons in Regal restaurants and banquet/function rooms.



## APPENDIX I – PERFORMANCE TABLES

	Units	Performance in 2020	Performance in 2021
<b>Energy consumption</b>			
<b>Total energy consumption</b>	GJ	360,358	360,532
Property management – Hong Kong	GJ	40,261	39,166
Property development – Hong Kong	GJ	7,776	13,334
Hotels	GJ	312,071	307,584
Properties – Mainland China	GJ	250	449
<b>Electricity</b>			
	kWh	71,352,829	74,121,615
Property management – Hong Kong	kWh	11,175,438	10,867,212
Property development – Hong Kong	kWh	2,028,222	3,667,786
Hotels	kWh	58,109,839	59,494,294
Properties – Mainland China	kWh	39,330	92,323
<b>Fuel</b>			
	GJ	14,580	13,369
Property management – Hong Kong	GJ	29	44
Property development – Hong Kong	GJ	475	129
Hotels	GJ	13,967	13,079
Properties – Mainland China	GJ	109	117
<b>Towngas consumption in Hotels</b>			
	GJ	88,908	80,326
<b>Energy intensity<sup>15</sup></b>			
Property management – Hong Kong	GJ/m <sup>2</sup>	0.22	0.22
Property development – Hong Kong	GJ/m <sup>2</sup>	0.10	0.16
Hotels <sup>16</sup>	GJ/equivalent guest night <sup>17</sup>	0.19	0.15
Properties – Mainland China	GJ/m <sup>2</sup>	0.0004	0.0009



## APPENDIX I – PERFORMANCE TABLES

	Units	Performance in 2020	Performance in 2021
<b>Water consumption</b>			
<b>Total water consumption</b>	m <sup>3</sup>	541,377	674,032
Property management – Hong Kong	m <sup>3</sup>	51,883	51,133
Property development – Hong Kong	m <sup>3</sup>	17,121	5,884
Hotels	m <sup>3</sup>	464,052	605,240
Properties – Mainland China	m <sup>3</sup>	8,321	11,775
<b>Water intensity<sup>15</sup></b>			
Property management – Hong Kong	m <sup>3</sup> /m <sup>2</sup>	0.29	0.28
Property development – Hong Kong	m <sup>3</sup> /m <sup>2</sup>	0.21	0.07
Hotels <sup>16</sup>	m <sup>3</sup> /equivalent guest night <sup>17</sup>	0.29	0.29
Properties – Mainland China	m <sup>3</sup> /m <sup>2</sup>	0.013	0.02



## APPENDIX I – PERFORMANCE TABLES

	Units	Performance in 2020	Performance in 2021
<b>Waste disposal and recycled</b>			
<b>General waste disposed</b>	tonnes	8,381	8,955
Property management – Hong Kong	tonnes	5,184	4,856
Property development – Hong Kong	tonnes	2,192	547
Hotels	tonnes	895	3,522
Property – Mainland China	tonnes	110	0
<b>Waste recycled</b>			
Wood	kg	1,200	1,500
Metal and iron	kg	216,192	36,240
Old concrete	kg	5,100	3,500
Other construction material	kg	N/A	20,000
Used cooking oil	litre	2,972	3,857
Aluminium cans	kg	1,129	1,141
Plastic bottles	kg	11,756	7,202
Paper/cardboard	kg	132,556	122,301
Food waste and donations	kg	47,412	43,139
Glass	kg	4,640	7,845
Soap	kg	281	152
General Household	kg	N/A	1,340
<b>Hazardous waste disposed</b>			
Retired lighting fitting	pieces	3,452	3,770
Electronic Appliances	pieces	296	169
Waste oil	kg	0	0
Filler	kg	2	0.5
Filler, paint and solvent containers	pieces	171	54
Paint and Solvent Container	piece	N/A	20
Cleaning Chemical	kg	N/A	25



## APPENDIX I – PERFORMANCE TABLES

### Economic Responsibility Performance<sup>18</sup>

#### Employment Practice<sup>19</sup>

	Units	Performance in 2020	Performance in 2021
<b>Total workforce by employment contract</b>			
Permanent	number of people	1,584	1,596
Contract	number of people	178	157
Trainee	number of people	1	0
Total workforce	number of people	1,763	1,753
<b>Total workforce by gender</b>			
Male	number of people	889	899
Female	number of people	874	854
<b>Total workforce by age group</b>			
Under 25	number of people	72	66
25 – less than 40	number of people	547	475
40 – less than 55	number of people	766	805
55 or above	number of people	378	407
<b>Total workforce by employment category</b>			
Senior management	number of people	34	49
Middle management	number of people	189	192
General staff	number of people	1,521	1,512
<b>Employee turnover by gender<sup>20</sup></b>			
Male	%	69	47
Female	%	53	43
<b>Employee turnover by age group<sup>20</sup></b>			
Under 25	%	149	123
25 – less than 40	%	62	50
40 – less than 55	%	48	38
55 or above	%	67	39

<sup>18</sup> The performance data includes the property development and management in Hong Kong and Mainland China, and the hospitality operations in Hong Kong in 2020 and 2021.

<sup>19</sup> The total workforce figures were aligned and reported as at 31 December in 2020 and 2021.

<sup>20</sup> In 2021, we enhanced data management and started to report the statistics of employee turnover.



## APPENDIX I – PERFORMANCE TABLES

### Occupational Health and Safety

	Units	Performance in 2020	Performance in 2021
Total number of work-related fatalities	number of people	0	0
Total number of lost day <sup>21</sup> due to work injuries	number of days	2,730	3,393

### Development and Training

	Units	Performance in 2020	Performance in 2021
<b>Percentage of employees trained by gender</b>			
Male	%	60	56
Female	%	50	37
<b>Percentage of employees trained by employment category</b>			
Senior management	%	27	29
Middle management	%	57	55
General staff	%	55	46
<b>Average training hours by gender</b>			
Male	number of hours	2	2
Female	number of hours	1	2
<b>Average training hours by employment category</b>			
Senior management	number of hours	2	0.3
Middle management	number of hours	4	3
General employees	number of hours	1	2

### Supply Chain Management

	Units	Performance in 2020	Performance in 2021
<b>Number of suppliers by geographical region</b>			
Hong Kong	number of suppliers	2,553	2,756
Mainland China	number of suppliers	317	286
Overseas	number of suppliers	83	91

<sup>21</sup> Lost days refer to sick leave due to all types of work-related injuries.



## APPENDIX II – THE STOCK EXCHANGE OF HONG KONG LIMITED’S ESG REPORTING GUIDE CONTENT INDEX

Indicators		Section/ Statement
<i>A. Environmental</i>		
<b>Aspect A1: Emissions</b>	<p><b>General Disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p>	Environmental Responsibility; Environmental Management; Energy Efficiency and Emissions; Water Management; Waste Management
	<p><b>KPI A1.1</b> The types of emissions and respective emissions data.</p>	Environmental Responsibility Performance
	<p><b>KPI A1.2</b> Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p>	Environmental Responsibility Performance
	<p><b>KPI A1.3</b> Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p>	Environmental Responsibility Performance
	<p><b>KPI A1.4</b> Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p>	Environmental Responsibility Performance
	<p><b>KPI A1.5</b> Description of emission target(s) set and steps taken to achieve them.</p>	Environmental Management; Environmental Targets; Energy Efficiency and Emissions; Water Management; Waste Management
	<p><b>KPI A1.6</b> Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.</p>	Waste Management; Environmental Targets



## APPENDIX II – THE STOCK EXCHANGE OF HONG KONG LIMITED’S ESG REPORTING GUIDE CONTENT INDEX

Indicators	Section/ Statement	
<i>A. Environmental</i>		
<b>Aspect A2: Use of Resources</b>	<p><b>General Disclosure</b> Policies on the efficient use of resources, including energy, water and other raw materials.</p>	Environmental Management; Energy Efficiency and Emissions; Water Management
	<p><b>KPI A2.1</b> Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).</p>	Environmental Responsibility Performance
	<p><b>KPI A2.2</b> Water consumption in total and intensity (e.g. per unit of production volume, per facility).</p>	Environmental Responsibility Performance
	<p><b>KPI A2.3</b> Description of energy use efficiency target(s) set and steps taken to achieve them.</p>	Environmental Management; Environmental Targets; Energy Efficiency and Emissions
	<p><b>KPI A2.4</b> Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.</p>	Water Management  As water is not identified as a material ESG topic to Century City’s operations, no water-related target was set during the reporting year.
	<p><b>KPI A2.5</b> Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.</p>	Not applicable to the core business of Century City.



## APPENDIX II – THE STOCK EXCHANGE OF HONG KONG LIMITED’S ESG REPORTING GUIDE CONTENT INDEX

Indicators	Section/ Statement	
<b>A. Environmental</b>		
<b>Aspect A3: The Environment and Natural Resources</b>	<b>General Disclosure</b> Policies on minimising the issuer’s significant impact on the environment and natural resources.	Environmental Responsibility
	<b>KPI A3.1</b> Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Responsibility
<b>Aspect A4: Climate Change</b>	<b>General Disclosure</b> Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Our Response to Climate Change
	<b>KPI A4.1</b> Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Our Response to Climate Change
<b>B. Social</b>		
<b>Employment and Labour Practices</b>		
<b>Aspect B1: Employment</b>	<b>General Disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Caring for Our Employees
	<b>KPI B1.1</b> Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Economic Responsibility Performance
	<b>KPI B1.2</b> Employee turnover rate by gender, age group and geographical region.	Economic Responsibility Performance



## APPENDIX II – THE STOCK EXCHANGE OF HONG KONG LIMITED’S ESG REPORTING GUIDE CONTENT INDEX

Indicators	Section/ Statement	
<i>B. Social</i>		
<b>Employment and Labour Practices</b>		
<b>Aspect B2: Health and Safety</b>	<p><b>General Disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.</p>	<p>Caring for Our Employees; Workplace Health and Safety</p> <p>During the reporting year, no non-compliance cases relating to providing a safe working environment and protecting employees from occupational hazards was observed in our operations.</p>
	<p><b>KPI B2.1</b> Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.</p>	<p>Economic Responsibility Performance; The total number of work-related fatalities is zero for the past three years including the reporting year.</p>
	<p><b>KPI B2.2</b> Lost days due to work injury.</p>	<p>Economic Responsibility Performance</p>
	<p><b>KPI B2.3</b> Description of occupational health and safety measures adopted, and how they are implemented and monitored.</p>	<p>Caring for Our Employees; Workplace Health and Safety</p>



## APPENDIX II – THE STOCK EXCHANGE OF HONG KONG LIMITED’S ESG REPORTING GUIDE CONTENT INDEX

Indicators	Section/ Statement	
<i>B. Social</i>		
<b>Employment and Labour Practices</b>		
<b>Aspect B3: Development and Training</b>	<p><b>General Disclosure</b> Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.</p>	Caring for Our Employees; Recruitment, Retention and Benefits
	<p><b>KPI B3.1</b> The percentage of employees trained by gender and employee category (e.g. senior management, middle management).</p>	Economic Responsibility Performance
	<p><b>KPI B3.2</b> The average training hours completed per employee by gender and employee category.</p>	Economic Responsibility Performance
<b>Aspect B4: Labour Standards</b>	<p><b>General Disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.</p>	Caring for Our Employees; Recruitment, Retention and Benefits
	<p><b>KPI B4.1</b> Description of measures to review employment practices to avoid child and forced labour.</p>	Recruitment, Retention and Benefits
	<p><b>KPI B4.2</b> Description of steps taken to eliminate such practices when discovered.</p>	Recruitment, Retention and Benefits



## APPENDIX II – THE STOCK EXCHANGE OF HONG KONG LIMITED’S ESG REPORTING GUIDE CONTENT INDEX

Indicators	Section/ Statement	
<i>B. Social</i>		
<b>Operating Practices</b>		
<b>Aspect B5: Supply Chain Management</b>	<p><b>General Disclosure</b> Policies on managing environmental and social risks of the supply chain.</p>	Supply Chain Management
	<p><b>KPI B5.1</b> Number of suppliers by geographical region.</p>	Economic Responsibility Performance
	<p><b>KPI B5.2</b> Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.</p>	Supply Chain Management
	<p><b>KPI B5.3</b> Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.</p>	Supply Chain Management
	<p><b>KPI B5.4</b> Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.</p>	Supply Chain Management



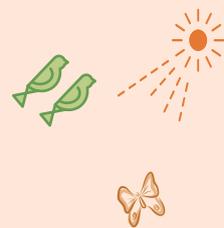
## APPENDIX II – THE STOCK EXCHANGE OF HONG KONG LIMITED’S ESG REPORTING GUIDE CONTENT INDEX

Indicators	Section/ Statement	
<i>B. Social</i>		
<b>Operating Practices</b>		
<b>Aspect B6: Product Responsibility</b>	<p><b>General Disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	<p>Caring for Our Customers</p> <p>During the reporting year, no non-compliance cases relevant to the laws and regulations that have a significant impact to our operations relating to health and safety, advertising, labelling and privacy matters was observed in our operations.</p>
	<p><b>KPI B6.1</b> Percentage of total products sold or shipped subject to recalls for safety and health reasons.</p>	<p>Not applicable to the core business of Century City</p>
	<p><b>KPI B6.2</b> Number of products and service related complaints received and how they are dealt with.</p>	<p>Caring for Our Customers</p>
	<p><b>KPI B6.3</b> Description of practices relating to observing and protecting intellectual property rights.</p>	<p>We have set procedures to protect and handle proprietary information and intellectual property rights.</p>
	<p><b>KPI B6.4</b> Description of quality assurance process and recall procedures.</p>	<p>Caring for Our Customers</p>
	<p><b>KPI B6.5</b> Description of consumer data protection and privacy policies, how they are implemented and monitored.</p>	<p>Caring for Our Customers; Customer Privacy</p>



## APPENDIX II – THE STOCK EXCHANGE OF HONG KONG LIMITED’S ESG REPORTING GUIDE CONTENT INDEX

Indicators	Section/ Statement	
<i>B. Social</i>		
<b>Operating Practices</b>		
<b>Aspect B7: Anti-corruption</b>	<p><b>General Disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.</p>	Anti-corruption
	<p><b>KPI B7.1</b> Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.</p>	During the reporting period, no non-compliance cases relating to bribery, extortion, fraud or money laundering in our operations were observed.
	<p><b>KPI B7.2</b> Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.</p>	Anti-corruption; Supply Chain Management
	<p><b>KPI B7.3</b> Description of anti-corruption training provided to directors and staff.</p>	Anti-corruption
<b>Community</b>		
<b>Aspect B8: Community Investment</b>	<p><b>General Disclosure</b> Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities’ interests.</p>	Social Responsibility
	<p><b>KPI B8.1</b> Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).</p>	Social Responsibility
	<p><b>KPI B8.2</b> Resources contributed (e.g. money or time) to the focus area.</p>	Social Responsibility



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