



百利保控股有限公司

Paliburg
Holdings Limited

(Incorporated in Bermuda with limited liability)
(Stock Code : 617)



2018

Environmental, Social and Governance Report





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About this Report

REPORTING STANDARD

This report was prepared in accordance with the “comply or explain” provisions set out in 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”).

To enable meaningful communication and informed decision-making, we follow the four fundamental reporting principles listed in the ESG Reporting Guide:

- **Materiality:** Materiality assessment was conducted and we identified 13 material issues in our business operation through stakeholder engagement to determine the focus of this report.
- **Quantitative:** Environmental and social responsibility data were collected to monitor our progress in implementing environmental and social responsibility initiatives.
- **Balance:** This report presents both our achievements and improvement plans to present an unbiased picture of our environmental, social and governance (“ESG”) performance.
- **Consistency:** The reporting methodologies remain consistent with past reports to enable a meaningful comparison of our performance. In case of changes in data compilation methodology and scope, remarks are provided for stakeholders’ reference.

REPORTING SCOPE AND BOUNDARY

This is the third annual standalone ESG report of Paliburg Holdings Limited (“Paliburg” or the “Company” and together with its subsidiaries, the “Group” or “Paliburg Group”). This report covers the sustainability performance of material ESG issues at properties and hotels owned and managed by the Group in Hong Kong, and also includes the initiative highlights for the Group’s business in Mainland China.

REPORTING PERIOD

Apart from the reporting period under “Our Presence” which is aligned with its Annual Report for the year ended 31 December 2018 (the “Annual Report”), this report encapsulates the highlights of our progress and performance on material ESG issues for the period from 1 January 2018 to 31 December 2018.

ACCESSIBILITY OF THE REPORT

An electronic version of this report is available at Paliburg’s website www.paliburg.com.hk. If you have any enquiries about this report or have opinions on Paliburg’s ESG performance, please feel free to contact us via info@paliburg.com.hk.

BOARD APPROVAL

This report was approved by the Board of Directors of the Company (the “Board”) on 30 July 2019.



Chairman's Statement

I am pleased to present herewith the 2018 Environmental, Social and Governance Report of the Company.

The Group's core businesses comprise property development, investment and management, and hotel ownership, operation and management. As a responsible corporate citizen, we recognise our role and responsibility in maintaining long-term sustainability in our business operation. We place our social responsibility on high priority in our business development agenda and seek to create lasting positive value for all our stakeholders.

Our Group Sustainability Programme is built on three major pillars: Environmental Responsibility, Social Responsibility and Economic Responsibility. These three pillars support and guide the sustainable development of our business operation. We formulate policies and implement initiatives under the ambits of these three pillars. This drives us to enhance our sustainability performance and implement best industry practices.

We strive to minimise any adverse impact on the environment brought about by our business operation through carbon reduction, energy saving, water conservation and waste management. As an illustration, our new shopping mall opened in May 2018, the We Go MALL, is designed with energy-conserving technologies to promote low-carbon lifestyles, exhibiting our commitment to cultivating a better environment for our valued consumers and the community.

We continue with our community programmes in caring for the community where we operate. Our support to the community is focused in three major areas, which are youth development, health enhancement and social inclusion. Together with our group companies, we devoted time and resources to working with charitable organisations, providing social volunteering services, sponsorship and donation for the collective growth of the community.

We also care about our customers' and employees' needs. We pursue excellence in the quality of our products and services, aiming to maximise benefits for our customers, investors and shareholders. Meanwhile, as a responsible employer, we provide our employees with competitive benefit packages, equal opportunities, appropriate training and a healthy and safe workplace.

We will continue to expand our presence in Hong Kong and Mainland China, while upholding our sustainability values in our business operations.

LO YUK SUI

Chairman

Hong Kong
30 July 2019

About Paliburg

OUR BUSINESSES

Based in Hong Kong, the Group's significant investments and principal business activities encompass diverse segments, including properties, hotels as well as other businesses and investments.

The Group conducts property development and investment business both in Hong Kong and Mainland China. The projects in Hong Kong are primarily undertaken by P&R Holdings Limited ("P&R Holdings"), a joint venture 50:50 held by the Company and Regal Hotels International Holdings Limited ("Regal"), a listed subsidiary of Paliburg. Moreover Regal on its own is also undertaking certain hotel and property projects in Hong Kong. Cosmopolitan International Holdings Limited ("Cosmopolitan") is a listed subsidiary of the Group held through P&R Holdings, which mainly focuses on property development projects in Mainland China.

The Group's hotels are all owned, operated and managed through Regal and Regal Real Estate Investment Trust ("Regal REIT"), which is, in turn, a listed subsidiary of Regal.

OUR PRESENCE

PROPERTY DEVELOPMENT AND INVESTMENT BUSINESS

PROPERTY DEVELOPMENT AND INVESTMENT IN HONG KONG THROUGH P&R HOLDINGS

P&R Holdings is currently undertaking a total of 8 projects in Hong Kong. Apart from the Shun Ning Road development project in Sham Shui Po, Kowloon and the Anchor Street/Fuk Tsun Street development project in Tai Kok Tsui, Kowloon, both of which are being undertaken pursuant to the development contracts awarded by the Urban Renewal Authority of Hong Kong as noted below, the other ongoing development projects and properties shown below are presently wholly owned by P&R Holdings group.



RESIDENTIAL/COMMERCIAL

Domus and Casa Regalia at Nos. 65-89 Tan Kwai Tsuen Road, Yuen Long, New Territories

This residential project provides a total of 170 units, comprising 36 luxurious garden houses and a low-rise apartment block with 134 units, having aggregate gross floor area of approximately 11,192 square metres (120,470 square feet). The occupation permit for the project was issued in November 2015 and the certificate of compliance was obtained in April 2016.

With the exception of 1 unit, all the other 133 units in the apartment block, named Domus, had been sold in 2015. The sale programme for the garden houses, named Casa Regalia, which constitute the main component of the development, was first launched in May 2016. Up to the approval date of the Annual Report, a total of 25 houses were sold or contracted to be sold. The remaining houses will continue to be disposed of on a gradual basis but some of them may in the meantime be retained for rental income.



About Paliburg

We Go MALL at No. 16 Po Tai Street, Ma On Shan, Sha Tin, New Territories

This development site has a site area of 5,090 square metres (54,788 square feet) and a maximum permissible gross floor area of 15,270 square metres (164,364 square feet). The site has been developed into a shopping mall with 5 storeys above ground level and 1 storey of basement floor. The occupation permit for the project was issued in September 2017 and the mall was soft opened in May 2018. Most of the lettable space at "We Go MALL" has been leased out or occupied and is generating satisfactory rental revenue.



The Ascent at No. 83 Shun Ning Road, Sham Shui Po, Kowloon

This is a joint venture project awarded by the Urban Renewal Authority of Hong Kong through a tender process in March 2014. The land has a site area of 824.9 square metres (8,879 square feet) and has been developed into a 28-storey commercial/residential building (including 1 basement floor) with total gross floor area of 7,159 square metres (77,059 square feet), providing 157 residential units, 2 storeys of shops and 1 storey of basement car parks. The occupation permit and the certificate of compliance for the project were issued in March 2018 and July 2018 respectively.

The presale of the residential units was launched in July 2016, and up to the approval date of the Annual Report, only one residential unit remained unsold. The commercial units are planned to be tendered for sale in the later part of 2019.



Mount Regalia at 23 Lai Ping Road, Kau To, Sha Tin, New Territories



The project has a site area of 17,476 square metres (188,100 square feet) and is being developed into a luxury residential complex comprising 7 mid-rise apartment blocks with 136 units, 24 detached garden houses together with car parks and club house facilities, with aggregate gross floor area of approximately 32,474 square metres (349,547 square feet). The occupation permit and certificate of compliance for this development were issued in September 2018 and February 2019 respectively. The marketing and sale programme is in progress.

About Paliburg



HOTEL

iclub Mong Kok Hotel at 2 Anchor Street, Tai Kok Tsui, Kowloon



This is a hotel development project also awarded by the Urban Renewal Authority of Hong Kong through a tender process in June 2015. The project has a site area of 725.5 square metres (7,809 square feet), with total permissible gross floor area of approximately 6,529 square metres (70,278 square feet) and covered floor area of approximately 9,355 square metres (100,697 square feet). The project has been developed into a hotel of 20 storeys, comprising 288 guestrooms with ancillary facilities.

The project has been completed and soft opened for business operation in the first quarter of 2019 after the issue of the hotel licence in March 2019. The hotel is being managed by a wholly owned subsidiary of Regal.

Nos. 5-7 Bonham Strand West and Nos. 169-171 Wing Lok Street, Sheung Wan, Hong Kong, to be named as "iclub Sheung Wan II Hotel"

The project has an aggregate site area of approximately 345 square metres (3,710 square feet) and is being developed into a hotel with 98 guestrooms and suites (totally 162 room bays), with total gross floor area of approximately 5,236 square metres (56,360 square feet) and covered floor area of approximately 6,420 square metres (69,120 square feet).

The superstructure works have substantially been finished and the project is scheduled for completion in the second half of 2019.



About Paliburg



NEW PROPERTY DEVELOPMENT PROJECTS

Nos. 291-293 and 301-303 Castle Peak Road, Cheung Sha Wan, Kowloon

The properties comprised interests in 70% undivided shares of Nos.291-293 Castle Peak Road and 100% ownership interests of Nos.301-303 Castle Peak Road, which were acquired through private treaty in October 2018. The properties have a total site area of 488 square metres (5,260 square feet) and are intended for a commercial/residential development having an aggregate gross floor area of approximately 4,395 square metres (47,304 square feet).

Nos. 9-19 Kam Wa Street, Shau Kei Wan, Hong Kong

The properties comprise 100% ownership interests of Nos.9-15 Kam Wa Street and interests in over 80% undivided shares of Nos.17-19 Kam Wa Street, which were recently acquired through private treaty in March 2019. The properties have a total site area of 518 square metres (5,580 square feet) and are intended for a commercial/residential development having an aggregate gross floor area of approximately 4,665 square metres (50,220 square feet).

PROPERTY DEVELOPMENT AND INVESTMENT IN HONG KONG THROUGH REGAL

Nos. 150-162 Queen's Road West, Hong Kong

The Regal group has acquired 100% ownership interests in the properties located at Nos.150-162 Queen's Road West, through private treaty transactions. The project has a combined site area of 682 square metres (7,342 square feet) and is planned for a commercial/residential development with gross floor area of about 5,842 square metres (62,883 square feet). The general building plans have been approved and the construction works of the development are in progress.

Regalia Bay, 88 Wong Ma Kok Road, Stanley, Hong Kong

As at the approval date of the Annual Report, a total of 14 garden houses in Regalia Bay with a total gross area of about 6,320 square metres (68,000 square feet) were still being retained. The Regal group will continue to dispose of some of these houses if the price offered is considered satisfactory.

About Paliburg

PROPERTY DEVELOPMENT IN MAINLAND CHINA THROUGH COSMOPOLITAN



PROPERTY DEVELOPMENT IN MAINLAND CHINA

Chengdu Project - Regal Cosmopolitan City



Located in the Xindu District in Chengdu, Sichuan Province, the project is a mixed use development consisting of residential, hotel, commercial and office components, with an overall total gross floor area of approximately 495,000 square metres (5,330,000 square feet).

While the nine residential towers in the first and second stages of the Chengdu project have been completed, the construction works of the third stage of the development consisting of ten residential towers of total 1,555 units, about 4,100 square metres (44,100 square feet) of commercial accommodations and 1,941 car parking spaces are in steady progress. Presale of two residential towers consisting of 314 units in the third stage of the development has recently been launched.

The business remodeling works of the hotel have been completed and corresponding interior design works are progressing. The mechanical and electrical installation works on site are also in steady progress. The interior fitting-out works are scheduled to commence in mid 2019 and the hotel is scheduled to open in phases from the first half of 2020.

The updated scheme design of the remaining commercial components within the development, comprising a six-storey commercial complex of about 48,000 square metres (516,700 square feet) and five towers of office accommodations of about 90,500 square metres (974,100 square feet), have been approved by the local authority and the detailed design work has also commenced. The construction works are planned to be started in late 2019 and the associated presale programme will be launched in late 2020.

About Paliburg

Tianjin Project - Regal Renaissance

Located in the Hedong District in Tianjin, the project is a mixed use development comprising residential, commercial and office components with total gross floor area of about 145,000 square metres (1,561,000 square feet).

The construction works of the four residential towers, the commercial complex and the associated car parking spaces have been completed. Most of the residential units and car parking spaces sold have been handed over to the individual purchasers in the first half of 2018. The sale of the commercial complex, comprising mainly shops of about 19,000 square metres (205,000 square feet), is continuing steadily and contracts for sale have been secured for some of the shop units. Certain parts of the commercial complex have in the meantime been leased out for rental income. Grand opening of the commercial complex was launched in December 2018.

As the negotiation with the local government over the configuration design of the office space was in smooth progress, the superstructure works of the two office towers have resumed in the second quarter of 2019. The presale programme of the office accommodations is planned to be launched in the fourth quarter of 2019.



About Paliburg

HOTEL BUSINESS

To become a leading player in the Asia Pacific region, Regal has established an extensive presence in Hong Kong and Mainland China. In Hong Kong, nine operating hotels under the Regal and iclub by Regal brands during the reporting period operating in Hong Kong are owned by Regal REIT. In addition, iclub Mong Kok Hotel, newly completed by P&R Holdings, was soft opened for business in March 2019. Another iclub hotel, to be named as iclub Sheung Wan II Hotel, which is also developed by P&R Holdings, is scheduled for completion in the second half of 2019.

Moreover, the following hotel project is being undertaken by Regal.

New hotel project at the Hong Kong International Airport, Chek Lap Kok, New Territories, intended to be named as “Regala Skycity Hotel”

This is a hotel development project awarded by the Airport Authority in Hong Kong for the development of 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, dining and entertainment facilities.

The new project is planned for the development of a 13-storey (including one basement floor) hotel with 1,208 guestrooms and suites as well as extensive banquet, meeting and food and beverage facilities. The hotel will be operated as a full service hotel targeting at commercial, airline related, leisure and meeting businesses. The superstructure works have commenced in September 2018. The new hotel is anticipated to be completed in late 2020.



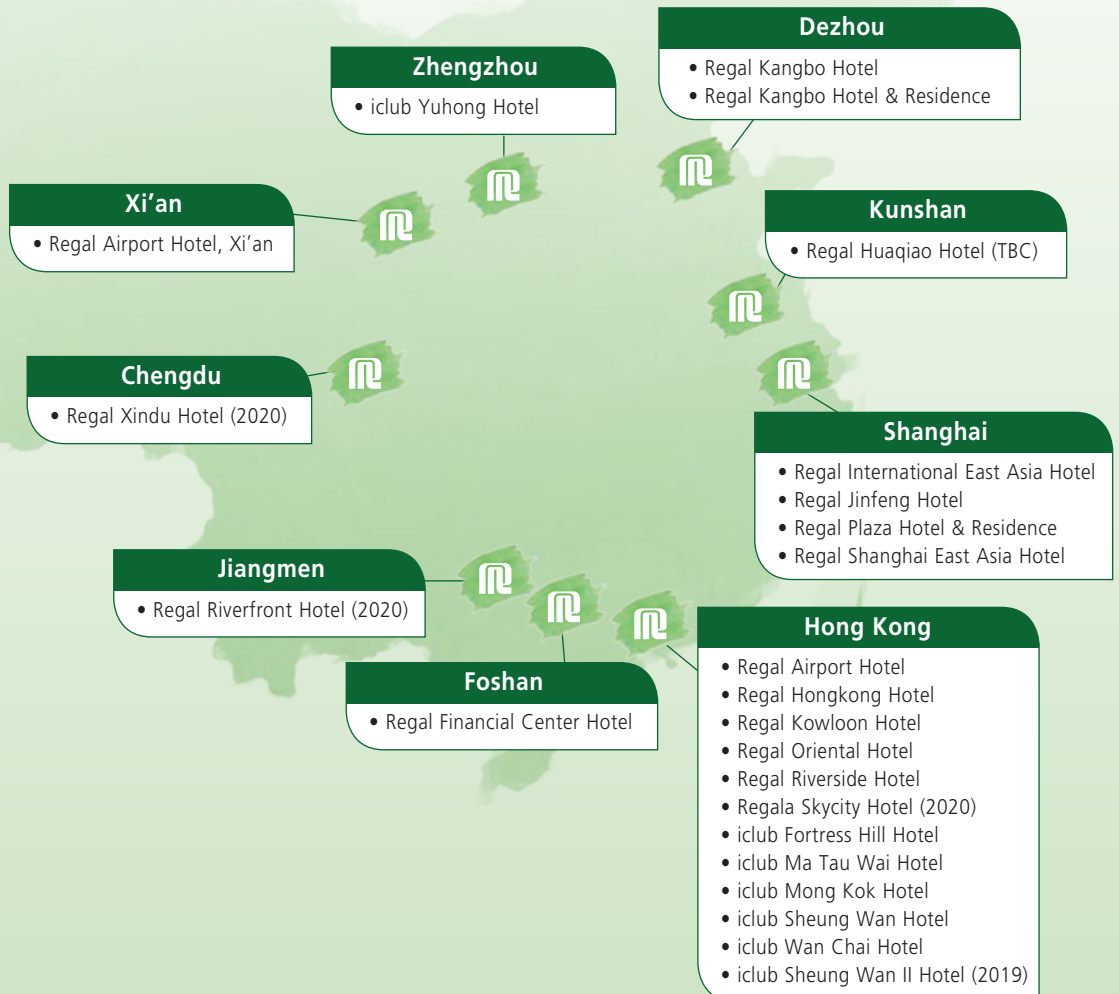
About Paliburg

In Mainland China, Regal manages nine other hotels operating under the Regal, iclub by Regal and Regal Residence brands. The current portfolio encompasses a mix of full-service and select-service hotels in strategic locations across China, providing a wide range of services to its diverse guest profile.

In Mainland China, we are expecting the completion of three new hotels in the coming years. Regal Xindu Hotel, part of the Regal Cosmopolitan City developed by Cosmopolitan, will be managed by the Group upon completion. Two other managed hotels in Kunshan and Jiangmen owned by independent owners are on the way.

Regal also owns Campus La Mola, located in Barcelona, Spain. The hotel has been leased to an independent third party for operation.

Regal Hotels in Hong Kong and Mainland China



Our ESG Approach

Paliburg believes that sustainability is a cornerstone of a successful business. To help in building a sustainable community in which we develop projects and operate businesses, we incorporate sustainable approaches into our day-to-day operations. To implement sustainable practices across our businesses, we maintain a sound corporate governance structure and promulgate policies to ensure that our activities demonstrate a high level of ethics and integrity. We periodically review these policies and practices to see if there is any need to introduce and implement appropriate new measures.



OUR SUSTAINABILITY CORE VALUES AND COMMITMENTS:

- Helping to build an outstanding, environmentally-friendly and sustainable community
- Constructing a superior living space and warm and comfortable homes for our customers
- Creating brand value for the enterprise, steady cash flow and long-term value addition for investors
- Providing appropriate development platforms and professional training to nurture employee teams



CORPORATE GOVERNANCE

Good corporate governance is important to our stakeholders. Paliburg has adopted the Code Provisions in the Corporate Governance Code as set out in Appendix 14 of the Listing Rules. The Board has established three Board committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, to perform different functions delegated by the Board. All major policies and practices in relation to management and corporate matters are reviewed by the Board on a regular basis for compliance with new requirements. In addition, new measures are introduced and implemented where appropriate.

We set high standards of integrity for our business operations. With a strong commitment to preventing bribery and corruption, we have established anti-corruption policies in our operations. All of our employees are expected to uphold high standards of honesty and integrity in the performance of their duties in accordance with the provisions set out in the Employee Handbook. We have zero tolerance for violations of our code of conduct and inappropriate behaviour. All subsidiaries, departments, business units and projects are subject to rigorous control mechanisms.

Please refer to the Annual Report for more information on our corporate governance and the Board of Directors.

SUSTAINABILITY GOVERNANCE

Paliburg prioritises sustainable business practices in the Group's plan. We consider key stakeholders' opinions on our sustainability performance and their interests along with our development goals.

Our ESG Approach

To enhance the sustainability governance of the Group, we established a sustainability governance framework to manage the sustainability performance of the Group. The Board of Directors oversees the sustainability performance of the Group. The Executive Directors, with the assistance of senior managers from key divisions, are delegated with the responsibilities to implementing the Group’s sustainability planning under three major objectives: environmental sustainability, social sustainability and economic sustainability. The sustainability plan will then be executed by different operating divisions of the Group to achieve the goals and priorities set.

STAKEHOLDER ENGAGEMENT

We believe that transparent and regular communication with stakeholders can drive improvement in the Group's Performance. Each of our material subsidiaries maintains appropriate communication channels with their respective key stakeholder groups, which are reviewed on a regular basis to ensure that the stakeholders’ views are collected effectively. The common communication channels for each of the stakeholder group are presented below:

STAKEHOLDER GROUPS ENGAGED		METHODS OF ENGAGEMENT
Internal Stakeholders	Management	<ul style="list-style-type: none"> • Regular meetings • Ongoing engagement
	General employees	<ul style="list-style-type: none"> • Employees satisfaction questionnaires • Regular meetings • Orientation activities • Notice boards • Annual appraisal meetings • Employee engagement activities
External Stakeholders	Community	<ul style="list-style-type: none"> • Media conferences • Face-to-face meetings • Volunteer activities
	Customers/Tenants	<ul style="list-style-type: none"> • Website and social media • Day-to-day communication with front-line employees • Customer feedback mechanism • Hotlines
	Investors/Shareholders	<ul style="list-style-type: none"> • Analyst briefings • Investor meetings • General meetings • Annual and interim reports • Press releases/announcements
	Industrial Associations	<ul style="list-style-type: none"> • Industry forums
	Suppliers/Contractors/ Business Partners	<ul style="list-style-type: none"> • On-site evaluation visits and meetings • Owners committee meetings • Regular meetings

Our ESG Approach

MATERIALITY ASSESSMENT

Paliburg regularly reviews the sustainability issues that are material in our business operations. The outcome of the stakeholder engagement exercise serves as the basis for the materiality assessment and the identification of material sustainability issues.

The following summarises the steps taken in our materiality assessment:

1

IDENTIFYING ESG TOPICS

Background review, including stakeholder interviews, observations during site visits, documentation review, media review and peer analysis, is undertaken to identify possible sustainability issues in Paliburg's business operations.

2

RANKING ESG TOPICS

Stakeholders were invited to rank the identified issues from 1 (not important at all) to 6 (very important) based on their understanding of Paliburg's business operations.

3

VALIDATING RESULTS

The results of materiality assessment were then reviewed and approved by management.

Based on the materiality assessment results, the independent consultant commissioned by the Group identified the following 13 material issues, which are discussed throughout this report:



ENVIRONMENTAL

- Environment Impact
- Waste Management
- Energy Management



OPERATING PRACTICES

- Anti-corruption
- Product and Service Quality
- Customer Data Protection
- Customer Health and Safety
- Customer Feedback Mechanism
- Supply Chain Management



EMPLOYEES

- Employment Relations
- Employee Retention
- Occupational Health and Safety
- Labour Standard Compliance

Environmental Responsibility

COMMITMENT TO THE ENVIRONMENT

Paliburg Group actively engages in property and hotel businesses and understands the importance of balancing profit maximisation with environmental sustainability, which is crucial in creating long-term value for businesses, their stakeholders and the community as a whole. We aim to integrate good environmental performance and standards into our production, construction and property management, taking into consideration the impacts of our business operation on the natural environment.

The Group has formulated an environmental policy to improve environmental management. The execution of actionable items under the policy is expected to be strictly followed by all operating departments and is closely monitored for compliance with relevant laws and regulations. Initiatives on energy saving, water conservation, noise control and waste management are the Group's focuses as an environmentally responsible business.

During the reporting period, we complied with all relevant laws and regulations¹ 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

An environmental management structure has been established to guide the Company's progressive improvement in its business operation towards environmentally sustainable objectives. Our environmental management team is led by designated directors of the Company, with members comprising project managers and other relevant senior employees, and its role and responsibilities are subject to regular review to meet changing regulatory requirements and social expectations. With clearly defined responsibilities and duties, project managers and site agents are assigned to ensure the proper implementation of all environmental requirements and initiatives. This management structure, with the cooperation secured at different operating levels of the Company, has contributed to our achievements in environmental protection.

In addition to the setting up of an efficient management structure, Paliburg has formulated a group-wide environmental policy for all of its development projects and construction sites to follow. The fundamental objective of the policy is to ensure the delivery of quality services with minimal environmental impacts across the project life cycle. To attain this objective, we have paid extra attention to the prevention of all potential forms of pollution which may occur during our operations. Keeping our policy up-to-date, we continue to carry out regular performance reviews to ensure environmental objectives and requirements are met. The following sections exhibit our environmental initiatives in energy saving, water management and waste management.

¹ The environmental laws and regulations that might be significant to Paliburg include Air Pollution Control Ordinance (Cap. 311 of the laws of Hong Kong), Noise Control Ordinance (Cap. 400 of the laws of Hong Kong), Water Pollution Control Ordinance (Cap. 358 of the laws of Hong Kong), Waste Disposal Ordinance (Cap. 354 of the laws of Hong Kong), Environmental Impact Assessment Ordinance (Cap. 499 of the laws of Hong Kong) and Dangerous Goods Ordinance (Cap. 295 of the laws of Hong Kong) and/or Environmental Protection Law, Water Pollution Prevention and Control Law, Atmospheric Pollution Prevention and Control Law, the Law on the Prevention and Control of Environment Pollution Caused by Solid Wastes and the Emission Standard of Environment Noise for Boundary of Construction Site of the People's Republic of China.

Environmental Responsibility



CASE

MOUNT REGALIA – LUXURY IN THE VERDANT NATURE

As one of the major development projects we have completed in 2018, Mount Regalia showcases our standing belief in promoting sustainability between the environment and modern architecture. Situated at a suburban hillside of Kau To, the development is surrounded by an extensive greenery which refreshes residents with an extraordinary scenery and clean air.



Besides the advantages brought by our meticulous site selection, the development furnishes residents with great environmental values in terms of energy-saving features and substantial green open area. For instance, the houses were designed with excessive full-height glass curtain walls, together with skylights installed in the dining rooms, maximizing the access to natural lighting and thereby reducing energy consumption on artificial lighting. Furthermore, we integrated the entire development areas with horizontal landscape and vertical greenery. The sky garden design incorporated in 24 detached garden houses and 7 apartment blocks does not only provide residents with opportunities to reconnect with nature, but also serves as a green roof, shielding the properties against excessive heat gained from radiation, hence reducing the need of indoor cooling capacity.



Environmental Responsibility

HOTELS

For our hotel business, Regal has formulated a group-wide Environmental Policy Statement to guide all of its hotels. The Environmental Policy Statement is set to ensure that its hotel operations are carried out in a legally and environmentally acceptable manner. Regal is committed to safeguarding the environment through constantly monitoring and reviewing its environmental performance, minimising any adverse environmental impacts, enhancing Regal employees' environmental awareness and adopting green procurement practices.

Additionally, most of its hotels in Hong Kong have implemented the Environmental and Social Policy, which provides more guidance on environmental and social sustainability in their operations. Some of its hotels have also implemented certified environmental management systems to enhance their environmental management capacity.

EarthCheck provides the integrated environmental management systems used by the tourism industry as a benchmark and certification for its operational practices. In 2018, Regal hotels in Hong Kong have participated in this certification programme, with Regal Airport Hotel, Regal Hongkong Hotel, Regal Kowloon Hotel, Regal Oriental Hotel and Regal Riverside Hotel achieving, the status of Gold-certified EarthCheck Hotels while three iclub Hotels - iclub Fortress Hill Hotel, iclub Sheung Wan Hotel, Wanchai Hotel attaining Silver Certification.

Opened in May 2017, iclub Ma Tau Wai Hotel commenced the certification process in the beginning of 2019 when a full year data is available. This hotel is expecting to attain Silver Certification within 2019.

ENERGY AND EMISSIONS

PROPERTIES – HONG KONG

Realising the uprising threats brought by climate change, the Hong Kong Government has been advocating energy conservation in the commercial sector. As a responsible corporate citizen, we participated in a number of environmental charters initiated by the Government, including the External Lighting Charter and the Energy Saving Charter. In addition, we are dedicated to incorporating green operation standards into our business. Apart from responding to the Government's long-term pledges, we spare no effort in energy conservation in our property development projects, property management and daily office operations.

To achieve continuous energy consumption reductions, the Group incorporates, whenever possible, the application of green building features in our properties. We strive to minimise solar gain in the interior compartments through building design and material selection, so as to reduce energy consumed for cooling by air conditioning. For example, the main facade of the building in our development project in Sham Shui Po faces northeast, which receives fewer solar gains compared with other directions. We also prefer environmentally friendly construction materials in the design stage, installing glass with lower shading coefficients (i.e., lower solar heat gain). Moreover, balconies and unity platforms are included in the building facade to enhance external shading effects, which helps block solar heat radiation and reduce the building's solar heat load.

Reduced artificial lighting power density is also conducive 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. We also adopted LED lighting in We Go MALL as a more efficient lighting option. By the end of the reporting period, LED lighting accounted for over 70% of the total lighting capacity in the mall and a 18.26% energy saving, compared with the conventional fluorescent lighting system. The achievement has not only improved the environmental value of guests' experience in the mall, but also brought a significant reduction in operating and maintenance costs.

Environmental Responsibility

Apart from upgrading the lighting system, Paliburg has also invested in the air-conditioning system in We Go MALL. Special shifting arrangements have been designed for the chillers. Only the lowest capacity chiller is switched on for the first and last three operating hours of the mall in a day, instead of utilising the full power of all three chillers installed. We also actively monitor the temperature and ventilation settings, which allows efficient energy consumption and an optimal physical comfort at the same time. Our commitment to reducing energy consumption and carbon emissions is apparent in the measures we have applied to offset carbon emissions.

For the sake of managing our emissions more precisely, we have carried out energy and carbon audit studies to thoroughly identify potential improvement in the carbon emission profiles of our projects. During the studies, energy consumption and carbon emissions were estimated in detail and compared to actual performance. A list of green features has been proposed to minimise the impacts brought by the construction and operating activities of our buildings. We will continue to conduct audit studies and other initiatives in our energy-saving agenda to take an active role in managing our impacts on the environment.



PROMOTING A LOW-CARBON LIFESTYLE TO CUSTOMERS AND GUESTS

With the belief and responsibility in engaging our stakeholders in environmental protection, we take a further step to promote the message of low-carbon lifestyle through our operation and business.

In We Go MALL, we have installed several facilities which provide great convenience to our guests and customers living in a green and environmentally considerate life. In particular, our car park is equipped with electric vehicle chargers for both specific and general models of electric vehicles that car owners can use at no additional fee.

We also provide free-of-charge bicycle parking space. Guests can park their bicycles in the yard outside the mall before enjoying their time in the mall. We highly encourage zero-emission transportation and will further study the feasibility of enhancing and expanding the facilities.



Outdoor bicycle parking space provided for free



Electric vehicle chargers installed for different models

Environmental Responsibility

HOTELS

For our hotel business, Regal closely monitors its energy consumption and greenhouse gas emissions. Every year, all hotels are required to set their own energy and carbon reduction targets, and then come up with feasible measures to achieve them. This year, an energy and carbon reduction target was set for all hotels to improve their performance on energy conservation and carbon reduction. To more effectively organise its energy and carbon management, several hotels have adopted ISO 50001 Energy Management Systems and quantified the greenhouse gas emissions according to ISO 14064 Greenhouse Gas Accounting and Verification certification. Regal has always been an industry pioneer in the pursuit of environmental performance management and Regal Airport Hotel is the first hotel in Hong Kong to meet these two international standards.

Regal has adopted a number of measures in hotel operation to reduce energy consumption. Regal's hotels have replaced or are in the process of replacing all lighting with more-energy-efficient LED lights. Besides, Regal has installed automatic induction devices in areas with lower guest flows to reduce unnecessary lighting. Some hotels also apply adequate insulation to reduce heat loss in piping, reduce energy consumption to maintain room temperatures for hotels with space heating system and enhance the energy efficiency in their centralised air-conditioning system. Moreover, Regal reviews the energy efficiency of its kitchen and water heating equipment and replaces them with more-energy-efficient models whenever practicable. Regal has also worked with the electricity company to conduct energy audit in hotels to explore Energy Management Opportunities (EMOs).

Regal has also implemented specific measures to reduce greenhouse gas emissions. For example, most of its hotels have installed electric vehicle charging stations to promote clean and low-carbon transportation. In some of its hotels diesel-powered equipment has been completely replaced by natural gas-powered equipment, which is less carbon-intensive. With other measures adopted to offset carbon emissions, iclub Wan Chai Hotel has become the first carbon-neutral hotel in Hong Kong. Organic farms have been set up in five of its hotels in Hong Kong to reduce carbon emissions and provide fresh and chemical-free herbs for its restaurants.

PROPERTIES – MAINLAND CHINA

During the construction and operational phases, Cosmopolitan strives to apply energy-saving technologies in its projects to reduce consumption and emissions.

Cosmopolitan has implemented various measures to reduce the energy consumption and emissions in its property development projects in both the Tianjin Project and the Chengdu Project. During the construction phase, LED lighting is used at the construction sites. Besides, the construction materials and component parts used are certified with Construction Energy Efficiency Performance Labelling Certificates. During the operational phase, Cosmopolitan takes a variety of measures to reduce energy consumption. LED lighting, building automation systems and equipment with energy-saving features are adopted in this phase. Cosmopolitan's projects fulfil the Design Standard for Energy Efficiency of Public Buildings and the Design Standard for Energy Efficiency of Residential Buildings of the GuoBiao (GB) Standards.

Cosmopolitan is also committed to minimising emissions from its property development projects, such as using building materials that produce less dust and absorbing pollutants through landscaping. Besides, the construction area is regularly sprayed and vehicles are required to drive through a washing bay before exiting construction sites. These arrangements minimise air-suspended dust to reduce air pollution in construction sites. For office operations, Cosmopolitan has appointed certified personnel to remove volatile organic compounds (VOC) and formaldehyde.



Environmental Responsibility

WATER MANAGEMENT

PROPERTIES – HONG KONG

With water resources becoming increasingly scarce, we consider conserving water as a precious resource is our environmental responsibility. Our construction process requires a large amount of water for mortar and cement concrete preparation, cleaning and washing of equipment. In order to raise the water conservation awareness of construction workers on-site, we deliver induction training courses with embedded environmental protection messages. Consumption is closely monitored to detect inappropriate practices and potential technical problems, such as leakage, for our immediate remediation.

Wastewater management is also an essential element of water resource management. We treat wastewater carefully before discharge to prevent wastewater from polluting nearby water resources. Construction activities generate wastewater from groundwater extraction and surface run-off. In this regard, we carried out a series of measures to abate contamination caused by wastewater. For instance, designated areas are selected to collect wastewater generated from surface run-off, with pre-treatment strictly required prior to discharge. We also minimise soil exposure at construction sites after excavation and backfilling in order to prevent soil erosion and water pollution. Regarding our water management, we strictly adhere to the applicable local laws and regulations including the Water Pollution Control Ordinance.



Wastewater treatment facilities at construction sites



Environmental Responsibility

HOTELS

Hotel operation also relies on the use of water, from catering and cleaning to consumption by guests. Therefore, proper water management is essential for Regal to fulfil its environmental responsibility. Apart from monitoring, Regal has implemented a number of measures to reduce water use in its hotels. For instance, air-conditioning condensing water is recycled and then reused for toilet flushing. Also, automatic faucets and toilet flushers have been installed in public toilets. Guest rooms are also equipped with dual-flush toilets which allow guests to flush with the appropriate amount of water. As part of the Regal's "We Love Our Planet" initiative, the frequency of washing guests' linen and bath towels has been reduced to every third day of their stay, unless requested otherwise. This measure can effectively minimise the consumption of laundry water. Some hotels have also replaced the activated carbon in boiler tanks with quartz sand for water filtration in swimming pools. This measure can improve pool water quality and reduce the need for refilling pool water.

PROPERTIES – MAINLAND CHINA

As a means of water management, Cosmopolitan identifies opportunities to enhance water efficiency in its operation. Cosmopolitan's water efficiency enhancement measures begin with construction projects. The wastewater generated from construction projects is collected, treated and reused on-site where possible.

For domestic use such as toilet flushing and cars washing, unconventional water from water recycling is applied to reduce its freshwater usage. In terms of landscaping, drought-resistant plants are chosen and drip irrigation is adapted. To monitor performance, water metres are installed to help review the water consumption level on each floor and the entire project. Corrosion-resistant and durable water pipes are used to prevent water leakage. Water seepage tests are also conducted on a regular basis.

Cosmopolitan understands that extraction of groundwater may cause severe problems for the nearby environment. Therefore, the Tianjin property development project has adopted groundwater replenishment (i.e. recharging the groundwater supplies with treated wastewater). The extended use of reclaimed water will also reduce the project's reliance on freshwater in the future.

Cosmopolitan also treats wastewater to ensure the discharge will not damage the environment. Before discharging effluent into the municipal sewage system, wastewater is collected and handled in on-site water treatment tanks to ensure the effluent quality meets the standards.

WASTE MANAGEMENT

PROPERTIES – HONG KONG

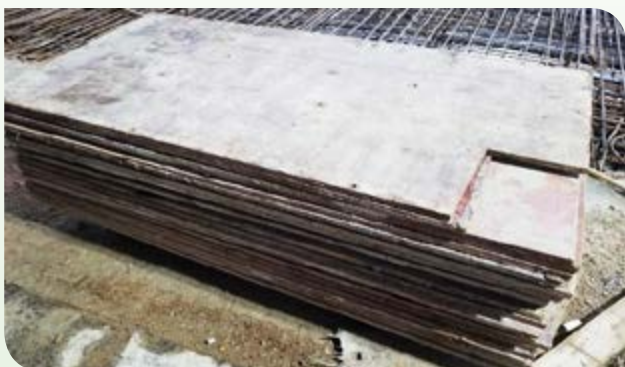
We have established a comprehensive waste management system with policies and guidelines to achieve waste reduction in our operations. During construction, we generate different types of waste including quarry, metal, paper, timber and plastic products. We strive to reuse and recycle materials with value, and hence reduce waste disposal at landfills. We keep track of the amount of our generated and recycled waste, and regularly review the situation to formulate improvement measures.



Environmental Responsibility

We actively manage our use of resources through proper planning and site management. Over-ordering is prohibited with penalty imposed for breaches. At the same time, construction work strictly follows standard working procedures to avoid cross-contamination of reusable or recyclable materials. With proper management of construction work, building materials can be put to the most effective use.

We are devoted to increasing our reuse and recycling rate. Construction workers are required to sort all waste items in advance before disposal, enabling maximum and efficient recycling. We have installed waste disposal bins with clear labels in designated waste storage areas. Equipment and material packaging is recovered and properly stockpiled in dry and covered conditions to prevent wastage. We source sustainable timber certified by the Forest Stewardship Council, the American Forest and Paper Association or "Known Licensed Sources". We have replaced the use of timber by aluminium formwork for constructing typical floors, to reduce unnecessary consumption of materials. At the same time, timber in good condition is reused as many times as possible. Reinforcement bars and falsework material are also collected and delivered to local recycling factories for reuse after handling.



Timber collected at the construction site for recycling



On-site waste sorting area



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



Environmental Responsibility

All on-site environmental officers are responsible for conducting weekly waste inspections, checking the compliance of all construction activities, and executing waste mitigation measures. Thus, we can ensure that waste is handled, stored, collected, transferred and disposed of in an environmentally friendly way.

On the other hand, for our property management operation, both Paliburg and Regal employ reuse and recycling measures as much as possible. Waste separation bins and recyclable waste collection points are set up for customers', and/or resident's convenience. Also, festive decorations in We Go MALL are properly stored for reuse.



Recycling bins at We Go MALL, the shopping mall of the Group located in Ma On Shan

Paliburg and Regal also have standard procedures on handling electronic waste to prevent inappropriate disposal of devices with high contamination risk. We centralise all obsolete and unused electronic devices from our operations and pass them to external recyclers for proper handling.

HOTELS

Hospitality operation consumes significant amounts of materials and generates waste. Thus, Regal has put in place various measures for different aspects of hotel operations by working with employees, guests and non-profit organisations. When it is economically practicable, its hotels reuse and recycle waste and ensure the remaining waste is disposed of responsibly. Regal regularly monitors the amount of waste generated and recycled and reviews for improvement whenever possible.

Food from catering service is another major source of waste in hotel operations. Regal has implemented measures to reduce the amount of food sent to landfills. Starting from the source, the hotels order ingredients and food supplies from suppliers with reference to the number of guests and meal reservations to minimise over-purchasing. The leftovers may be served in hotels' employee canteens, given that the food items are safe for consumption. Meanwhile, Regal has partnered with Foodlink Foundation – Hong Kong's leading hunger-relief charity – to help minimise food wastage at some of its hotels in Hong Kong. Regal also reuses disposable room amenities, including soap and shampoo to wash cleaning cloths, as well as donates the soap collected to the needy.

Regal hotels in Hong Kong reinforce their waste handling procedures to curb land contamination by appointing registered collectors to handle its disposed electrical appliances, such as computers, fridges and televisions. As such, land contamination and leaking of refrigerant can be avoided.

PROPERTIES – MAINLAND CHINA

Cosmopolitan prioritises waste avoidance among all waste management methods. Policies and guidelines have been implemented by relevant functions to achieve waste reduction in daily operations. Measures for each project or different parts of operations are assessed on an individual basis.

For example, the foundation of Chengdu project substitutes traditional timber formwork by brick formwork to save timber and minimise construction waste generated on site. Cosmopolitan strives to use recyclable resources and durable construction materials, including steel, glass and aluminium alloy. During office refurbishment, furniture was sent to construction sites for reuse to reduce wastage.



Environmental Responsibility

Cosmopolitan treats waste that cannot be recycled or reused in a responsible manner. Procedures have been established to effectively handle different types of waste including domestic waste, construction waste and sludge. General waste is gathered in the garbage chambers in its buildings and is then transported to designated collection points every day. Building debris and waste engine oil generated at construction sites are regularly disposed of by qualified contractors. Sludge is cleared and sent to landfills.

For more information about the environmental performance and measures of Regal and Cosmopolitan during the reporting period, please refer to the environmental sections in their respective 2018 ESG Reports.

Social Responsibility

COMMITMENT TO OUR COMMUNITY

PROPERTIES – HONG KONG

It is our commitment to having a positive impact on the local community and we consider social participation as the most essential element. We believe that through taking on more corporate social responsibility, it can create value for our customers and society in the long run. We are obligated to contribute to society for a better future.

In addition to the conventional “Blue for paper, yellow for metal and brown for plastic” recycling programme, both Paliburg and Regal also collaborate with non-governmental organisations to recycle other materials in the properties under our management. For example, we participated in the Natural Christmas Trees Recycling Programme organised by the Environmental Protection Department. Natural Christmas trees were collected from our properties and further converted into composting materials by the organisation for resources conservation and yard waste reduction. We also held a Red Pocket Recycling Programme in the residential properties under our management, where residents collected and provided Red Pockets in good conditions to our clubhouse employees for further recycling. Through these recycling activities, we hope to increase the environmental awareness of our residents, reduce waste and help the needy.

With the soft opening of We Go MALL, Regal collaborated with local social organisations and non-governmental organisations and provided them with venue sponsorships for social and recreational activities. In the reporting year, we supported several community activities, recognising and fulfilling our responsibilities in promoting social cohesion and harmony.



Red pocket recycling activities in Casa Regalia, a luxury residential development in Yuen Long



Social Responsibility

HOTELS

Regal supports the community in three focus areas: Youth Development, Health Enhancement and Social Inclusion. Regal was accredited as a “Caring Company” by The Hong Kong Council of Social Service for the 16th year in recognition of its efforts in community development.

Regal believes that it is important to ensure that the younger generation receives education and development opportunities. Apart from education provided by conventional schools, Regal organises a Youth Development Programme to stimulate children’s interest in learning and brings young people out of classrooms to enjoy diverse learning experiences through internships and hotel tours. In 2018, Regal also organised a variety of programmes and activities in order to improve youth learning experiences and advocate equal opportunities for handicapped youths. To further foster the younger generation’s commitment to contributing to society, Regal has also developed two volunteer teams for community services.

Regal values health development and is committed to promoting a healthy lifestyle and providing resources to those in need. During the year, Regal initiated projects such as volunteer visits to the Shatin Ronald McDonald House and charity sales for the elderly. In 2018, Regal donated a total of HKD1,000,000 to Sheen Hok Charitable Foundation to support over 300 charitable organisations and HK\$900,000 to support the Hong Kong Anti-Cancer Society.



“Regal Hotels International Youth Development Programme”



Regal organised hotel tours for over 250 participating students from nine secondary schools.



Regal volunteers visited the hospital nearby Ronald McDonald House.



Regal held a Charity Cookies Sale with the Fu Hong Society with a great success.



Donations to Sheen Hok Charitable Foundation

Social Responsibility

Regal embraces inclusiveness and values everyone as an individual, regardless of their background and capability. Everyone should enjoy equality and be respected. Hence, Regal reaches out to the underprivileged in the community through social activities to understand their needs for better planning of future community initiatives. Regal supported a number of social inclusion programmes such as “Joy Charity Walk • Inclusion • Tsing Yi 2018”, a major fund raising event organised by the Hong Kong Federation of Handicapped Youth. Apart from making donations, Regal also collaborated with the Hong Kong Federation of Handicapped Youth and held 11 day-trips for disabled youth throughout the year. Regal’s volunteers also helped a group of challenged children at the Haven of Hope Christian Service in a Drawing Workshop.



Regal supported “Joy Charity Walk • Inclusion • Tsing Yi 2018”.



Regal organised day trips with the handicapped (Left) and a drawing workshop to promote social inclusion.



PROPERTIES – MAINLAND CHINA

In the project design and planning stage, Cosmopolitan considers social inclusion as a key project element. Taking the Chengdu project as an example, Cosmopolitan took into account the needs of the disabled when designing the first and second phases of the residential towers. Ramps were constructed to facilitate access to the residential towers. Cosmopolitan hopes the underprivileged and the disabled can gain barrier-free access through inclusive design.

For more information about the community programmes of Regal and Cosmopolitan during the reporting period, please refer to the social section in their respective 2018 ESG Reports.



Ramps designed to assist with the disabled access to our residential towers of the Chengdu Project.



Tianjin Project added elevator button at appropriate height for the disabled.

Economic Responsibility

COMMITMENT TO OUR EMPLOYEES

Paliburg and Regal maintain a human resources policy that aims to foster long-term co-operative relationships with our employees. Apart from adhering to relevant laws and regulations, we are devoted to developing a pleasant working environment for all of our employees. The policy attaches important values, standards and terms in responding to the needs of our employees. We formulated competitive employee benefits packages under the policy to attract and retain talents.

In addition to employee benefits, we also provide opportunities helping them to achieve better working performance. We offer a clear career path and extensive training programmes to our employees. We aim to equip them with professional skills and knowledge through appropriate training opportunities, so as to enhance their productivity and their preparedness in pursuing career progression. These employee-friendly policies and initiatives are vital and necessary for the Company to deliver quality products and services.

The Company complies with all relevant laws and regulations² 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

Paliburg and Regal are equal opportunity employers which select talents through a structured and fair recruitment system. We understand that retaining and developing talents is essential for sustaining long-term business success. Therefore, we offer competitive remuneration packages to our talents and also a diverse array of opportunities to support employees' personal and career development and help them to develop their potentials.

An employee handbook which clearly sets out employees' roles and responsibilities is provided to every employee on his/her onboarding day. The handbook outlines the structure of how we reward employees through annual salary reviews and award programmes, which uphold fairness and equality. We also established communication channels to collect employee feedback for the sake of building a more considerate and thoughtful workplace.

In Mainland China, we have appropriate welfare policies to motivate our employees. In addition to welfare and benefits required by local laws and regulations², we provide monetary gratuities on festivals such as the Mid-Autumn Festival and birthdays. We provide job security insurance for employees as well as occasional leave, including parental leave and wedding leave, as appropriate.

² The laws and regulations include the Employment Ordinance (Cap. 57 of the laws of Hong Kong), Sex Discrimination Ordinance (Cap. 480 of the laws of Hong Kong), Disability Discrimination Ordinance (Cap. 487 of the laws of Hong Kong), Family Status Discrimination Ordinance (Cap. 527 of the laws of Hong Kong), Race Discrimination Ordinance (Cap. 602 of the laws of Hong Kong), Occupational Safety and Health Ordinance (Cap. 509 of the laws of Hong Kong), Factories and Industrial Undertakings Ordinance (Cap. 59 of the laws of Hong Kong), Employment of Children Regulations (Cap. 57B of the laws of Hong Kong) and Employment of Young Persons (Industry) Regulations (Cap. 57C of the laws of Hong Kong) and/or 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

Paliburg encourages our employees to pursue continuous development and support them through various internal and external training programmes. Our employee training and development policies are clearly stated in our Employee Handbook. Every year, we launch a series of training programmes based on the development of the Group and our industry to improve employees' knowledge and capabilities. From their first day at Paliburg, we provide employees with an induction programme introducing them to our working environment and our culture. We also offer regular on-the-job training and health and safety training to equip our employees with essential techniques and knowledge for their daily performance of duties.



Orientation training for new joiners

Beyond internal training, we also encourage our employees to attend training outside the office by offering reasonable subsidies. The sponsorship could cover tuition and related fees such as application and examination fees depending on individual cases. We believe that our training and development support allows our employees to continuously improve themselves and strive for greater success in the future.



Employee training and development seminars

Economic Responsibility

EMPLOYEE ENGAGEMENT

Paliburg and Regal strive to create a comfortable and amicable workplace for all our employees. From time to time our Employee Recreation Club organises after-work activities, such as sports competitions, annual dinners and festival celebrations to engage our employees and promote work-life balance. In recognition of their dedication and loyalty, we present Long Service Awards to our long-serving employees every year.

Operating staff with Regal are personally counselled by their supervisors from time to time to openly discuss their performance and career goals. With this opportunity, supervisors can collect employee feedback and forward it to senior management when necessary. Also, channels including employee meetings with the hotel general managers, suggestion boxes, annual surveys and Facebook page are available for employees to express their opinions. A grievance mechanism is also in place for employees to voice their concerns or grievances to their immediate supervisors or management. Management is required to respond to enquiries within a given timeframe.

WORKPLACE HEALTH AND SAFETY

PROPERTIES – HONG KONG

Paliburg regards occupational health and safety as one of our highest priorities among all operational considerations. We strive to eliminate black spots in the working environment of our construction sites. Stringent safety and health standards are outlined under the safety and health working system, while a series of measures and reviews are carried out to safeguard our employees.

Paliburg's Safety Management Committee is responsible for the oversight of the safety performance of individual operations of all our development projects. Internal and external safety audits are conducted periodically every year. We are committed to maintaining a high standard for work procedures, facilities, environment and materials in terms of health and safety. Remedial measures are formulated in a timely manner after the audit results are reviewed in the committee meetings. The health and safety policy is also reviewed by the committee annually to ensure all practices are in accordance with the latest regulatory requirements and industry norms.

We promote health and safety of our employees by means of education and training. Before construction work begins, all site employees and workers are required to attend a site specific induction training, which covers health and safety. Workers are provided with protective equipment and only allowed to perform job duties wearing appropriate equipment. They are also trained to strictly follow all safe working practices. Additionally, regular drills are carried out to familiarise the workers with evacuation and handling procedures in case of emergency. These measures as a whole work to minimise risk in the workplace.

Economic Responsibility

HOTELS

To protect its employees' health, safety and welfare, Regal published a Safety Manual which sets out guidelines for the management, monitoring and coordination of the required work. In responding to relevant health and safety legal requirements, a Safety Policy was implemented in all operations. Besides, a Safety Committee was established to assist hotel general managers in reviewing the implementation of the Safety Policy at least once a month. The policy is reviewed regularly to comply with the latest developments in workplace safety and health, and regulations.

Through inspections, job hazard analysis, monitoring and safety audits, as well as the implementation of safety management systems and accident prevention measures, Regal strives to minimise workplace safety and health risk. A safety management system is maintained to comply with all relevant laws and regulations. Safety and Security Officers maintain adequate personal protective equipment and first aid materials. To ensure overall safety and safeguard health in its workplace, personnel that do not follow safety rules and practices may be penalised.

All Regal's employees engaging in work with occupational safety risk receive job safety trainings. Regal invites external parties to provide training to supervisory and managerial personnel. Trainers are also invited to further strengthen the application of their safety knowledge in its daily operation. In terms of emergency preparedness, Regal has appointed an adequate number of employees to receive appropriate training to teach them how to use fire-fighting devices and first aid and rescue techniques. Regal also organises emergency drills regularly for all emergency and rescue teams. To model real-life scenarios, Regal partners with the Hong Kong Fire Services Department to jointly organise an annual fire evacuation drill.

Continuously building a sense of safety is essential to maintaining a healthy and safe working environment. In this regard, Regal puts up posters and distributes health and safety information leaflets, newsletters and bulletins to its employees. Besides, relevant warning signs, emergency and rescue procedures, notices and placards are placed strategically in hotel offices, workplaces and welfare facilities as reminders. Regal regularly issues safety awards under the Safety Award Scheme to recognise the best health and safety practices at work.



Regal Oriental Hotel partnered with the Hong Kong Fire Services Department to jointly organise an annual fire evacuation drill.



Economic Responsibility

PROPERTIES – MAINLAND CHINA

To establish a comfortable and safe working environment, occupational health and safety are of high importance, and thus training is provided for workers regularly. Workers must pass the safety training courses and obtain relevant qualifications in order to work on-site. Apart from providing training to workers, Cosmopolitan understands that contractors play an important role in maintaining workplace health and safety. In view of this, contractors are invited to participate in meetings, workshops and training. Cosmopolitan requires all its contractors to provide safety training for every new worker and its work 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.

A comprehensive Safety Construction Management Policy has been implemented at the construction sites in the Chengdu project and is managed by the project manager. Cosmopolitan undertakes efforts to promote a safe working environment such as placing warning signs to remind workers to prevent accidents and taking preventive measures to avoid fire and other major hazards. The fire-prevention system complies with relevant laws in mainland China and is regularly maintained by qualified professionals. Cosmopolitan also undertakes active on-site monitoring and implements mitigation measures if deficiencies are discovered to ensure its safety policies are properly followed.

Cosmopolitan strictly adheres to relevant laws and regulations³ on occupational health and safety in Mainland China. During the reporting period, there were no non-compliance cases regarding occupational health and safety in its operations.



Safety training

³ The laws and regulations 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

COMMITMENT TO OUR CUSTOMERS

The Group is committed to offering quality products and services to our customers. For both the hotel and property segments, we pay the careful attention to quality management and do our best to ensure that customers' concerns are heard, handled and addressed responsibly.

PRODUCT AND SERVICE QUALITY

PROPERTIES – HONG KONG

In virtue of our commitment, we strive to assure the quality of the properties and services offered to our customers and tenants, which is monitored by a sound quality assurance system and strictly adheres to applicable laws and regulations⁴.

A three-pronged quality management approach is adopted to assure our building and property quality. Different quality management procedures are divided into stages, including the pre-construction phase, construction phase and post-construction phase. In the pre-construction phase, we exercise stringent control over the building plans and construction materials. The building plans are reviewed by architectural and construction experts. We require certificates of compliance and assessment reports for each material to ensure the quality of the building, and thus protect the safety of end-users. In the construction phase, we closely monitor the structural work, construction of reinforced concrete, construction of sample layouts and information management to achieve optimal quality. The post-construction phase also poses as a critical procedure in our quality management approach. A set of criteria is prepared for every material part of the construction work to achieve a high level of safety and quality standards.

Apart from the building quality, quality services can further enhance the customer experience. With respect to property management, residents' and tenants' opinions contribute to our continuous improvement in service quality. Both Paliburg and Regal gather feedback from our customers through customer satisfaction surveys covering aspects such as employee attitude, safety and clubhouse services, etc. Key areas of improvement are identified after detailed analysis of the survey. We also provide a comments collection box for advice and suggestions at our management office and hotlines for each of our developments.

We also have customer complaint handling procedures. Designated employees are responsible for following up on complaints from residents, tenants, customers and the public received through hotlines, the comment collection box and the relevant websites.

The Group values residents' and tenants' health and safety as our highest priority. We have a set of Working Guidelines for our front-line employees, stipulating their duties and responsibilities in identifying and eliminating health and safety hazards in the properties owned or managed by us. For instance, the security team is provided with detailed instructions on daily routine patrols to spot, record and report any abnormalities, malfunctions or damage to facilities. This ensures that cleaning, repair or maintenance of facilities, such as water tanks, pipelines, metre rooms and alarm systems, is arranged in a timely manner. Handling, investigating, reporting and follow-up procedures have also been established as part of the Guidelines. Emergency drills are arranged from time to time at the properties to ensure front-line employees are familiar with the procedures.

⁴ The laws and regulations include the Residential Properties (First-hand Sales) Ordinance (Cap. 621 of the laws of Hong Kong), Public Health & Municipal Services Ordinance (Cap. 132 of the laws of Hong Kong), Gas Safety Ordinance (Cap. 51 of the laws of Hong Kong) and Fire Services Ordinance (Cap. 95 of the laws of Hong Kong).

Economic Responsibility

HOTELS

Regal is also committed to offering quality services to its guests. Its long-standing commitment to quality and attention to details has enabled Regal to become a world-class hotel management group and a pre-eminent hotel brand in the Greater China region.

Regal is always receptive to feedback in order to create a memorable experience for its guests. It proactively engages and communicates with its guests through various channels, including the Regal Rewards and 925 Club, to seek their opinions on its services. Regal's Guest Comments Reply standards also ensure that guest feedback, regardless of nature, is regarded as a priority.

Regal regards guest complaints as a driving force for improving its facilities and services. Regal collects feedback from its guests through various ways including verbal communication, guest questionnaires and websites. Guest comments whether in verbal or written format are effectively and appropriately categorised and processed by the relevant departments at all times. All guest comments are reported and followed up on by contacting the guest in person or in writing within 48 hours. Follow-up actions will be taken when necessary.

Regal has always placed the health and safety of its guests at the forefront. Apart from the fundamental health and safety hazard identification and elimination through routine patrols and inspections, Regal has developed a set of procedures to assist its employees in handling emergencies in a legal and efficient manner. All vendors are required to declare compliance with Hong Kong laws and regulations. 4 Regal hotels in Hong Kong, namely, Regal Airport Hotel, Regal Hongkong Hotel, Regal Kowloon Hotel, and Regal Riverside Hotel are certified with ISO 22000:2005 Food Safety Management Systems, in which "traceability" is the core requirement. In this manner, our hotels are able to ensure the safety of ingredients and food sourced from suppliers. Besides, food is stored in accordance with its category upon receipt of food products to prevent any cross-contamination risks.

In order to comply with the stipulated standards, its food suppliers are required to provide a complete list of ingredients with documentation on the delivery of certain food products. On-site audit will be conducted on selected suppliers' products and/or process controls to ensure food supply safety. In 2018, for instance, Regal Airport Hotel detected a fault concerning raw material food safety under our internal monitoring system and the raw material was tested immediately upon its arrival. With substandard quality, the use of the affected raw material was banned immediately and isolated for storage.



REGAL & ICLUB VIRTUAL ASSISTANT

Regal is committed to delivering high-quality services and experiences to its guests by adopting the latest artificial intelligence technology - named Riva. Riva serves as the first Guest Service Officer and works around the clock. The speedy, technology-enabled responses that Riva delivers also make trip planning easier for guests.



Economic Responsibility

PROPERTIES – MAINLAND CHINA

Cosmopolitan makes every effort to assure the building quality and prioritise customers' needs. Quality assurance and monitoring systems are established for property development projects. Same as Paliburg, Cosmopolitan also adopted a three-pronged quality management approach to ensure the building quality. To collect feedback from customers, Cosmopolitan makes use of customer satisfaction surveys covering diverse aspects, including employee attitude, safety and clubhouse services, etc. Key areas for improvement can be identified after analysis of the survey results. Cosmopolitan is assessing the establishment of a complaint system in the near future to establish a more comprehensive communication channel with its customers.

CUSTOMER DATA PROTECTION

The Group handles all personal data collected from our customers and tenants in compliance with the relevant laws and regulations⁵.

PROPERTIES – HONG KONG

Paliburg has implemented a range of measures to protect our customers' information. For example, a Personal Information Collection Statement must be provided to buyers of our residential units in the preliminary agreements for sale and purchase. We ensure documents containing private and confidential information must be destroyed by paper shredders before disposal. Where necessary, employees are required to sign a confidentiality agreement acknowledging their legal obligations to keep information confidential, including trade secrets and personal customer information.

HOTELS

According to Regal's privacy policy, all personal data collected is strictly confidential. Regal has various levels of access rights and only allows authorised personnel to access customers' personal data. Personal data collected for membership maintenance will only be used for membership programme administration and marketing with the customers' consent. Regal also complies with the European Union General Data Protection Regulation, and provides visitors with a clear explanation on how their personal information will be captured, maintained and used and reassures them that their permission is required for data usage.

PROPERTIES – MAINLAND CHINA

Cosmopolitan has its own data protection policy and all personal data collected is handled with a high level of confidentiality. Where appropriate, employees are requested to sign a confidentiality agreement stating that they have the legal responsibility to keep information confidential including trade and customer information. Any unauthorised disclosures of such personal information are strictly prohibited.

⁵ The laws and regulations include the Personal Data (Privacy) Ordinance of Hong Kong (Cap. 486 of the laws of Hong Kong) and Law on the Protection of Consumer Rights and Interests of the People's Republic of China.

Economic Responsibility

SUPPLY CHAIN MANAGEMENT

PROPERTIES – HONG KONG

Our supply chain is highly diversified in that a range of suppliers and contractors are employed to provide products and services for our day-to-day operations, including but not limited to construction materials and activities, office consumables and property management contractors. They play a significant role in maintaining the smooth operation of our business functions.

In view of this, we have developed a set of standard procurement and tendering procedures which clearly define the responsibilities and duties of different operating roles involved in the process. To achieve optimal performance, we monitor our suppliers in different aspects, ranging from product and services quality to occupational health and safety policies, as well as their compliance with applicable environmental and social regulations.

We reckon that while our procurement will affect our product and service quality, it can also impact our community and the environment. We collaborate with our suppliers to achieve our sustainability goals. For this purpose, we prioritise and select suppliers that uphold similar environmental and social values.

In the tendering process, the tenderers are required to provide relevant working records for background checking and examination. The person-in-charge from the project department and property management office are responsible for monitoring and reviewing our suppliers' performance. Checklists are prepared to evaluate the final product and services provided. Apart from the product and service quality, we carry out on-site checking on the suppliers to review the environmental standards and the working conditions offered to their employees and environmental standards. The evaluation results will be used to determine future cooperation opportunities with suppliers and contractors. Through close cooperation with our suppliers and contractors, we hope to maintain good sustainability performance throughout the supply chain

HOTELS

Regal has an extensive and complex supply chain that involves vendors across the globe offering a wide range of products and services. To serve the interests of its stakeholders while balancing the quality and cost, Regal's Purchasing Department is responsible for managing procurement of items that support most of the daily operations, including food and beverage products, guestroom supplies and engineering materials. A mechanism is set up to monitor suppliers' performance, as well as the environmental and social impacts of Regal's procurement process.

Regal prudently selects suppliers to ensure that all their relevant work complies with the relevant regulations. For example, during the pre-qualification period, Regal requests bidders to provide necessary samples and catalogues for testing and examination. In addition to quality and price, Regal also pays attention to the quality management system of the bidders and prioritises those that are ISO 9001 certified. To tackle the outbreak of African Swine fever in mid-2018, Regal implemented a dual-track measure to ensure that no infected pork meat would be supplied to its hotels.

Under the Green Purchasing Policy, Regal's purchasing manager and hygiene manager evaluate potential contractors based on an on-site evaluation checklist to ensure that they employ environmental friendly techniques to process products. The results of the evaluation are considered when selecting vendors. As food-related procurement is at risk during slaughter, harvest, storage, distribution and transportation, this evaluation is particularly important for maintaining safety standards for food-related procurement.



Economic Responsibility

PROPERTIES – MAINLAND CHINA

As a company pursuing a fair and competitive environment, Cosmopolitan adopts a holistic approach to decentralise tendering management and decision-making. The internal legal functions are responsible for the efficient and collaborative operation of purchasing and service delivery. To better manage the interface between different roles and entities involved in the supply chain, duties are clearly segregated and assigned. The cost control functions at different operating levels serve as good communicators within the management system. All departments cooperate to supervise the financial policies and maintain a fair, standardised and transparent tendering process.

Cosmopolitan uses qualified suppliers that are licensed by the government and relevant certification bodies. Their sustainability performance is reviewed periodically to ensure their quality and records are kept for future supplier selections in tendering processes. Moreover, priority to local enterprises is given to create local employment opportunities and to minimise its environmental footprint. The quality and integrity of its properties is monitored at all stages of construction.

Cosmopolitan has zero tolerance for corruption and thus requires suppliers and contractors to sign a “Sunlight Declaration (「陽光宣言」)”. Either the target total transaction value or target unit value is set for internal reference before tendering processes to avoid misconduct. A feedback mechanism and a telephone hotline are in place to receive suggestions, complaints and whistleblowing regarding its procurement management.

Economic Responsibility

ANTI-CORRUPTION

PROPERTIES – HONG KONG

Paliburg has established policies based on related laws and regulations⁶. Paliburg has zero-tolerance towards any breaches of the requirements stipulated in its anti-corruption policies, including bribery, anti-competition, money laundering, fraud and corruption.

During the reporting period, the Group complied with the relevant laws and regulations that have a significant impact on the Company, in relation to bribery, extortion and money laundering prevention. No legal cases regarding corrupt practices brought against the Group or its employees were recorded in 2018.

HOTELS

Regal communicates with its employees on anti-corruption measures and controls through the policies set out in its Employee Handbook. The Handbook provides definitions and scenario descriptions of corruption such as gifts and gratuities. It also guides employees on how to prevent corruption in daily operations. For activities such as procurement, related parties involved are expected to be free of conflict of interest or undisclosed relationships. Those employees who are affiliated with other business dealings with the Group are required to disclose such information to the Group. As an ongoing effort to prevent bribery and corruption from occurring in its workplace, Regal has arranged ICAC talks periodically for its employees to refresh their understanding.

PROPERTIES – MAINLAND CHINA

Cosmopolitan sets high level of integrity standards in its business operations. With a strong commitment to preventing bribery and corruption, Cosmopolitan has established anti-corruption policies. All of its employees are expected to uphold high standards of honesty and integrity in the performance of their duties in accordance with the provisions set out in the Employee Handbook. Cosmopolitan has zero tolerance for violations of the code of conduct and any inappropriate behaviour. All subsidiaries, departments, business units and projects are subject to rigorous control mechanisms.

For more information about the awards, recognitions, qualifications and memberships of Regal during the reporting period, please refer to Appendix I in Regal's 2018 ESG Report.

⁶ The laws and regulations include Prevention of Bribery Ordinance (Cap. 201 of the laws of Hong Kong) and the Criminal Law of the People's Republic of China..

Appendix I – Performance Tables



ENVIRONMENTAL RESPONSIBILITY PERFORMANCE⁷

	UNITS	PERFORMANCE IN 2017	PERFORMANCE IN 2018
Greenhouse gas (GHG) emissions			
Total GHG emissions	tonnes of CO ₂ ² equivalent (tonnes CO ₂ e)	57,586	60,944
Property management – Hong Kong	tonnes CO ₂ e	4,064	5,825
Property development – Hong Kong	tonnes CO ₂ e	1,507	857
Hotels	tonnes CO ₂ e	51,522	53,779
Properties – Mainland China	tonnes CO ₂ e	493	483
Direct GHG emissions (Scope 1) ⁸	tonnes CO ₂ e	8,426	9,032
Property management – Hong Kong	tonnes CO ₂ e	1	1
Property development – Hong Kong	tonnes CO ₂ e	792	243
Hotels	tonnes CO ₂ e	7,633	8,780
Properties – Mainland China	tonnes CO ₂ e	/	8
Indirect GHG emission (Scope 2) ⁹	tonnes CO ₂ e	49,159	51,912
Property management – Hong Kong	tonnes CO ₂ e	4,063	5,824
Property development – Hong Kong	tonnes CO ₂ e	715	614
Hotels	tonnes CO ₂ e	43,888	44,999
Properties – Mainland China	tonnes CO ₂ e	493	475
GHG emission intensity			
Property management – Hong Kong ¹⁰	kg CO ₂ e/m ²	29.91	40.44
Property development – Hong Kong ¹⁰	kg CO ₂ e/m ²	13.94	10.07
Hotels	kg CO ₂ e/equivalent guest night ¹¹	15.64	14.59
Properties – Mainland China ¹⁰	kg CO ₂ e/m ²	0.77	0.75

⁷ The performance data includes the property development and management in Hong Kong and Mainland China, and the hospitality operations in Hong Kong in 2018.

⁸ Direct GHG emissions generated from fuel consumption and leaked refrigerant/CO₂e from equipment.

⁹ Indirect GHG emissions generated from electricity and town gas consumption.

¹⁰ The intensity in 2018 is divided by total gross floor area of associated Paliburg or Cosmopolitan business unit.

¹¹ 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 2017	PERFORMANCE IN 2018
Energy consumption			
Total energy consumption	GJ	425,068	416,817
Property management – Hong Kong	GJ	21,164	34,360
Property development – Hong Kong	GJ	15,845	7,463
Hotels	GJ	385,520	372,512
Properties – Mainland China	GJ	2,539	2,482
Electricity	kWh	75,058,141	77,496,649
Property management – Hong Kong	kWh	5,875,889	9,541,036
Property development – Hong Kong	kWh	1,398,601	1,145,935
Hotels	kWh	67,078,400	66,147,823
Properties – Mainland China	kWh	705,251	661,855
Fuel	GJ	26,694	20,903
Property management – Hong Kong	GJ	11	12.5
Property development – Hong Kong	GJ	10,810	3,337
Hotels	GJ	15,873	17,454
Properties – Mainland China	GJ	0	99
Towngas consumption in Hotels	GJ	123,150	116,926
Steam consumption in Hotels	GJ	5,015	0
Energy intensity			
Property management – Hong Kong ¹⁰	GJ/m ²	0.16	0.24
Property development – Hong Kong ¹⁰	GJ/m ²	0.15	0.09
Hotels	GJ/equivalent guest night ¹¹	0.12	0.10
Properties – Mainland China ¹⁰	GJ/m ²	0.004	0.004
Water consumption			
Total water consumption	m ³	910,787	917,151
Property management – Hong Kong	m ³	13,789	27,774
Property development – Hong Kong	m ³	43,748	37,894
Hotels	m ³	828,730	844,230
Properties – Mainland China	m ³	24,520	7,253

Appendix I – Performance Tables

	UNITS	PERFORMANCE IN 2017	PERFORMANCE IN 2018
Water intensity			
Property management – Hong Kong ¹⁰	m ³ /m ²	0.10	0.19
Property development – Hong Kong ¹⁰	m ³ /m ²	0.41	0.45
Hotels	m ³ /equivalent guest night ¹¹	0.25	0.23
Properties – Mainland China ¹⁰	m ³ /m ²	0.038	0.011
Waste disposal			
General waste disposed	tonnes	14,008	64,115
Property development – Hong Kong	tonnes	10,066	59,661
Hotels	tonnes	3,942	4,428
Property – Mainland China	tonnes	/	26
Waste recycled			
Wood	kg	/	23,690
Metal and iron	kg	/	58,790
Old concrete	kg	/	10,000
Used cooking oil	Litre	20,912	19,576
Aluminium cans	kg	1,850	3,835
Plastic bottles	kg	11,997	16,559
Paper/cardboard	kg	143,413	14,909
Food waste and donations	kg	208,482	169,889
Glass	kg	21,515	25,908
Soap	kg	1,429	1,836
Other construction materials	kg	/	3,600

Appendix I – Performance Tables

ECONOMIC RESPONSIBILITY PERFORMANCE

EMPLOYMENT PRACTICE



	UNITS	PERFORMANCE IN 2017	PERFORMANCE IN 2018
Total workforce by employment contract			
Permanent	number of people	2,139	2,020
Contract	number of people	76	202
Trainee	number of people	4	8
Total workforce	number of people	2,219	2,230
Total workforce by gender			
Male	number of people	1,271	1,172
Female	number of people	948	1,058
Total workforce by age group			
Under 25	number of people	238	181
25 – less than 40	number of people	723	714
40 – less than 55	number of people	903	929
55 or above	number of people	355	406
Total workforce by employment category			
Senior management	number of people	86	75
Middle management	number of people	282	353
General employees	number of people	1,851	1,802



OCCUPATIONAL HEALTH AND SAFETY¹²

	UNITS	PERFORMANCE IN 2017	PERFORMANCE IN 2018
Total number of work related fatalities	number of people	0	0
Total number of lost day ¹³ due to work injuries	number of days	2,288.5	2,001.5

¹² The performance data for 2017 is restated to include operations of Paliburg, Regal and Cosmopolitan, aligned with the performance data for 2018.

¹³ Lost days refer to sick leave due to all types of work-related injuries.

Appendix I – Performance Tables

DEVELOPMENT AND TRAINING

		PERFORMANCE	PERFORMANCE
		IN 2017	IN 2018
		UNITS	
Average training hours by gender			
Male	number of hours	7	6
Female	number of hours	11	6
Average training hours by employment category			
Senior management	number of hours	16	15
Middle management	number of hours	13	8
General employees	number of hours	8	6

SUPPLY CHAIN MANAGEMENT

		PERFORMANCE	PERFORMANCE
		IN 2017	IN 2018
		UNITS	
Number of suppliers by geographical region			
Hong Kong	number of suppliers	2,068	2,282
Mainland China	number of suppliers	208	267
Overseas	number of suppliers	72	70

Appendix II – The Stock Exchange of Hong Kong Limited’s ESG Reporting Guide Content Index



INDICATORS		SECTION/ STATEMENT
<i>A. Environmental</i>		
<p>Aspect A1: Emissions</p>	<p>General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p>KPI A1.1 The types of emissions and respective emissions data.</p> <p>KPI A1.2 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p> <p>KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p> <p>KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p> <p>KPI A1.5 Description of measures to mitigate emissions and results achieved.</p> <p>KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.</p>	<p>Environmental Responsibility</p> <p>Environmental Responsibility Performance</p> <p>Environmental Responsibility Performance</p> <p>Hazardous waste generated in our operation is not material.</p> <p>Environmental Responsibility Performance</p> <p>Environmental Responsibility</p> <p>Environmental Responsibility</p>



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INDICATORS		SECTION/ STATEMENT
<i>A. Environmental</i>		
Aspect A2: Use of Resources	<p>General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.</p> <p>KPI A2.1 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> <p>KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).</p> <p>KPI A2.3 Description of energy use efficiency initiatives and results achieved.</p> <p>KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.</p> <p>KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.</p>	<p>Environmental Responsibility</p> <p>Environmental Responsibility Performance</p> <p>Environmental Responsibility Performance</p> <p>Environmental Responsibility</p> <p>Environmental Responsibility</p> <p>Not applicable to the core business of Paliburg</p>
Aspect A3: The Environment and Natural Resources	<p>General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.</p> <p>KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.</p>	<p>Environmental Responsibility</p> <p>Environmental Responsibility</p>

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INDICATORS		SECTION/ STATEMENT
<i>B. Social</i>		
Employment and Labour Practices		
Aspect B1: Employment	<p>General Disclosure Information on:</p> <ul style="list-style-type: none"> (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. 	Economic Responsibility
Aspect B2: Health and Safety	<p>General Disclosure Information on:</p> <ul style="list-style-type: none"> (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. 	Economic Responsibility
Aspect B3: Development and Training	<p>General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p>	Economic Responsibility
Aspect B4: Labour Standards	<p>General Disclosure Information on:</p> <ul style="list-style-type: none"> (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. 	Economic Responsibility



Appendix II – The Stock Exchange of Hong Kong Limited's ESG Reporting Guide Content Index

INDICATORS		SECTION/ STATEMENT
B. Social		
Operating Practices		
Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	Economic Responsibility
Aspect B6: Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Economic Responsibility
Aspect B7: Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Economic Responsibility
Community		
Aspect B8: Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Social Responsibility

