



百利保控股有限公司

Paliburg
Holdings Limited

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



2019

Environmental, Social
and Governance Report

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ABOUT THIS REPORT

Reporting Standard

This report has been 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”).

Reporting Principles

During its preparation, the Group adheres to the four fundamental reporting principles outlined in the ESG Reporting Guide to facilitate meaningful communication and informed decision-making. The details are as follows:

- **Materiality:** Material environmental, social and governance (“ESG”) issues were identified through stakeholder engagement, with the Group’s business nature, operational practices and locations having been considered to determine the focus of this report.
- **Quantitative:** Environmental and social responsibility data were collected and monitored to evaluate the progress in implementing environmental and social responsibility initiatives.
- **Balance:** Both the achievements and improvement plans are disclosed in this report to present a balanced picture of ESG performance.
- **Consistency:** The reporting methodologies remain consistent with past reports to facilitate a year-to-year comparison of its performance. Any changes in the methodologies and reporting scope are explained in remarks for stakeholders’ reference.

Reporting Scope and Boundary

This is the fourth annual standalone ESG report of Paliburg Holdings Limited (“Paliburg” or the “Company” and together with its subsidiaries, the “Group” or the “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

Unless otherwise stated, this report presents the highlights of our progress and performance on material ESG issues for the period from 1 January 2019 to 31 December 2019.

Accessibility of the Report

An electronic copy of this report can be accessed on Paliburg’s website at www.paliburg.com.hk. Should you have any enquiries about the report or opinions regarding Paliburg’s ESG performance, please feel free to contact us via info@paliburg.com.hk.

Board Approval

This report was reviewed and approved by the Board of Directors of the Company (the “Board”) on 28 July 2020.

CHAIRMAN'S STATEMENT

I am pleased to present herewith the 2019 Environmental, Social and Governance Report of the Company.

With the pursuit of responsible operation, our Group's property and hotel businesses have leveraged the expertise to realise the commitments to sustainability and value creation for our stakeholders, including shareholders, employees, customers, suppliers and contractors and the community. We have conscientiously integrated sustainability elements into our diverse operational activities in order to shoulder corporate social responsibilities.

Our Group's Sustainability Programme continues to serve as a rigid foundation for continuous improvements in regard to the three major pillars: Environmental Responsibility, Social Responsibility and Economic Responsibility. Together with our strong sustainability governance approach, the Programme guides our policy formulation, decision-making, implementation and performance review of environmental and social initiatives.

It is our mission to contribute to economic development while maintaining our resource consumption, carbon emission and other environmental pollution at the minimal level. Through actively seeking to construct green buildings, our project development is transforming to smart and low-carbon city development. Meanwhile, our property and hotel management businesses consciously look for technical advancement and efficiency improvement opportunities for building environmentally friendly operations.

We continue to connect the community in where we operate through a range of community and charity programmes. Together with our subsidiaries and employees, we devote both time and resources to improve communities focusing on three areas, namely youth development, health enhancement and social inclusion. By cooperating with different organisations, volunteering, sponsorship and donation, we wish to create a harmonious community where our Group and the people are mutually benefitted.

Attached to our aim to achieve product and service excellence, we take every comment from our customers and guests into consideration and treat that as the motivation for continuous improvement. We also rely greatly on our strong and skilled team to maintain the standards. Therefore, we have adopted employment practices in which competitive benefit packages, equal opportunities, training and a healthy and safe workplace are guaranteed.

While our development project and other businesses in both Hong Kong and Mainland China proceed for further expansion, we will continue to uphold our sustainable values and collaborate with our stakeholders to attain our sustainability goals and jointly create greater positive impacts along our sustainability journey.

LO YUK SUI

Chairman

Hong Kong
28 July 2020

ABOUT PALIBURG

Our Businesses

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

The Group conducts property development and investment in both Hong Kong and Mainland China. The Hong Kong projects 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 the Company. Cosmopolitan International Holdings Limited ("Cosmopolitan") is a listed subsidiary of the Group held through P&R Holdings, which mainly focuses on development projects in Mainland China.

Majority of the Group's hotels are owned, operated and managed through Regal and Regal Real Estate Investment Trust ("Regal REIT"), which, in turn, is a listed subsidiary of Regal. The iclub Mong Kok Hotel is owned by P&R Holdings while the newly completed iclub Sheung Wan II Hotel is owned by a 50% associate of P&R Holdings, both of which are managed by 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 were undertaken pursuant to the development contracts awarded by the Urban Renewal Authority of Hong Kong, all of the ongoing development projects and properties are wholly owned by P&R Holdings group (except as otherwise denoted).

RESIDENTIAL/COMMERCIAL



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

This residential project has a site area of approximately 11,192 square metres (120,470 square feet) and 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. The sale programme for the garden houses, named Casa Regalia, which constitute the main component of the development, was first launched in May 2016 and most of the houses have been 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 project 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. This shopping mall was soft opened in May 2018 and is being retained for investment income.



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 for the project was issued in March 2018 and the certificate of compliance was obtained in July 2018. The presale of the residential units was first launched in July 2016 and all residential units have been sold. The commercial units are planned to be tendered for sale in the second quarter of 2020.



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). It has been developed into a luxury residential complex comprising 7 mid-rise apartment blocks with 136 units, 24 detached garden houses and 197 carparking spaces, with aggregate gross floor area of approximately 32,474 square metres (349,547 square feet). The occupation permit was issued in September 2018 and the certificate of compliance in February 2019.



The sale programme commenced in early 2019 and is progressing with satisfactory result, with half of the garden houses and over 20 apartment units having been sold or contracted to be sold.

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 20-storey hotel, comprising 288 guestrooms with ancillary facilities, with its occupation permit issued in October 2018. The hotel was soft opened for business after the issue of the hotel licence in March 2019. The hotel is presently managed by the Regal group and for the time being self-operated by P&R Holdings.



iclub Sheung Wan II Hotel at 5-7 Bonham Strand West and 169-171 Wing Lok Street, Sheung Wan, Hong Kong

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 (total 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 occupation permit was obtained in November 2019 and the hotel license was issued in May. The hotel is expected to open for business in the 3rd quarter of 2020.

The hotel is presently 50% owned by P&R Holdings after its disposal of a 50% interest in the hotel to an independent third party on 31 December 2019.



NEW PROPERTY DEVELOPMENT PROJECTS



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

The entire ownership interests in the subject properties have been acquired through private treaty transactions in 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 4,144 square metres (44,606 square feet). The demolition works of the existing buildings have recently been completed.

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

The properties presently comprise interests in over 80% undivided shares of Nos.291-293 Castle Peak Road and 100% ownership interests of Nos.301-303 Castle Peak Road. The properties have a total site area of 488 square metres (5,260 square feet) and are planned for a commercial/residential development having an aggregate gross floor area of approximately 4,395 square metres (47,304 square feet).

Property development and investment in Hong Kong through Regal



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

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 building superstructure works will soon commence and the project is expected to be completed by 2022. Presale of the residential units in this development is planned to be launched before the end of this year.

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

A total of 13 garden houses in Regalia Bay with total gross area of about 5,861 square metres (63,091 square feet) are 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).

The superstructure and fitting-out works for 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, targeted to be completed around mid-2021. Presales of seven residential towers consisting of 1,130 units have been launched since March 2019. The presale of the remaining three residential towers consisting of 425 residential units is scheduled to be launched in mid-2020.

The business remodelling works of the hotel have been completed and corresponding interior design works are progressing. The interior fitting-out works are scheduled to commence in the third quarter of 2020 and the hotel is scheduled to open in phases from the third quarter of 2021.

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), was approved by the local authority and corresponding detailed design and construction drawings are in progress. The basement excavation works have commenced and the substructure works are planned to be started in mid-2020. Presale of one office tower consisting of 434 units is expected to be launched in late 2020.



Tianjin Project - Regal Renaissance

Located in the Hedong District in Tianjin, this 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).

Nearly all of the residential units have been sold. 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.

The superstructure works of the two office towers have resumed since June 2019 and are planned to be completed in 2022. Presale of one office tower consisting of 137 units is planned to be launched in the third quarter of 2020.



Hotel Business

To become a leading player in the Asia Pacific region, Regal has built an extensive presence in Hong Kong and Mainland China. In Hong Kong, Regal is operating eleven hotels under the Regal and iclub by Regal brands, nine of which are owned by Regal REIT while the iclub Mong Kok Hotel, newly opened in 2019, is owned by P&R Holdings and the newly completed iclub Sheung Wan II Hotel is 50% owned by P&R Holdings. Besides, the Regala Skycity Hotel, being developed by Regal as detailed below, is expected to be opened in 2021.



New hotel project intended to be named as “Regala Skycity Hotel” 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 offices, dining and entertainment facilities.

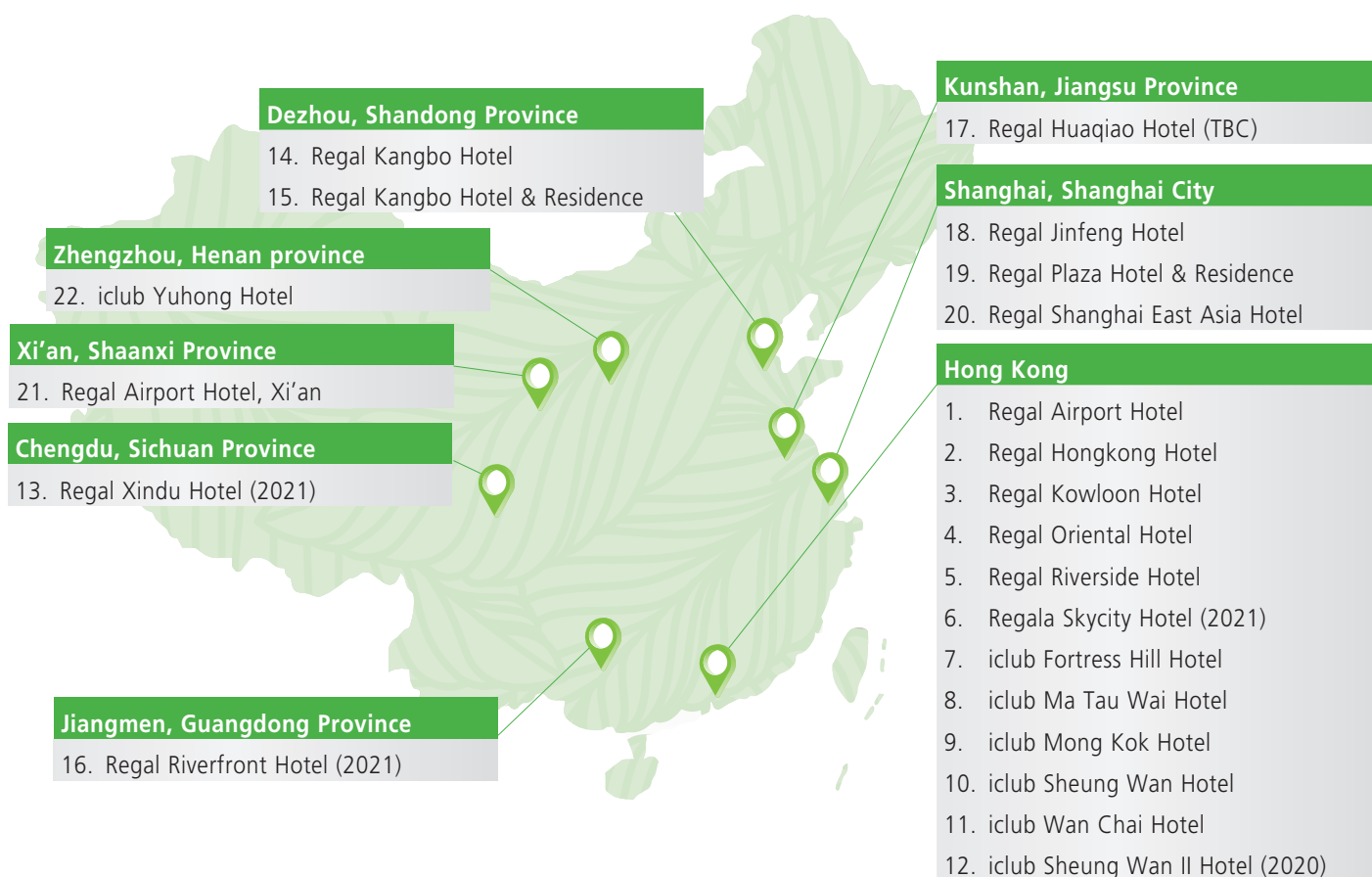
The new project is planned for the development of a 13-storey (including one basement floor) hotel with 1,208 guestrooms and suites as well as extensive banquet, meeting and food and beverage facilities. The hotel will be operated as a full service hotel targeting at commercial, airline related, leisure and meeting businesses. The superstructure works have been completed and this new hotel is anticipated to be opened for business in the first half of 2021.



ABOUT PALIBURG

In Mainland China, Regal manages a total of seven 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. We are expecting the completion of three new hotels in the coming years in Mainland China. Regal Xindu Hotel, part of the Regal Metropolitan 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 the Campus La Mola, located in Barcelona, Spain. The hotel has been leased to an independent third party for operation. In April 2019, Regal acquired an existing property located at a prime location in London, the United Kingdom. Planning works have been commenced to renovate this property into a hotel with about 73 guestrooms and a restaurant, and the renovated hotel is intended to be self-operated by the Group.



OUR ESG APPROACH

With the core value of operating in a sustainable manner, Paliburg is committed to incorporating sustainable operating practices into every development project, managed hotel and property whenever practicable.



Our Sustainability Core Values and Commitments:

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

Corporate Governance

Upholding high standards on corporate governance is one of our business operation principles. Paliburg strives to maintain a rigorous corporate governance system, and fully observe the Code Provisions in the Corporate Governance Code in Appendix 14 of the Listing Rules. Paliburg has developed an efficient corporate governance structure. Guided by the Board, the three board committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee are delegated with different governance functions. The Board also conducts regular review on the Group's management policies and practices and material corporate matters to ensure full compliance with relevant regulations. New policies and measures are implemented whenever necessary.

For more information regarding our corporate governance and the Board of Directors, please refer to Paliburg's Annual Report 2019.

Sustainability Governance

Paliburg prioritises sustainable business practices in the Group's plan. We value key stakeholders' opinions and feedback regarding our sustainability performance and their interest along with our development goals.

To ensure an effective sustainability management, we set up a sustainability governance framework. 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 responsibility, social responsibility and economic responsibility. The sustainability plan will then be executed by different operating divisions of the Group to achieve the goals and priorities set.

OUR ESG APPROACH

Stakeholder Engagement

To cater the needs of different stakeholder groups, we have developed transparent and diverse communication channels to ensure their views collected effectively. We value our stakeholder opinions and hence, we engage with them on a regular basis through the communication channels to gather and understand their views and expectations on our sustainability performance. The major communication channels for each group are listed as follows:

Stakeholder Group 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"> Employee 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 Volunteer activities Face-to-face meetings
	Customers/Tenants <ul style="list-style-type: none"> Website and social media Day-to-day communication with front-line staff 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 material sustainability issues related to our business operation. To reflect our stakeholders' feedback and expectations, the result of stakeholder engagement is regarded as the basis for the materiality assessments. The prioritisation of the material topics follows the principles defined in the ESG Reporting Guide, and the steps are summarised as follows:



The following 16 issues are considered material with regard to our stakeholders as well as our businesses and will be addressed in detail throughout this report.





ENVIRONMENTAL RESPONSIBILITY

As a conglomerate company primarily engaged in property development, management and hotel businesses, Paliburg Group realises its roles and responsibilities in balancing profit maximisation with environmental sustainability throughout its conduct of business. It is our objective to create economic and environmental values, while minimising harm to the environment by better production, construction and management efforts.

The Group has formulated an environmental policy to incorporate environmental considerations in its daily operations. The implementation of actionable measures under the policy has been strictly adopted and monitored to exceed mere compliance with relevant laws and regulations and look up for industry best practices. Aligned with the Group's future development, we focus on and devote time and resources in initiatives on energy and water consumption reduction and waste management. We also closely monitor the performance for the sake of continuous enhancement.

During the reporting period, the Group 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

Paliburg has established and put in place a rigid environmental management structure to guide the Company towards environmentally sustainable operations. Led by designated directors of the Company, the structure comprises project managers and other relevant senior staff as members. Under the structure, members are assigned with clear responsibilities and duties of maintaining good environmental management in the Company. For instance, project managers and site agents are responsible for the proper implementation of legal and internal environmental requirements, together with other green initiatives. The management structure with close cooperation at all levels of the Company has brought us significant achievements in this aspect.

In addition to the management structure, Paliburg has formulated a group-wide policy for all of its development projects and construction sites to follow. With the objective to minimise our adverse environmental impacts across the project lifecycle, we, together with engaged third parties, pay extra attention to any potential forms of pollution that may occur during our operations. By conducting regular inspections and performance reviews, we keep ourselves posted to any management shortcomings and improvement opportunities identified in our operations. The policy is subject to reviews and updates from time to time to ensure our internal requirements and guidance are up to industry standards.

To turn our commitment into practice, we pursue the concept of green building through environmentally friendly technologies and building features in our recent property development projects. We will continue to build sustainably with an anticipation to attain certifications from the local green building initiative – BEAM Plus.

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

ENVIRONMENTAL RESPONSIBILITY

Core Values Put Into Action: Regala Skycity Hotel

With the enormous anticipation from the general public, the development of Regala Skycity Hotel has come to the middle of its progress until a grand opening in the first half of 2021. Situated at a site surrounded by Terminal 2 of the Hong Kong International Airport, the Asia World-Expo and SkyPier, the hotel is expected to become a new visitors' choice of stay.

Apart from the convenience brought by the extensive transportation network and facilities, the hotel itself will create great environmental values in terms of energy efficient features, use of sustainable material and open greenery. For instance, we have adopted or proposed the following measures:

- Application of demand control ventilation with CO₂ sensor for air conditioning system serving hotel podium;
- Installation of water-cooled chillers and gas fired condensing boilers with excellent efficiency;
- Achieving 30% reduction in lighting power density for guest room and 30% reduction in rated power for lifts compared with the relevant standards²;
- Installation of water efficient faucets, showers and water closets;
- No consumption of virgin-forest timber product throughout the construction;
- Adoption of an effective waste management system;
- Design of large-scale greenery;
- Preference on locally manufactured materials

To magnify the positive impacts and provide future environmentally conscious guests a greater confidence, we have applied for BEAM Plus Certification for the hotel and achieved Gold Rating under Provisional Assessment. From the results of the Provisional Assessment and calculation according to the relevant methodologies, we are expecting:

- 25.7% and 23.8% CO₂ reduction respectively in hotel portion and carpark portion compared with BEAM Plus Baseline;
- 30.6% annual potable water consumption saving³;
- 31% annual effluent discharge reduction;
- 96.55% materials sourced locally⁴;
- 30% waste reduction in C&D waste is targeted;
- 30.66% site area as greenery.



Certificates of sourcing timbers with FSC Standard



Site area designed with large-scale greenery

² The performance are compared with the Building Energy Codes of Practice 2015 Edition issued by Electrical and Mechanical Engineering Department.

³ The expected results account for water pressure at each level ranging from 2.5BAR to 5.5BAR.

⁴ Within 800km



ENVIRONMENTAL RESPONSIBILITY

Hotels

To minimise the adverse environmental impacts, Regal has formulated a group-wide Environmental Policy Statement to enhance the quality of its environmental performances and guide its hotels to implement environmental measures effectively. Through the policy, Regal is committed to safeguarding the environment through constant compliance check, monitoring and reporting, employee awareness, enhancement initiatives and risk management exercises.

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.

Regal's hotels in Hong Kong have partnered with EarthCheck, the world's leading scientific benchmarking, certification and advisory group for travel and tourism, to implement sustainable business practices. The environmental management systems adopted by Regal have fully fulfilled the certification requirements and standards held by EarthCheck. Except iclub Mong Kok Hotel which was newly opened in March 2019 and the newly completed iclub Sheung Wan II Hotel, all of its hotels are EarthCheck certified. In particular, Regal Airport Hotel, Regal Hongkong Hotel, Regal Kowloon Hotel, Regal Oriental Hotel and Regal Riverside Hotel have achieved the status of Gold-certified EarthCheck Hotels, while iclub Fortress Hill Hotel, iclub Sheung Wan Hotel, iclub Wan Chai Hotel and iclub Ma Tau Wai Hotel have attained Silver Certification in 2019. This recognition has driven Regal forward for the greater environmental good.

Properties – Mainland China

For our businesses in Mainland China, Cosmopolitan has developed a group-wide Environmental Policy Statement for all property development projects. Cosmopolitan aims to create minimal environmental impacts while delivering quality services. To ensure its environmental objectives and requirements are met, Cosmopolitan reviews our performances regularly and updates its environmental policy from time to time to ensure that it follows legal and industry changes.

Emissions and Energy Efficiency

Properties – Hong Kong

Realising the uprising threats brought by climate change, Paliburg has acted in response to the Government's energy saving initiative and continued our participation in the Energy Saving Charter of the Environmental Protection Department. We have also declared the External Lighting Charter of the Environmental Bureau for We Go MALL since 2018.

We are dedicated to incorporating green standards into our operations. Apart from responding to the Government's long-term pledges, we strive to achieve and promote energy conservation in our property development projects, property management and daily office operations. In light of this, the Group has actively considered the application of green building features in our properties. During the design stage, for example, we optimise the window and layout design and select building material carefully minimising solar gain in the interior compartments, so as to reduce energy consumed for cooling by air conditioning.

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 most of our managed properties as a more efficient lighting option. Apart from adopting energy-efficient lighting systems, we have also maintained the air-conditioning systems in We Go MALL at a high operating performance. The special shifting arrangements, together with effective temperature monitoring and ventilation setting, have benefitted us with considerable energy and carbon emissions reductions while sustaining an optimal physical comfort for our customers.

ENVIRONMENTAL RESPONSIBILITY

It is important to understand the existing performance in order to plan for the future betterment. Paliburg carries out regular energy and carbon audit studies to thoroughly identify improvement potential in the carbon emissions profiles of our projects. In this connection, a list of green features has been proposed by an independent consultant, which will be taken into serious consideration by the Management. We can expect further energy and emission reduction initiatives will be brought out at our construction sites, managed properties and offices.

Mount Regalia – Co-existence of Efficiency and Luxury

Completed in 2018, the luxurious residential project has proven the co-existence of energy efficiency and luxury.

At a very early development stage, Paliburg has considered the environmental values that it could bring to residents without compromising their living quality. Benefitted from its premium suburban location, the development is free from urban heat island effect, which heat energy is trapped between buildings and temperature raises significantly.

Meanwhile, we incorporated extensive green features in the building design. For example, 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 the use of artificial lighting. Also, large-scale horizontal landscape and vertical greenery is incorporated seamlessly in the design. The sky garden in 24 detached garden houses and 7 apartment blocks serves as a green roof, shielding the properties against heat gained from sunlight. All in all, excessive energy consumption for air-conditioning and ventilation is effectively avoided while residents can still enjoy a comfortable living experience.

To promote the co-existence of energy efficiency and luxury, we also adjusted the lighting of the carpark to avoid unnecessary electricity consumption. Our mindful installation of charging stations for electric vehicles at every parking space enables residents' smooth switch to low-carbon transportation practices.



Green roof and full-height glass curtain wall design



EV charging facility at car park



ENVIRONMENTAL RESPONSIBILITY

Hotels

For our hotel operations, Regal has put in place management systems to closely monitor and evaluate its energy consumption and greenhouse gas emissions. To attain international standards on energy efficiency, several hotels have adopted ISO 50001 Energy Management System and measured their greenhouse gas emissions according to ISO 14064 Greenhouse Gas Accounting and Verification certification.

Every year, all hotels are required to propose targets on energy and carbon reduction, together with concrete improvement plans and measures. This year, 0.73% and 0.44% reduction have been achieved respectively in energy consumption and carbon emissions when compared with performance in 2017.

Regal has adopted a wide range of measures to reduce energy consumption. Most of the lighting in Regal's hotels have been replaced or are in the process of replacing with more energy efficient LED lights. Besides, it 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 systems 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 audits in hotels to explore Energy Management Opportunities (EMOs). Regal also participates in Automated Demand Response Programmes organised by the power company, where Regal Airport Hotel, Regal Kowloon Hotel and Regal Riverside Hotel were rewarded with incentives.

To further promote the importance of energy reduction through green behaviours and lifestyles, Regal engages its guests and employees by posting energy-saving tips and reminders in hotel lobbies and guest rooms. Regal is anticipated to achieve more with the support of guests and employees.

Apart from energy reduction, Regal has also implemented specific measures to reduce greenhouse gas emissions and cope with the growing threat from climate change. For example, most of its hotels have installed electric vehicle charging stations to promote clean and low carbon transportation. The diesel-powered equipment in several hotels has been completely phased out and 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 were 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

Cosmopolitan strives to optimise energy performance during both construction and operational phases of its buildings, where consumption is significant.

To minimise energy consumption and greenhouse gas emissions, Cosmopolitan has widely adopted energy efficient materials and technologies in its Chengdu Project and Tianjin Project. Solar-powered and LED lightings are used at construction sites. Other construction material and component parts are certified with Construction Energy Efficiency Performance Labelling Certificates to ensure efficient use of energy throughout the construction phase. While in the operational phase, Cosmopolitan also makes good use of LED lightings with the aid of building automation systems to reduce unnecessary energy consumption. The design of both Cosmopolitan's projects conforms to the Design Standard for Energy Efficiency of Public Buildings and the Design Standard for Energy Efficiency of Residential Buildings of the national GuoBiao (GB) Standards.

ENVIRONMENTAL RESPONSIBILITY

In addition to compliance requirements, Cosmopolitan also adopted the following energy-efficient design in the Chengdu Project:

1	Motion sensor and lighting control	2	Low-e glass for residential towers
3	Maximise the use of natural ventilation	4	Variable speed water pumps
5	Reuse heat from chillers for hot water supply	6	Electric vehicle charging system

Cosmopolitan is also committed to minimising emissions from its development projects, such as using building materials that produce less air pollutants, like dust, and absorbing them by utilising landscaping. Besides, it sprays the construction areas regularly and applies shade cloth to cover dusty waste. Vehicles are required to drive through a washing bay for dirt removal before exiting the construction sites. Cosmopolitan hopes to effectively manage its emission through these measures and with support of the real-time dust monitoring system.

Water Management

Properties – Hong Kong

Fresh water has become a scarce natural resource. Bearing this in mind, Paliburg considers its responsibility to practice water efficient operations, as well as to promote the message of water conservation.

We understand that building construction requires an abundant amount of water for mortar and cement concrete preparation, cleaning and washing of equipment. To raise the water conservation awareness of construction workers on-site, we constantly deliver training courses with embedded environmental protection messages. Meanwhile, consumption is closely monitored by the contractors and reported to the Group to further identify abnormal consumption and potential technical problems, such as leakage, for our earliest remediation.



Wastewater treatment facilities at construction sites

Paliburg also takes care of the water discharge from its construction sites with due responsibility. All wastewater must be carefully treated before discharging to the nearby drainage or water bodies for the prevention of water pollution and contamination. We have carried different measures to abate such problems. For example, we select and arrange a designated area to collect wastewater generated from surface run-off; while soil exposure at site after excavation and backfilling is minimised to prevent soil erosion and associated water pollution.

Regarding our water management, we strictly adhere to the applicable local laws and regulations including the Water Pollution Control Ordinance.



ENVIRONMENTAL RESPONSIBILITY

Hotels

Hotel operation relies significantly on the use of water. Therefore, Regal strives to optimise its water consumption and practice responsible water consumption throughout its operations. Regal has implemented a number of measures to reduce water use. 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.

Meanwhile, some hotels have replaced the activated carbon in boiler tanks with quartz sand for water filtration in swimming pools, which help improve pool water quality and reduce the need for refilling pool water.

Properties – Mainland China

Cosmopolitan takes up every improvement opportunity to improve water efficiency in its operations. Water meters are installed which allow close monitoring of water consumption for each floor of the buildings and for the entire project. Corrosion-resistant and durable pipes are also the key for Cosmopolitan to minimise water consumption through leakage prevention.

To maximise the use of every drop of water, Cosmopolitan collects, treats and reuses the wastewater generated from the construction process where viable. For domestic use such as toilet flushing and washing cars, 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 applied.

Cosmopolitan also pays attention to the extraction of groundwater, which may cause severe problems for the nearby environment. Thus, the Tianjin development project has adopted groundwater replenishment measures by recharging the groundwater supplies with treated wastewater.

Cosmopolitan also treats wastewater to ensure the discharge makes no damage to the water 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

Waste Minimisation and Recycling

Properties – Hong Kong

A comprehensive waste management system is the key to successful waste generation reduction. The Company has established its waste management system with policies and guidelines, aiming to achieve significant waste reduction in our operations.

During construction, we generate different types of waste including quarry, metal, paper, timber and plastic products. We are committed to reusing and recycling materials with value whenever possible so as to reduce waste disposal at landfills. We also keep close track of the amount of generated and recycled waste, and regularly review the performance to compile improvement plans. On the other hand, we avoid over-ordering and have implemented punishment as negative incentives. Also, construction works are required to follow the standard working procedures to avoid cross-contamination of reusable or recyclable materials. With the optimal management strategy, we hope that building materials can be put to the most effective use.

ENVIRONMENTAL RESPONSIBILITY

Meanwhile, we rely on on-site workers to enhance the recycling practices and, thus, our reuse and recycle rate. Sorting of waste items in the designated storage areas at our construction sites before disposal is required to enable maximum recycling. Equipment and material packaging are recovered and properly stockpiled in dry and covered conditions to prevent wastage. All on-site environmental officers are responsible for conducting weekly waste inspections, ensuring the compliance of all construction activities and executing waste mitigation measures.

Building up on the solid foundation of waste management, we look up to sustainable material sourcing and use of material. We source sustainable timber certified by the Forest Stewardship Council, the American Forest and Paper Association or "Known Licensed Sources". We have also replaced the use of timber by aluminium formwork for constructing typical floors, to reduce unnecessary consumption of materials. Timber in good condition is reused as many times as possible, while reinforcement bars and falsework material are 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

For our property management operation, practices of reuse and recycle are widely employed in our managed properties. Waste separation bins and recyclable waste collection points are set up for customers' and tenants' convenience. Also, festive decorations in We Go MALL are properly installed for reuse.

The Group also complies with regulation and sets out 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 qualified external parties who will handle them in proper and environmentally sound ways.



Recycling bins on every floor of the residential buildings at Mount Regalia

Hotels

Waste generation is one of Regal's major environmental concerns. Thus, Regal has adopted measures for different aspects of its operations while 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 further improvement.

Food from catering service is a major source of waste in hotel operations. Regal has implemented measures to reduce food waste at source and avoid over-purchasing. By ordering ingredients and food supplies with close reference to the number of guests and meal reservations, Regal makes frequent estimation and adjustment on its orders. In addition, Regal has partnered with Foodlink Foundation, a leading Hong Kong hunger relief charity, to donate unconsumed food to people in need in the community.

ENVIRONMENTAL RESPONSIBILITY

During the year, several of Regal's hotels in Guangzhou and Shanghai have decided to stop the provision of disposable room amenities, advocating the concept of "Green Hotel" and encouraging guests to reduce waste during their travel. Regal also reuses disposable room amenities, including soap and shampoo to wash cleaning cloths, as well as donates the soap collected from hotels to the needy.

In response to the policy changes in Hong Kong and Mainland China, Regal has further improved its solid waste management by tracking and ensuring recyclable and non-recyclable waste is handled with due responsibility. For instance, registered and qualified collectors are engaged in the handling of its discarded electrical appliances, such as computers, fridges and televisions. As such, land contamination and leaking of hazardous waste such as refrigerant can be avoided.

Properties – Mainland China

Cosmopolitan has developed and implemented waste management policies which encourage reduction at source and recycling of waste. Waste disposal and recycling performance is also closely monitored by the engineering functions to identify further improvement opportunities.

As waste avoidance is the most effective way of waste management, Cosmopolitan implements related measures in each of its projects. For example, brick formwork for the foundation work in the Chengdu Project is adopted to replace traditional timber formwork. This can reduce the use of timber and minimise construction waste generated on site. Cosmopolitan also applies recyclable and durable construction materials, such as steel, glass and aluminium alloy, whenever viable. Cosmopolitan reuses its unwanted office furniture in construction sites to avoid wastage during refurbishment of its office.

Cosmopolitan puts in place standard procedure to responsibly handle waste that cannot be recycled or reused during construction. General waste is gathered and transported from the garbage chambers in every building to designated collection points daily. Construction waste, including building debris and waste engine oil, are regularly handed over to qualified service vendors. Sludge is cleared and sent to landfills regularly.

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 2019 ESG Reports.

SOCIAL RESPONSIBILITY

Fostering Community Engagement

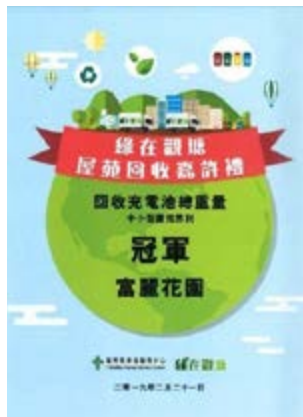
Properties – Hong Kong

Paliburg is committed to creating social goods in communities where it operates. As a socially responsible corporate, we consider participation and support to community events as a means to give back to the society and stakeholders and further shape a better future for everyone.

Apart from the conventional recycling programme mentioned in above environmental sections, both Paliburg and Regal collaborate with non-governmental organisations to recycle other resources. For instance, our managed properties, the Ascent and Fulrich Garden, supported the recycling programme held by the Cheung Sha Wan Kai Fong Welfare Association. We also engaged in the Natural Christmas Tree Recycling event organised by the Environmental Protection Department, as well as the battery recycling scheme organised by the Kwun Tong Community Green Station. Thanks to the active participation from our residents and tenants, we received several awards from the organisations in recognition of our contributions.



The Most Participated Estate in Recycling Award (最多參與回收項目獎) – the Fulrich Garden by Kwun Tong Community Green Station



The Highest Weight of Rechargeable Battery Recycled – Small and Medium Estates (回收充電電池總重量 – 中小型屋苑界別獎) – the Fulrich Garden by Kwun Tong Community Green Station



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



SOCIAL RESPONSIBILITY

Additionally, We Go MALL continues to collaborate with local organisations and offer 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.



Fai Chun Writing and CNY Decoration DIY



Community Ping Pong Fun Day



Happy Mother's Day - Instant Photo Booth

Hotels

Regal recognises community affairs as an essential element of corporate social responsibility and supports the community in the 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 17th year in recognition of its efforts in community development. Regal's efforts in volunteering services have also received certificates and recognitions from different government and community organisations, such as Volunteer Movement, Agency for Volunteer Service, Vocational Training Council and Rotary District 3450.

SOCIAL RESPONSIBILITY

Youth Development

Adhering to its focus, Regal strives to provide the younger generation with good education and development opportunities. Since 2015, it has organised an annual Youth Development Programme to stimulate students' interest in learning and help them acquire practical experiences out of classrooms. Students from the hotel and tourism related disciplines are offered scholarships and internship opportunities in Regal's hotels every year.



"Regal Hotels International Youth Development Programme 2019"

Regal also empowers the underprivileged youths with volunteering and monetary support. For example, through the partnership with a non-governmental organisation, the Regal Financial Center Hotel in Foshan donated parts of its sale proceeds and restaurant coupons to promote better development of underprivileged youths.



"Happy Children Day" organised by Regal Financial Center Hotel with Tongxin Education in Guangzhou

SOCIAL RESPONSIBILITY

Health Enhancement

Regal values healthy living conditions as important as educational opportunities and is committed to promoting a healthy lifestyle in the society by providing financial and other in-kind support to those in need of medical resources. During the year, it took active participation in several charity sales to raise funds for different organisations offering medical assistance.



Mooncake Charity Sales 2019 for Medecins Sans Frontieres



The 8th "Pink Dessert Charity Sales" for the Hong Kong Hereditary Breast Cancer Family Registry



Apart from supporting the medical services, Regal also advocates healthy lifestyles through its advocate of healthy dietary habits in its hotels' restaurants. During the year, some of its restaurants, including Regal Court, Café Allegro and Mezzo, participated in the "EatSmart Restaurant+" Campaign, which is a star-grading scheme launched by the Department of Health in recognising restaurant efforts to embrace healthy eating trends.



Supporting "EatSmart Restaurant+" Campaign



SOCIAL RESPONSIBILITY

Social Inclusion

Regal embraces inclusiveness and regards the creation of an inclusive community as the cornerstone of a society's harmony. Every individual, regardless of their background and capability, should enjoy equality and be respected. Hence, Regal reaches out to the underprivileged in the community through different social activities to bring colours to people's lives. In 2019, Regal supported and arranged volunteer participation in a number of social inclusion programmes, such as visits to elderly centres, the charity-walks and day-trips organised by the Hong Kong Federation of Handicapped Youth, as well as the art workshop with underprivileged kids from Haven of Hope Christian Service and the sport workshop with disabilities from Agency for Volunteer Service.

- Elderly Home Visit – Tung Chung Safe and Healthy City (20 March 2019)
- Elderly Home Visit – Women's Welfare Club Western District (13 September 2019)
- Elderly Home Visit – The Hong Kong Society for the Aged (26 July 2019)
- Elderly Home Visit – Methodist Centre (23 February 2019)
- Elderly Home Visit – Pok Oi Hospital (29 June 2019)



Joy Charity Walk organised by the Hong Kong Federation of Handicapped Youth

SOCIAL RESPONSIBILITY

Properties – Mainland China

For our properties in Mainland China, Cosmopolitan is committed to providing equal access for all people to embrace every resident with a comfortable and enjoyable living experience. Elements of social inclusion are well embedded in the development projects. In the Tianjin Project, elevator buttons were added at appropriate height for the disabled. Other facilities like ramps will become general construction standards to facilitate access in their daily life. Cosmopolitan hopes the underprivileged and the disabled can gain barrier-free access through inclusive design.

In addition to the project design, Cosmopolitan also gives back to the community through in-kind donation. The Chengdu Project donated rice to the needy in the local community during the time of Chinese New Year to extend our care to the underprivileged.

For more information about the community programmes of Regal and Cosmopolitan during the reporting period, please refer to the social section in their respective 2019 ESG Reports.



ECONOMIC RESPONSIBILITY

Caring for Employees

Paliburg Group maintains a human resources policy with an aim to foster long-term cooperative relationships with our employees. Apart from adhering to relevant laws and regulations, we are devoted to developing a pleasant and inclusive working environment for all of our employees. The policy attaches important values, standards and terms in responding to the needs of our employees. We have formulated relevant employment practices under the policy and according to industry practices to attract and retain talents.

The Group is also committed to grow together with our employees. By offering them opportunities to learn and develop, we wish to achieve with them an excellent working and business performance. An extensive range of training programmes and resources are provided to them, together with professional and close guidance from individual supervisors. These employee-friendly initiatives are vital and closely related to the Group's delivery of quality products and services.

The Company complies with all relevant laws and regulations⁵ regarding employment and labour issues, including compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, provision of benefits and welfare, safe working environment and child and forced labour.

Recruitment, Retention and Benefits

As an equal opportunity employer, Paliburg Group values one's ability, skills and experience throughout its recruitment and promotion exercises. A structured and fair system is established to ensure the execution of employment practices are opened, fair and unbiased.

We fully understand that retaining and developing talents is essential for the continuity and sustainable development of our business. Therefore, we offer competitive remuneration packages to employees and also numerous opportunities to support their personal and career development and help to unleash their potential.

Our employee handbook outlines the roles and responsibilities of employees at different levels and positions. The handbook is distributed and communicated to every staff member on their onboarding day. It also captures the reward mechanisms adopted to recognise employees' contribution through annual salary reviews and different award programmes. We have also established communication channels to collect employee feedback for the sake of building a more considerate and thoughtful workplace.

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

⁵ The laws and regulations include the Employment Ordinance (Cap. 57), Sex Discrimination Ordinance (Cap. 480), Disability Discrimination Ordinance (Cap. 487), Family Status Discrimination Ordinance (Cap. 527), Race Discrimination Ordinance (Cap. 602), Occupational Safety and Health Ordinance (Cap. 509), Factories and Industrial Undertakings Ordinance (Cap. 59), Employment of Children Regulations (Cap. 57B) and Employment of Young Persons (Industry) Regulations (Cap. 57C).

ECONOMIC RESPONSIBILITY

Learning and Career Development

Paliburg Group understands that employees' ability and skills are closely correlated with the Group's operations efficiency. We also believe that it is a corporate responsibility to support employees in professional and personal growth. Therefore, we encourage all employees to pursue life-long learning and provide tangible support in forms of financial and educational resources.

Our staff training and development policies are clearly stated in our Employee Handbook, which is communicated to every employee during their onboarding stage. The policies set up the roles and responsibilities of both the Group and employees in advancing their professionalism.

From their first day joining Paliburg, we provide employees with an induction programme introducing them to our working environment and our Company's culture. Every year, we prepare a round-the-year series of training programmes based on the business development direction and industrial trends to equip employees at different levels and positions with relevant knowledge and capabilities. For example, property management staff in Mount Regalia have received training on the mechanical ventilation and air-conditioning (MVAC) installation, plumbing and drainage system, Octopus Card system and fire services, gaining practical knowledge to handle related urgent concerns raised by residents. Regular health and safety training is also essential to equip our employees with appropriate techniques and knowledge for their daily performance of duties.



Beyond internal training, we encourage employees to attend training courses outside the office by offering subsidies. The sponsorship covers tuition and related fees such as application and examination fees with case-by-case considerations. We will continue to encourage employees to participate in training and development programmes while further expanding the support given to them in the future.

ECONOMIC RESPONSIBILITY

Employee Engagement

Paliburg Group strives to maintain an open and harmonious workplace for our talents and believes that it can be achieved by active engagement activities and communication. From time to time, our Staff Recreation Club organises leisure and recreational activities after working hours, such as sport competitions, annual dinners and festival celebrations, to engage employees and promote work-life balance. In recognition of their contribution and loyalty over the years, we present our long-serving staff with the Year-of-Service Award.

Also, the Company has developed channels, such as regular staff meetings, annual surveys and Facebook page, for employees to express their concerns or grievances to their immediate supervisors or management. The management is then required to respond to enquiries within a given timeframe.

In Regal, every employee is assigned with a personal supervisor who they can constantly reach for open discussion of performance and career development goals. At the same time, supervisors can collect feedback from employees and forward it to senior management when necessary. Meanwhile, Cosmopolitan organised employee trips, outward development and sport activities so as to strengthen the team bonding and employees' sense of belonging.



Outward development activity



Staff basketball game

Workplace Health and Safety

Properties – Hong Kong

Paliburg endeavours to create a safe and healthy working environment for our employees. We have established a Safety Management Committee to oversee the safety performance of the individual operations of our development projects. We also rolled up stringent safety and health standards under our safety and health working system. Under the system, safety measures are implemented regarding the practical environment of sites and offices. The committee assists the review and update of occupational health and safety related policies and measures on a regular basis, ensuring our practices of operational standards are up-to-date and effective.

Through annual internal and external safety audits, we have identified black spots in the workplace, with specific regards to our construction sites. The committee and relevant safety officers work jointly to formulate remedial plans which are implemented as soon as possible. Meanwhile, such information is communicated with members working in the respective sites clearly to minimise the risks of accidents.

ECONOMIC RESPONSIBILITY

To reinforce employees' awareness of occupational health and safety, we promote the ideas by means of education and training. On construction sites, all site staff and workers are required to attend site specific induction training, which covers health and safety, before conducting any construction work. Workers are also provided with protective equipment and only allowed to perform duties with the equipment on. They are also required to follow all laws and regulations and standards listed in our policies. Additionally, regular evaluation drills are carried out to familiarise workers with the evacuation and handling procedures in case of emergency. These measures serve as a comprehensive approach to minimise safety hazards in our workplace.

Hotels

For our hotel business, Regal takes a pragmatic management approach to monitor and coordinate safety work under the supervision of the Safety Committee. Regal administers its system management system and the Safety Policy to ensure compliance with all laws and regulation applicable to its operations. The policy is reviewed periodically to keep up with the latest developments in occupational health and safety regulations.

While at operational level, a dedicated team comprising experienced Safety and Security Officers is responsible for the identification of potential hazards and development of improvement measures. Every member of the staff is required to perform their duties in adherence to the Safety Manual to mitigate risks of work-related injury and damages. The manual covers instructions on all stages of work in the hospitality operation, from room cleaning and catering to engineering and renovation work. Regal also provides sufficient personal protective equipment for employees to perform works with high risks.

Regular training is arranged for all employees to strengthen their sense of alert to workplace safety. Regal also invites external parties to deliver professional training for the supervisory personnel and management. To better prepare ourselves for any emergencies, we have formulated contingency plans and organised training and drills from time to time.

Meanwhile, the Safety and Security Officers are required to submit monthly safety reports in details stating occurrence of any accidents, injury statistical data, health and safety training undertaken, safety inspections and audits. The information is well-documented for future reference after the approval of the management and completion of follow-up actions.



Regal Kowloon 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 safe and pleasant working environment for employees, Cosmopolitan regards occupational health and safety of high importance. By engaging contractors actively through communication, Cosmopolitan identified material safety issues or risk on sites. The health and safety policies outline the standards and compliance with relevant laws and regulation, as well as the requirements for workers' training and qualifications.

Cosmopolitan also provides training to workers to familiarise them with procedures and standards working on-site. Only qualified workers passing the training courses are eligible to work on site. Along the construction project, Cosmopolitan constantly reminds workers of safety measures and instructions of operating vehicles and machines by distributing leaflets.

As a vital party in upholding on-site safety, contractors are invited to participate in meetings, workshops and training to further align the practices with our internal and industry standards. Cosmopolitan requires all its contractors to provide safety training for every new worker before onboarding 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.

In the Chengdu Project, a comprehensive Safety Construction Management Policy has been implemented with supervision from the project managers. Cosmopolitan promotes a safe working environment such as placing warning signs to remind workers to stay alert of accidents and actively take proactive 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. To ensure the proper enforcement of the policies, Cosmopolitan employs active on-site monitoring and implements mitigation measures if deficiencies are identified.

During the reporting period, there were no non-compliance cases regarding occupational health and safety in our operations.

Caring for Our Customers

The Group is committed to excellent product and service offerings to our valued customers and guests. For our hotel and property segment, we pay the utmost attention to quality management and do our best to ensure customers' health and safety, while their concerns are heard, handled and addressed responsibly.

Product and Service Quality

Properties – Hong Kong

Paliburg strives to build properties of good quality and offer services with heart to customers and tenants. We assure and monitor such delivery through a sound quality assurance system and in compliance with all applicable laws and regulations⁶.

⁶ The laws and regulations include the Residential Properties (First-hand Sales) Ordinance (Cap. 621), Public Health & Municipal Service Ordinance (Cap. 132), Gas Safety Ordinance (Cap. 51), Fire Services Ordinance (Cap. 95).

ECONOMIC RESPONSIBILITY

A three-pronged quality management approach is developed and enables our comprehensive management of building and property quality. Procedures are divided in stages of pre-construction, construction and post-construction phases. In the pre-construction phase, we formulate plans over building design and construction materials decisions. The building plans are reviewed by architecture and construction experts. Certificates of compliance and relevant assessment reports for each material are required to confirm the quality is up to standards. This can help protect end-users from any potential hazards caused by the unsatisfactory material used. During 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 serves as a critical procedure in which quality checks are carried out strictly with reference to the quality and safety criteria set.

Apart from building quality, we put emphasis on maintaining qualities services in our managed properties and aim to enhance residents' day-to-day living quality and tenants' business operational efficiency. By actively listening to our residents and tenants' opinions collected through formal and informal channels, we look for continuous improvement plans and mitigation actions. For instance, we engaged a professional pest control company for services in Mount Regalia after receiving complaints from the residents. Regular customer satisfaction surveys are distributed to obtain objective feedback on our performance regarding staff attitude, safety, cleanness and clubhouse services, etc. Also, we provide a comments-collection box for advice and suggestions at our management offices and hotlines for residents and tenants of each of our developments. We have also established customer complaint handling procedures and assigned designated personnel to handle complaints from residents, tenants, customers and the public received through hotlines, the comments-collection box and the internet.

Both Paliburg and Regal regard residents and tenants' health and safety of paramount priority. Therefore, we have established a set of Working Guidelines for frontline staff, 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. In addition, emergency drills are arranged from time to time at the properties to ensure frontline staff are familiar with the procedures.

Hotels

Regal is committed to providing our customers with premium services and amenities. Its long-standing commitment to safety, quality and attention to detail has enabled Regal to become a world-class hotel management group and a pre-eminent hotel brand in Asia.

To provide customer-oriented services and stand out in the rapidly changing hospitality industry, Regal is always glad and open to hear feedback from its guests. It also proactively engages and communicates with its guests through various channels, including the Regal Rewards and 925 Club, guest questionnaires and websites, to collect opinions on our services during their stay. Regal's Guest Comments Reply Standards help ensure guest feedback is handled at priority, regardless of nature. Every comment is effectively and appropriately categorised and processed by the relevant departments for follow-up at all times. Reply shall be made to the guest in person or by writing within 48 hours and further follow-up action will be taken when necessary.



ECONOMIC RESPONSIBILITY

Regal has always placed the health and safety of its guests at the forefront. Therefore, Regal has developed a set of procedures to assist its employees in handling emergencies in a lawful and efficient manner. All food suppliers are required to submit a full list of ingredients with supporting documents for their delivery of ready-made food and declare compliance with Hong Kong laws and regulations. Regal has also implemented ISO 22000:2005 Food Safety Management Systems in a number of its hotels, in which “traceability” is a core requirement. Safety checks are also conducted on all incoming raw materials from suppliers. In this manner, all hotels ensure the safety of ingredients and food sourced from suppliers.

To prevent risks of cross-contamination, all food products are categorised and stored separately by the category. In addition, selected supplier products and/or process controls are audited on-site during plant visits to ensure the safety of food supply. In 2019, the Group Hygiene Manager conducted 9 site visits, and no case of major fault was detected.



Personal A.I. Trainer - OliveX Smart Fitness Mirrors

Regal strives to advocate fitness culture across its hotels. By installing smart fitness mirrors in the selected rooms and lounge of iclub Mong Kok Hotel, these mirrors can provide guests with one-on-one personal trainer services by offering training videos such as yoga, Pilates, HIIT etc. With the application of human posture artificial intelligence technology, the front camera of the mirror can be used to scan the user’s position and posture, and then provide users with comments and ratings about their exercise intensity. By adopting this latest equipment in hotels, Regal is committed to promoting a healthy lifestyle and providing guests with a more comprehensive hotel experience.

Properties – Mainland China

To assure the high quality of products and services, Cosmopolitan has adopted quality assurance and monitoring systems for its development projects. Same as Paliburg, Cosmopolitan has also adopted a three-pronged quality management approach to ensure the building quality. The approach allows Cosmopolitan to control over building plans and material selections. Projects will only proceed with approval from architectural and construction experts and after all identified issues are resolved. We also monitor the structural work and information management during the construction phase and carry our quality management exercises upon the completion to ensure a satisfactory delivery of final products.

Cosmopolitan collects customers feedback and opinions by making use of customer satisfaction surveys. The surveys cover diverse aspects, including staff attitude, technical skills, safety conditions and clubhouse services, etc. Key areas of improvement can be identified after analysis of the survey results.

Customer Privacy

Properties – Hong Kong

The Group respects the privacy of every individual and, thus, handles all personal data collected from our customers and tenants in compliance with the relevant laws and regulations in Hong Kong and Mainland China.⁷

⁷ The applicable laws and regulations include the Personal Data (Privacy) Ordinance of Hong Kong.

ECONOMIC RESPONSIBILITY

An array of protection measures has been adopted by the Company, as well as the contracted third parties including the property managers. We are committed to handle the information with attentive care and grant limited access to employees who are delegated with relevant duties.

To further secure our customers' rights, a Personal Information Collection Statement must be provided to buyers of our residential units in the preliminary agreement for sales and purchase. We ensure documents containing private and confidential information must be destroyed properly before disposal. Where necessary, employees are required to sign a confidentiality agreement stipulating 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 must be handled with strict confidentiality. Employees are given different levels of access rights to personal data according to their positions and job duties, which ensures only authorised personnel can access such information. Personal data collected will only be used for membership programme administration and marketing with the customer consents. Regal also complies with the European Union General Data Protection Regulation and provides guests 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 stays cautious in handling customers' personal information and has issued its data protection policy. All personal data collected is handled with a high level of confidentiality. Where appropriate, employees are requested to sign a confidentiality agreement restricting them from disclosing internal and personal information, including trade and customer information. Any unauthorised disclosures of such personal information may result in legal liability and punishment.

Supply Chain Management

Properties – Hong Kong

Our supply chain comprises a wide range of suppliers and contractors who secure our day-to-day operations with quality products and services. Major types include construction material and service providers, property management contractors and office consumables providers. We work closely with them based on our supply chain management approach and aim to build long-term sustainable partnerships.

A set of standard procedures are set up to define the responsibilities of personnel handling procurement and tendering exercises, as well as the requirements to suppliers and contractors during their engagement with the Group. To achieve optimal performance, we select and monitor our suppliers in aspects from product and services quality to occupational health and safety policies, as well as their compliance with applicable environmental and social regulations. In the tendering process, tenderers are required to provide relevant working records for background inspection and examination. Considerations will only be given to qualified suppliers and contractors.

The respective personnel from the property management office and project department are responsible for monitoring and evaluating suppliers' general performance, final products and services according to detailed checklists developed. Apart from that, we carry out on-site checking to review the working conditions and environmental standards they offer to employees. The evaluation results will be used to determine future cooperation opportunities.



ECONOMIC RESPONSIBILITY

We believe that while our procurement does not only affect our product and service quality, but also the environment and community. Therefore, we collaborate with our suppliers to achieve our sustainability goals by sharing good practices. For this purpose, we prioritise and select suppliers that uphold similar environmental and social values.

Hotels

Regal has an extensive and complex supply chain that involves a vast network of vendors across the globe offering a wide range of products and services. Starting from the selection process, Regal evaluates vendors and gives preference to accredited partners that satisfy specific procurement terms and guidance to balance its quality and cost of procured materials. Bidders are required to provide necessary samples and catalogues for testing and examination priorities are given to those that are ISO 9001 certified. Also, Regal considers the environmental and social impacts of its suppliers as parts of the selection criteria.

A mechanism is set up to monitor suppliers' performance and compliance with laws as the partnerships progress. To achieve better supply chain and risk management, Regal's Purchasing Department is responsible for managing procurement of items that support most of the daily operations including food and beverage products, guest room supplies and engineering materials.

Under the Green Purchasing Policy, Regal's purchasing manager and hygiene manager evaluate potential suppliers and contractors based on an On-Site Evaluation Checklist to ensure they adopt environmentally friendly techniques to process the products. The policy states that Regal should purchase recycled and other environmentally preferable products whenever they meet performance requirements and are economically viable. Regal procures products and materials that have minimal impacts on the environment and human health, prohibits the use of disposable cutlery and purchases vegetables and fruits from local farmers whenever possible.

Properties – Mainland China

Adhering to the Group's approach in pursuing a fair and competent environment, Cosmopolitan adopts a holistic approach to decentralise tendering management and decision-making. To better manage the interfaces 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 engages only qualified suppliers that are licensed by the government and relevant certification bodies. Whenever possible, priorities are given to local enterprises for lessening environmental footprints from logistics while promoting local economic development and employment opportunity. While upholding high standards on the selected products, it monitors the performance of contractors and suppliers on a continuous basis and keeps records for future tendering processes.

Apart from product quality, Cosmopolitan values integrity of suppliers and has zero tolerance for corruption. Suppliers and contractors are required to sign a "Sunlight Declaration (「陽光宣言」)" before entering the partnerships. 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.

Anti-corruption

Properties – Hong Kong

Paliburg has established explicit anti-corruption policies based on related laws and regulations⁸. Paliburg has likewise zero-tolerance towards any breaches of the requirements stipulated in its anti-corruption policies, including bribery, anti-competition, money laundering, fraud and corruption. Employees are required to perform their duties with the highest attention to the Company's integrity principles and report to the management whenever suspicious behaviours are observed.

During the reporting period, the Group complied with the relevant laws and regulations that have a significant impact on the Group, 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 2019.

Hotels

Regal strictly prohibits any bribery, corruption and gift giving in its business operations. It communicates with its employees and suppliers on anti-corruption controls and standards through the policies set out in its Employee Handbook and Supplier Code of Conduct respectively. The policies provide definitions and scenarios description on such incidents, together with guidelines on handling and reporting.

Regal arranges regular ICAC talks for employees to enhance their understanding on anti-corruption and remind them of the importance of business integrity. Any employee who is found to be involved in corruption or bribery is subject to disciplinary action or immediate termination. Similarly, Regal expects parties related to its business operations, such as procurement, to avoid any forms of conflict of interest situations. If its employees are affiliated with other business dealings with the Group, they are required to disclose such information to the Group. Otherwise, disciplinary action or immediate termination may apply.

For more information about the awards, recognitions, qualifications and memberships of Regal during the reporting period, please refer to Appendix I in Regal's 2019 ESG Report.

Properties – Mainland China

Cosmopolitan sets high levels of integrity standards in its business operations. With a strong commitment to preventing bribery and corruption, Cosmopolitan has established anti-corruption policies. Stipulated in the Employee Handbook, all employees are expected to uphold high standards of honesty and integrity in their performance of duties. Zero tolerance is given to any violations of the code of conduct and inappropriate behaviours. All subsidiaries, departments, business units and projects are subject to the rigorous control mechanisms.

⁸ The relevant laws and regulations include the Prevention of Bribery Ordinance (Cap. 201).

APPENDIX I – PERFORMANCE TABLES

Environmental Responsibility Performance⁹

	Units	Performance in 2018	Performance in 2019
Air Emissions^{10, 11}			
Nitrogen Oxides (NOx)	kg	2,125	2,774
Hotels	kg	2,125	2,769
Properties – Mainland China	kg	/	5
Sulphur Oxides (SOx)	kg	7.87	7.01
Hotels	kg	7.87	6.87
Properties – Mainland China	kg	/	0.14
Particulate Matters (PM)	kg	99	129.36
Hotels	kg	99	129.00
Properties – Mainland China	kg	/	0.36

⁹ The performance data includes the property development and management in Hong Kong and Mainland China, and the hospitality operations in Hong Kong in 2018 and 2019.

¹⁰ The air emission data was first collected in 2019, thus some of the data in 2018 is not available.

¹¹ The air emission data of the property development and management operations in Hong Kong is insignificant, thus the data is not disclosed.

APPENDIX I – PERFORMANCE TABLES

	Units	Performance in 2018	Performance in 2019
Greenhouse gas (GHG) emissions			
Total GHG emissions	tonnes of CO ₂ equivalent (tonnes CO ₂ e)	60,944	61,925
Property management – Hong Kong	tonnes CO ₂ e	5,825	6,430
Property development – Hong Kong	tonnes CO ₂ e	857	775
Hotels	tonnes CO ₂ e	53,779	54,303
Properties – Mainland China	tonnes CO ₂ e	483	417
Direct GHG emissions (Scope 1)¹²	tonnes CO ₂ e	9,032	8,398
Property management – Hong Kong	tonnes CO ₂ e	1	1
Property development – Hong Kong	tonnes CO ₂ e	243	172
Hotels	tonnes CO ₂ e	8,780	8,096
Properties – Mainland China ¹³	tonnes CO ₂ e	7	129
Indirect GHG emissions (Scope 2)¹⁴	tonnes CO ₂ e	51,912	53,527
Property management – Hong Kong	tonnes CO ₂ e	5,824	6,429
Property development – Hong Kong	tonnes CO ₂ e	614	603
Hotels	tonnes CO ₂ e	44,999	46,207
Properties – Mainland China ¹³	tonnes CO ₂ e	476	288
GHG emission intensity¹⁵			
Property management – Hong Kong	kg CO ₂ e/m ²	40.44	33.70
Property development – Hong Kong	kg CO ₂ e/m ²	10.07	10.85
Hotels ¹⁶	kg CO ₂ e/equivalent guest night ¹⁷	14.59	17.29
Properties – Mainland China	kg CO ₂ e/m ²	0.75	0.65

¹² Direct GHG emissions generated from fuel consumption.

¹³ The GHG emissions data in 2018 is revised to reflect the actual situation.

¹⁴ Indirect GHG emissions generated from electricity and town gas consumption.

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

¹⁶ These figures were affected as the number of equivalent guest nights decreased.

¹⁷ 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 2018	Performance in 2019
Energy consumption			
Total energy consumption	GJ	416,817	417,299
Property management – Hong Kong	GJ	34,360	38,336
Property development – Hong Kong	GJ	7,463	6,234
Hotels	GJ	372,512	371,057
Properties – Mainland China	GJ	2,482	1,672
Electricity	kWh	77,496,649	77,918,663
Property management – Hong Kong	kWh	9,541,036	10,648,806
Property development – Hong Kong	kWh	1,145,935	1,077,003
Hotels	kWh	66,147,823	65,828,685
Properties – Mainland China ¹⁸	kWh	661,855	369,169
Fuel	GJ	20,903	17,962
Property management – Hong Kong	GJ	12.5	18.5
Property development – Hong Kong	GJ	3,337	2,357
Hotels	GJ	17,454	15,243
Properties – Mainland China ¹⁹	GJ	99	343
Towngas consumption in Hotels	GJ	116,926	118,830
Steam consumption in Hotels	GJ	0	0
Energy intensity			
Property management – Hong Kong	GJ/m ²	0.24	0.20
Property development – Hong Kong	GJ/m ²	0.09	0.09
Hotels ¹⁶	GJ/equivalent guest night	0.12	0.12
Properties – Mainland China	GJ/m ²	0.004	0.003

¹⁸ The decrease in electricity consumption in 2019 is due to handover of sales centre and landscaping management to property management company in the Chengdu Project and temporary closure of sales centre in the Tianjin Project.

¹⁹ The fuel consumption figure includes consumption of petrol and liquefied petroleum gas generated from the staff canteen in the Chengdu Project, which was first collected in 2019.

APPENDIX I – PERFORMANCE TABLES

	Units	Performance in 2018	Performance in 2019
Water consumption			
Total water consumption	m ³	917,342	840,654
Property management – Hong Kong	m ³	27,774	25,328 ²⁰
Property development – Hong Kong	m ³	37,894	27,966
Hotels ¹⁶	m ³	844,230	767,683
Properties – Mainland China ²¹	m ³	7,253	20,085
Water intensity			
Property management – Hong Kong	m ³ /m ²	0.19	0.13 ²⁰
Property development – Hong Kong	m ³ /m ²	0.45	0.62
Hotels ¹⁶	m ³ /equivalent guest night	0.23	0.24
Properties – Mainland China	m ³ /m ²	0.011	0.031
Waste disposal and recycled			
General waste disposed²²			
Property management – Hong Kong	tonnes	15,220	13,251
Property development – Hong Kong	tonnes	/	7,423
Hotels	tonnes	10,781	3,328
Property – Mainland China	tonnes	4,428	2,500
		10.86	0.14
Waste recycled²³			
Wood	kg	23,690	42,300
Metal and iron	kg	58,790	42,171
Old concrete	kg	10,000	9,500
Used cooking oil ²⁴	litre	19,576	5,168
Aluminium cans	kg	3,835	4,281
Plastic bottles	kg	16,559	14,734
Paper/cardboard	kg	148,909	147,222
Food waste and donations ²⁴	kg	169,889	472
Glass	kg	25,908	21,165
Soap ²⁴	kg	1,836	734
Hazardous waste disposed²⁵			
Retired lighting fitting	pieces	/	4,413
Battery (for industrial/commercial use)	pieces	/	545
Waste oil	kg	/	18
Filler	kg	/	3
Filler, paint and solvent containers	pieces	32	11

²⁰ The water consumption data of four of our managed properties in Hong Kong remains unavailable from the Water Services Department at the time of Report publication, thus the total water consumption of the property management operations in Hong Kong is estimated using the average monthly consumption data of respective sites during the rest in 2019. The data shall be revised in our 2020 ESG Report.

²¹ The increase in water consumption in 2019 is mainly due to short-term acceleration of construction progress in the Chengdu Project.

²² The waste disposal data in 2018 is revised to reflect the actual situation.

²³ The waste category is redefined in 2019 and some of the waste recycled data is revised to better reflect the types of waste recycled.

²⁴ The decrease in waste disposed and recycled in 2019 is mainly due to Regal's adoption of green business practices and impacts of the changing socio-economic situations.

²⁵ We started to collect hazardous waste disposal data from operations in Hong Kong in 2019, thus the data in 2018 is not available.

APPENDIX I – PERFORMANCE TABLES

Economic Responsibility Performance²⁶

Employment Practice²⁷

	Units	Performance in 2018	Performance in 2019
Total workforce by employment contract			
Permanent	number of people	2,028	2,094
Contract	number of people	203	175
Trainee	number of people	8	4
Total workforce	number of people	2,239	2,273
Total workforce by gender			
Male	number of people	1,176	1,190
Female	number of people	1,063	1,083
Total workforce by age group			
Under 25	number of people	181	168
25 – less than 40	number of people	718	715
40 – less than 55	number of people	932	928
55 or above	number of people	408	462
Total workforce by employment category			
Senior management ²⁹	number of people	75	33
Middle management	number of people	354	213
General employees	number of people	1,810	2,027

Occupational Health and Safety

	Units	Performance in 2018	Performance in 2019
Total number of work-related fatalities	number of people	0	0
Total number of lost day ²⁸ due to work injuries	number of days	2,001.5	2,975.0

²⁶ The performance data includes the property development and management in Hong Kong and Mainland China, and the hospitality operations in Hong Kong in 2018 and 2019.

²⁷ In 2018, we reported the figures as in March according to the Annual Report. The total workforce figures were aligned and reported as at 31 December in 2018 and 2019.

²⁸ Lost days refer to sick leave due to all types of work-related injuries.

²⁹ For the purpose of disclosure in this report, senior management excludes the corporate general managers and directors.

APPENDIX I – PERFORMANCE TABLES

Development and Training

	Units	Performance in 2018	Performance in 2019
Percentage of employees trained by gender³⁰			
Male	%	/	59
Female	%	/	52
Percentage of employees trained by employment category²⁸			
Senior management	%	/	42
Middle management	%	/	53
General employees	%	/	57
Average training hours by gender			
Male	number of hours	6	4
Female	number of hours	6	4
Average training hours by employment category			
Senior management	number of hours	15	6
Middle management	number of hours	8	5
General employees	number of hours	6	4

Supply Chain Management

	Units	Performance in 2018	Performance in 2019
Number of suppliers by geographical region			
Hong Kong	number of suppliers	2,282	2,522
Mainland China	number of suppliers	267	371
Overseas	number of suppliers	70	75

³⁰ The percentage of trained employee data of all operations in Hong Kong and Mainland China was first disclosed in 2019, thus the data in 2018 is not available.

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

Indicators		Section/ Statement
A. Environmental		
Aspect A1: Emissions	<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 <p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p>	Environmental Responsibility
	<p>KPI A1.1 The types of emissions and respective emissions data.</p>	Environmental Responsibility Performance
	<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>	Environmental Responsibility Performance
	<p>KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p>	Environmental Responsibility Performance
	<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>	Environmental Responsibility Performance
	<p>KPI A1.5 Description of measures to mitigate emissions and results achieved.</p>	Environmental Responsibility
	<p>KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.</p>	Environmental Responsibility

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

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

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

Indicators		Section/ Statement
B. Social		
Employment and Labour Practices		
Aspect B1: Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Economic Responsibility
Aspect B2: Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Economic Responsibility
Aspect B3: Development and Training	General Disclosure Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.	Economic Responsibility
Aspect B4: Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	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

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