



WHARF

Established 1886

THE WHARF (HOLDINGS) LIMITED

STOCK CODE : 0004

SUSTAINABILITY REPORT 2018



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Message from the Chairman and Managing Director

GRI 102-14

This is the fifth Sustainability Report of The Wharf (Holdings) Limited ("Wharf Holdings" or "the Group"), encapsulating how we consider and manage sustainability in our business operations to create social goods.

Anchored on our long-standing mission "Building for Tomorrow", the Group is committed to achieving sustainable business operations. To us, sustainability is not a slogan for good reputation, but our vision and core value to ensure a persistent and integral approach for business and community development.

2018 has been a busy but fruitful year. Changsha International Finance Square ("IFS") is injecting new impetus in the Central China region as it emerges as the community hub for the city, bringing a vast array of exhibitions, cultural activities, festivals, and art collaborations. With our strong presence in Mainland China, we continue to provide supreme retail and office spaces for international brands and offer sophisticated hospitality.

Our efforts have been well recognised by the public. In 2018, Wharf Holdings remains as one of the constituents of Hang Seng Corporate Sustainability Index, which include the top 30 companies with outstanding sustainability performance listed in Hong Kong. The index inclusion acknowledges our endeavour in sustainable business operations and drives us to go the extra mile. We also received a Special Mention of the Sustainability and Social Responsibility Reporting Award of Non-Hang Seng Index (Large Market Capitalisation) organised by HKICPA, acclaimed our endeavour towards sustainability.

Embracing the values advocated by international initiatives, we continue to align our management practices with the United Nations Sustainable Development Goals. We put in place policies and management approaches with reference to international guidelines and industry good practices. Meanwhile, we also support government's move on promoting sustainable development. For example, we fully support the reduction of overall waste disposal. To better prepare our business operations for waste reduction at source and enhance existing

recycling practices, in 2018, we implemented Waste Management Policy at our Business Units to build our capacity in coping with municipal waste.

A special report was published by the UN Intergovernmental Panel on Climate Change ("IPCC") in late 2018 to urge for limiting global warming to 1.5°C above pre-industrial level. As a global citizen, we strive to echo with the call for action and reduce our impact on climate change. We continue to pay close attention to the climate-related risks and opportunities in our business operations to align with the global initiative. We are also eager to work with our different stakeholders to explore more green management strategies and build a low carbon tomorrow.

Promoting "Business-in-Community" spirit among our employees, we continue to build on our flagship community investment programme, Project WeCan ("WeCan"), to bolster youth development. WeCan aims at providing support to students who are disadvantaged in learning with opportunities and care. In 2018, we are delighted to see 23 new schools joining WeCan, taking the number of partner schools to 76, currently supported by 69 organisations and covering over 66,000 students. This year, we also initiated a 6-month long initiative called "We Knit You", where over 700 volunteers from China investment properties, including our employees, their families and friends, and our business partners, joined hands to knit scarves for the elderly and children in need in our community. Over 1,150 scarves were knitted and delivered to the elderly and children from 14 social service organisations.

An inclusive and positive workplace creates synergy among our employees and promotes productivity at work. We endeavour to create a respectful workplace and rewarding work experience for every employee. We value their contribution and provide training and succession opportunities for their professional development. Upholding our zero-harm aspiration, we revamped our occupational safety and health management systems. Relevant training is offered to our employees and contracted workers to reduce work-related injuries within our workforce.

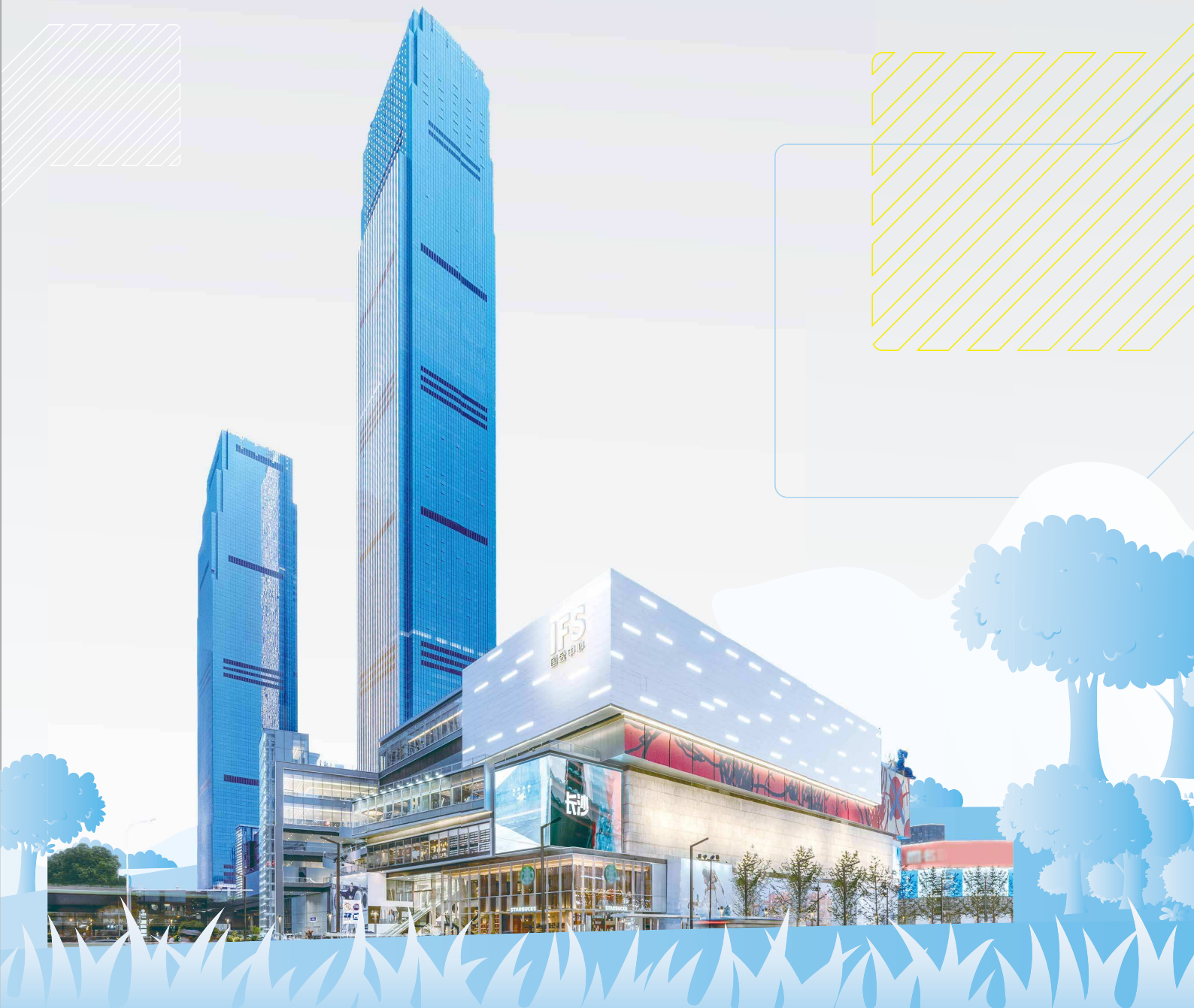
Use of innovation and technology to improve customer experience has been prominent in the industry. We strive to enhance our customers' experience by constantly adopting the latest technology available. In Changsha IFS, we installed interactive directory with navigation function for visitors. Our online parking fee payment system also enables convenient parking experience.

Achieving sustainable business operations is not possible if working in silos. I would like to express

my gratitude to all the stakeholders who assisted Wharf Holdings in this journey. I sincerely invite our stakeholders to continue to work with us and build a more sustainable future.

Stephen T H Ng

Chairman and Managing Director
Hong Kong





ABOUT OUR BUSINESS



About Our Business

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

About Wharf Holdings¹

Established in 1886, Wharf Holdings is a respected Hong Kong company. After the 2017 demerger of its Hong Kong investment property portfolio to Wharf Real Estate Investment Company Limited ("Wharf REIC"), Wharf Holdings is principally engaged in Hong Kong development properties, Mainland China development and investment properties, and hospitality management under Wharf Hotels Management Limited ("WHML"). It operates its port and logistics operation under Modern Terminals Limited ("Modern Terminals").

Our proven management expertise enables us to support our deep-rooted "Building for Tomorrow" mission. This balances stable economic growth with environmental care and the creation of value for the communities where we operate.

Business Overview²

Development projects in Mainland China weathered the gentle cooling of the quality property market, once again yielding robust revenues. We maintained our key focus on extending our presence in key tier one and two cities. In 2018, the Group acquired 12 land parcels in Suzhou, Hangzhou, Foshan and Guangzhou, contributing to an 810,000 m² increase in land bank.



The Group also has property development business in Hong Kong, namely The Peak Portfolio, Kowloon East Waterfront Portfolio and Kowloon Tong Portfolio.

China's buoyant economy continues to drive growth in our investment property portfolio. Our IFS series provide supreme retail and offices at exceptional CBD area. The opening of Changsha IFS in 2018, together with our Times Square series and other investment properties, the Group successfully maintained sound return and unrivalled presence in the segment.



WHML manages 17 hotels across Asia Pacific region under the Marco Polo and Niccolo brands. Niccolo Hotel, our new luxurious brand of sophisticated urban chic hotels in prime location, added The Murray, Hong Kong and Niccolo Changsha to its portfolio in 2018. Niccolo Suzhou is upcoming to its pipeline.



Modern Terminals provides premier container terminal services in Hong Kong and the Pearl River Delta, endeavouring to be a preferred partner for world-class logistics services and end-to-end supply chain solutions. Our industry expertise and state-of-the-art equipment enable us to provide extraordinary services to our clients.



¹ For details of our customer groups, please refer to the Business Review Section of Wharf Holdings' Annual Report 2018.

² For detail breakdown of the products and services we provide, please refer to the Business Review Section of Wharf Holdings' Annual Report 2018.

About this Report

Report Standard and Scope

GRI 102-50, 102-53, 102-54

This is the fifth standalone Sustainability Report ("the Report") for Wharf Holdings. This Report fulfils the requirement of the Environmental, Social and Governance Reporting Guide ("the ESG Reporting Guide") in Appendix 27 of the Rules Governing the Listing of Securities ("the Listing Rules") on The Stock Exchange of Hong Kong Limited ("HKEX"). It complies with the Core Option of the Global Reporting Initiative

Sustainability Reporting Standards ("GRI Standards") and the G4 Construction and Real Estate Sector ("CRE") Disclosures.

This Report focuses on the Group's business in Hong Kong and Mainland China where we have management control, for the period of 1 January to 31 December 2018. Our major operations include development and investment properties in Mainland China, hospitality management in Mainland China, and container terminal operations in Hong Kong. The following table summarises the operations covered in this report:



Corporate Office

- Wharf Limited



Investment Properties

- Shanghai Times Square
- Shanghai Wheelock Square
- Chongqing Times Square
- Dalian Times Square
- Chengdu International Finance Square ("Chengdu IFS")
- Wuxi International Finance Square ("Wuxi IFS")
- Changsha International Finance Square ("Changsha IFS")³



Development Properties

- Subsidiaries in Chengdu, Hangzhou and Shanghai⁴
- Construction sites in Hangzhou (XiaoQingLong, SanTang and YuHang)



Leisure and Hospitality

- Wharf Hotels Management Limited ("WHML")
- Niccolo Chengdu
- Niccolo Chongqing
- Marco Polo Wuhan
- Niccolo Changsha⁵



Logistics

- Modern Terminals Limited ("Modern Terminals")

The Report complements our [Annual Report 2018](#), which highlights our financial performance. It responds to stakeholder interest in our environmental, social, and economic impacts by disclosing our sustainability policy and performance in detail.

The Board of Directors of Wharf Holdings ("the Board") has approved this Report. The Hong Kong Quality

Assurance Agency ("HKQAA") has also [verified](#) it with reference to the International Standard on Assurance Engagements 3000 (Revised) ("ISAE3000 (Revised)").

We welcome reader feedback on the Report and our approach to sustainability. Please share your views at csr@wharfholdings.com.

³ Changsha IFS commenced operation on 7 May 2018.

⁴ The scope of subsidiaries is confined to 20 registered companies in Chengdu, Hangzhou and Shanghai.

⁵ Niccolo Changsha commenced operation on 29 October 2018.

Our Sustainability Approach



Hang Seng Corporate Sustainability Index Series Member 2018-2019

Sustainability Governance

GRI 102-11, 102-16

Sustainability is a core business value to the Group. We create long-term value for all stakeholders, from customers and employees to the broader community and economy. We are a constituent member of the Hang Seng Corporate Sustainability Index, covering the top 30 performers in corporate sustainability in Hong Kong. Our sustainability practice follows our mission “Building for Tomorrow”, endeavours to create a better world for future generations.

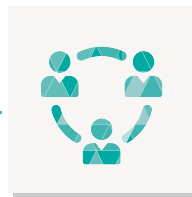
The Group's success in sustainability relies on effective governance. Chaired by the Group's Chairman, the Corporate Social Responsibility Steering Committee (“CSR Steering Committee”) consists of the Group's Vice Chairman, the Chief Financial Officer, and delegates from selected key business units (“BUs”). The CSR Steering Committee determines our sustainability strategy, goals and commitments, and aligns our business development with this strategy. The Group's and BUs' Community Affairs Department helps adapt the sustainability strategy to BUs' daily operations. They meet regularly to share ideas and best practices on sustainable business operations.

Our Governance Structure



CSR Steering Committee

- Formulates overall Group CSR strategy.
- Aligns business development with the Group's CSR goals and commitments.
- Is accountable for decisions which have economic, environmental, and social impacts.



Cross-BU CSR Group

- Monitors CSR performance.
- Shares best practices.



CSR Governance Bodies of Each BU

- Aligns the Group's CSR policies and strategies with corresponding operations.
- Identifies operation-specific CSR risks and opportunities, and develops management approaches and programmes to address concerns.






Our Corporate Social Responsibility Guideline (“CSR Guideline”) embodies our sustainability goals and commitments. It defines five focus areas: **Business**

Development, Protecting Our Environment, Nurturing Our People, Business-in-Community, and Providing Value to Our Customers.

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

As a premier company in Hong Kong and Mainland China, we align our sustainable practices with international standards. We are committed to the United Nations (“UN”) Sustainable Development Goals (“SDGs”), a globally agreed agenda on promoting a sustainable future.

As part of this commitment, we regularly engage our stakeholders and work on economic development, social empowerment, and environmental protection. After examining the impact of our business operations, the Group identified opportunities to align its operations with 11 of the 17 SDGs.

Our Commitment	Key Initiatives	Chapter	Relevant UNSDGs
<p>Our Environment</p> <ul style="list-style-type: none"> To measure our environmental performance through an established environmental management system. To adopt green policies, implement initiatives to reduce our greenhouse gas emissions, and facilitate reuse and recycling of resources. To promote green awareness among our staff, business partners, customers and suppliers, and throughout the wider community. 	<p>Green Terminal Model in Modern Terminals</p> <hr/> <p>The Design of Chengdu IFS</p> <hr/> <p>Digitising documentation through our Intelligent Management System</p> <hr/> <p>WE Green Our Future programme</p>	<p>Protecting Our Environment</p>	      
<p>Our People</p> <ul style="list-style-type: none"> To become an employer of choice. To promote staff well-being by encouraging work-life balance, health and safety, equal opportunities, and human rights. To provide greater and better opportunities for our people and future talent. 	<p>Adoption of the Continuous Learning Framework in Modern Terminals</p> <hr/> <p>Happy Appreciation-themed wellbeing activities</p>	<p>Nurturing Our People</p>	   
<p>Our Community</p> <ul style="list-style-type: none"> To nurture youth, support the vulnerable, and promote art and culture via our Business-in-Community initiatives. To provide underprivileged secondary school students with resources and care for pursuing higher education and promising careers through Project WeCan. To foster the involvement of company volunteers in supporting the community and promoting our spirit of caring for others. 	<p>Pilot Scheme on Corporate Summer Internship on the Mainland and Overseas</p> <hr/> <p>Project WeCan activities such as WeCan Scholarship and Teachers’ Development Day</p> <hr/> <p>Volunteering activities such as We Knit You</p>	<p>Business-in-Community</p>	

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

During the reporting period, we continued listening to stakeholder feedback on our sustainability efforts that helps us identify and work on improvement opportunities. We engaged different stakeholder groups via channels stated as follows:



Stakeholder Comments and Our Responses

GRI 102-44

We commissioned an independent consultant to collect stakeholder comment on our sustainability strategy performance based on the AA1000 Stakeholder Engagement Standard 2015. We engaged over 420 stakeholders in this year’s stakeholder engagement

exercise, including employees, business partners, government officials, tenants, hotel guests, community partners, industry associations, investors, and financial analysts. We gathered feedback through online surveys, interviews, and focus group discussions. Here, we list some of the most common concerns and provide corresponding responses:

Stakeholder Feedback







Our Responses

Materiality Assessment

GRI 102-47, 102-49

We have adopted a four-step process to guide our materiality assessment, which is a part of our reporting process:

Step 1 Identification 	<p>We follow the internationally accepted GRI Standards and the HKEX ESG Guide to help identify material issues.</p>
Step 2 Prioritisation 	<p>We identify industry practices by reviewing the disclosures of local, regional, and international peers. This includes surveying stakeholders online to rank the materiality of various sustainability issues. We compiled and analysed the results from our peer benchmarking exercise and stakeholder engagement to create a ranked list of material issues for step 3.</p>
Step 3 Validation 	<p>To finalise the list of material issues, the Group's senior management discussed the outcomes of steps 1 and 2 and confirmed the list of material topics for disclosure in this Report.</p>
Step 4 Review 	<p>We continue to regularly review sustainability issues and their corresponding impacts to ensure appropriate relevancy and materiality to the Group.</p>

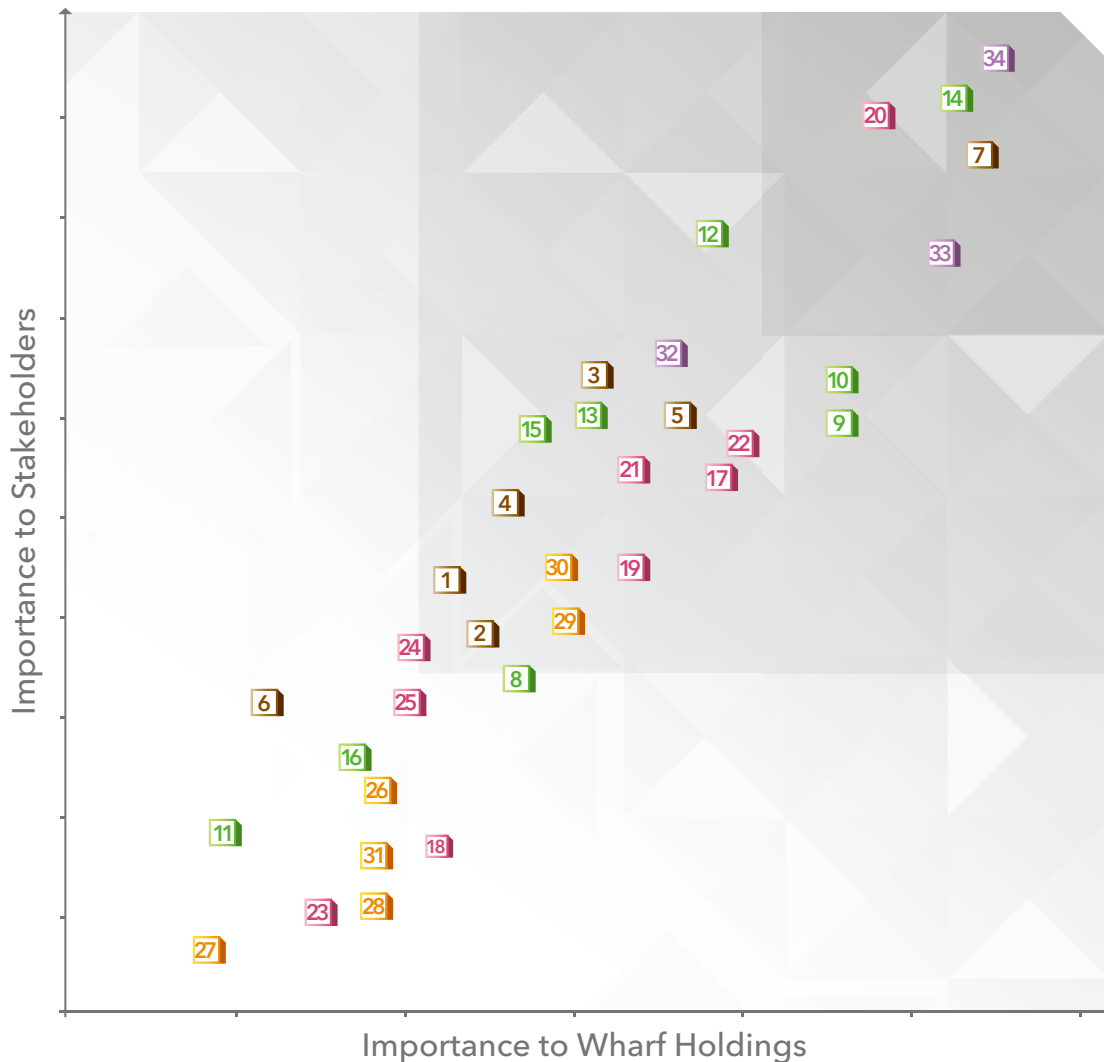
Material Topics and Corresponding Topic Boundary

We identified 26 material topics in the materiality assessment. The following table lists the material topics identified, the impact of these issues within and outside the Group, and the corresponding sections in this Report addressing these topics.

Material Topics	Impact Location - Within the Group	Impact Location - Outside the Group			Corresponding Section in the Report
		Suppliers and Contractors	Customers	Neighbouring Community	
1 Economic performance	Wharf Holdings	✓			Business Development
2 Market presence	Wharf Holdings		✓		Business Development
3 Indirect economic impacts	Wharf Holdings	✓		✓	Business Development Business-in-Community
4 Procurement practices	Wharf Holdings	✓			Business Development
5 Anti-corruption	Wharf Holdings	✓	✓	✓	Business Development
7 Socioeconomic compliance	Wharf Holdings	✓	✓	✓	Business Development Nurturing Our People Providing Value to Our Customers

	Material Topics	Impact Location - Within the Group	Impact Location - Outside the Group			Corresponding Section in the Report
			Suppliers and Contractors	Customers	Neighbouring Community	
8	Materials	Wharf Holdings		✓	✓	Protecting Our Environment
9	Energy	Investment properties; Leisure and hospitality	✓	✓		Protecting Our Environment
10	Water	Leisure and hospitality	✓	✓		Protecting Our Environment
12	Emissions	Logistics	✓			Protecting Our Environment
13	Effluents and waste	Logistics; Leisure and hospitality	✓	✓		Protecting Our Environment
14	Environmental compliance	Wharf Holdings	✓			Protecting Our Environment
15	Supplier environmental assessment	Investment properties; Leisure and hospitality	✓			Business Development
17	Employment	Wharf Holdings	✓		✓	Nurturing Our People
18	Labour/ management relations	Wharf Holdings	✓		✓	Nurturing Our People
19	Occupational safety and health ("OSH")	Wharf Holdings	✓		✓	Nurturing Our People
20	Training and education	Wharf Holdings	✓		✓	Nurturing Our People
21	Diversity and equal opportunity	Wharf Holdings	✓		✓	Nurturing Our People
22	Non-discrimination	Wharf Holdings	✓	✓	✓	Nurturing Our People
24	Child labour	Wharf Holdings	✓		✓	Nurturing Our People
25	Forced or compulsory labour	Wharf Holdings	✓		✓	Nurturing Our People
29	Local communities	Wharf Holdings	✓	✓	✓	Business-in-Community
30	Supplier social assessment	Investment properties; Leisure and hospitality	✓			Business Development
32	Customer health and safety	Logistics; Investment properties; Leisure and hospitality	✓	✓		Providing Value to Our Customers
33	Marketing and labelling	Wharf Holdings	✓	✓		Providing Value to Our Customers
34	Customer privacy	Investment properties; Leisure and hospitality		✓		Providing Value to Our Customers

Materiality Matrix



Highly Material Topics
 Medium Material Topics
 Low Material Topics

- | | | | |
|-----------------------------|--|---|---------------------------------|
| 1 Economic performance | 11 Biodiversity | 19 Occupational safety and health | 26 Security practices |
| 2 Market presence | 12 Emissions | 20 Training and education | 27 Rights of indigenous peoples |
| 3 Indirect economic impacts | 13 Effluents and waste | 21 Diversity and equal opportunity | 28 Human rights assessment |
| 4 Procurement practices | 14 Environmental compliance | 22 Non-discrimination | 29 Local communities |
| 5 Anti-corruption | 15 Supplier environmental assessment | 23 Freedom of association and collective bargaining | 30 Supplier social assessment |
| 6 Anti-competitive behavior | 16 Land degradation, contamination and remediation | 24 Child labour | 31 Public policy |
| 7 Socioeconomic compliance | 17 Employment | 25 Forced or compulsory labour | 32 Customer health and safety |
| 8 Materials | 18 Labor/management relations | | 33 Marketing and labelling |
| 9 Energy | | | 34 Customer privacy |
| 10 Water | | | |

Business Development
 Protecting Our Environment
 Nurturing Our People
 Business-in-Community
 Providing Value to Our Customers

BUSINESS DEVELOPMENT



Business Development

Corporate Governance

GRI 102-11, 102-16, HKEX KPI B7.2

The Group's success relies on robust corporate governance and ethical business practices. The Group complies with legal requirements and demonstrates a high standard of corporate governance through regular risk assessments, monitoring, and strict ethical controls on business operations.

Governance Structure

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

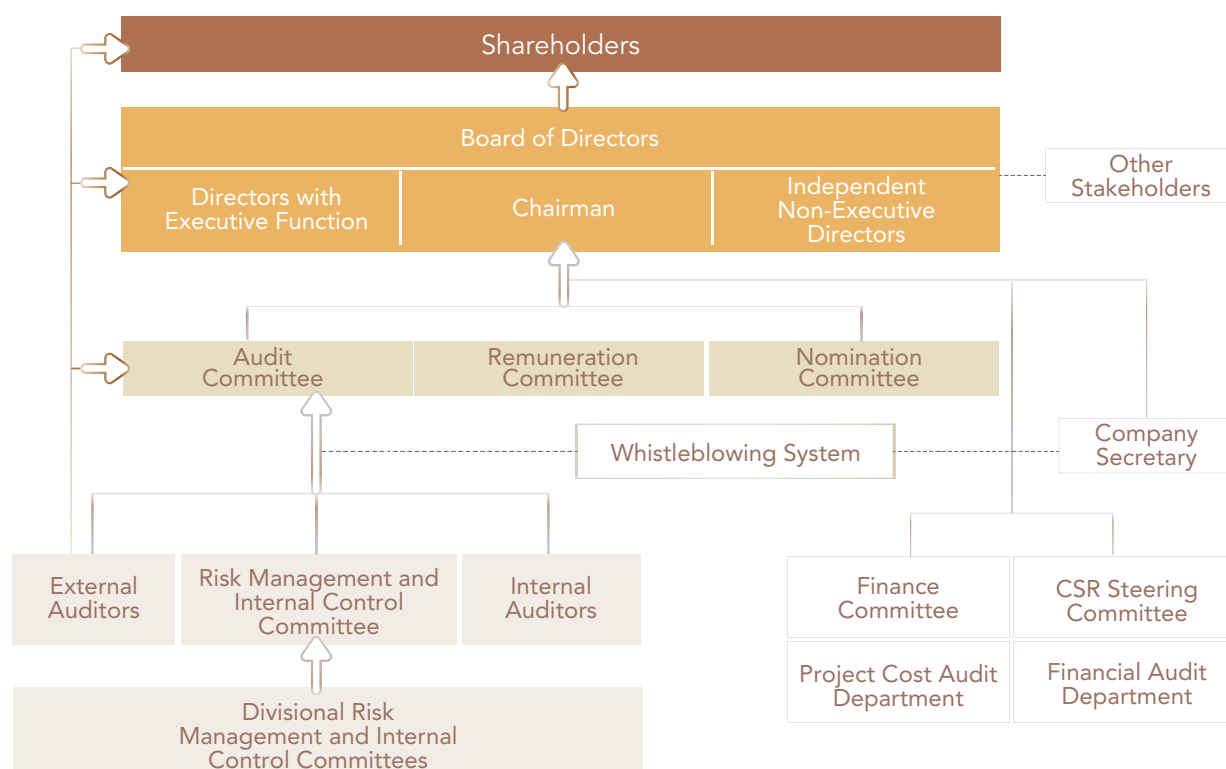
We embrace a diverse Board that can bring sustainable and balanced growth to the Group. Their diverse expertise includes investment properties, property development, finance and accounting, public services, hospitality and logistics.

We aim to go beyond mere compliance to applicable rules and regulations, codes and standards. Accountability, transparency, and integrity are priorities in our corporate governance framework, and we continuously enhance our internal control system to support these principles.

Composition of Wharf Holdings' Board of Directors⁶

	Age			Gender		Ethnicity	
	50 – 60	61 – 70	Over 70	Male	Female	Non-Chinese	Chinese
	Number	1	6	3	8	2	2
%	10%	60%	30%	80%	20%	20%	80%

The Board's Audit Committee, Remuneration Committee, and Nomination Committee guide the Group's business practices and strategic activities. The management team aligns the Group's daily business activities with its established strategies, targets and goals.



⁶ All the members of the Board of Directors are hired from the local community, i.e. Hong Kong and Mainland China. The biographical details of the Board of Directors is outlined in the Annual Report 2018 (P.82 – 86).

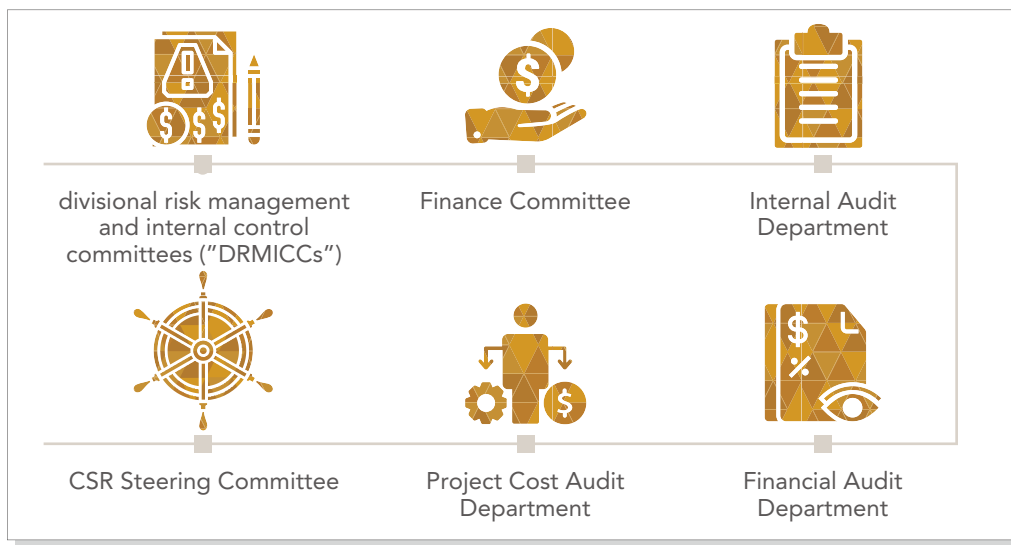
Risk Management and Internal Control

Our risk management and internal control system helps enhance our business resilience. The Audit Committee maintains this system and reports to the Board. Our Risk Management and Internal Control Committee assists our Audit Committee in this task.

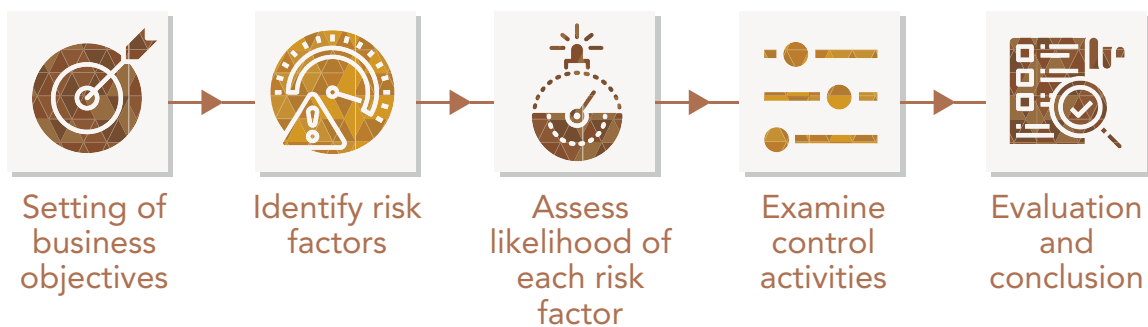
The Risk Management and Internal Control Committee is chaired by the Vice Chairman, Executive Director,

and Group Chief Financial Officer. It assists the Audit Committee in reviewing the effectiveness of the risk management and internal control systems in line with the Committee of Sponsoring Organisations of the Treadway Commission (“COSO”) framework, and helps them identify risks and develops appropriate management strategies.

Internal control functions which are responsible for defending the Group against material errors and deficiencies:



Five-step approach in reviewing the effectiveness of our risk management strategy



Climate change affects everyone. We investigated and assessed its potential impacts on our business development and conducted a formal climate risk assessment in 2018. Specific to BUs’ operations, we assessed the level of risks imposed by potential extreme weather events. Risk ratings are assigned to each identified risk with detailed remediation and improvement plans set out. For risks with high risk ratings, senior management is involved to oversee the

management and implementation of control on the risks. Continuous checking and monitoring are also in place to ensure the effectiveness of the measures.

For a more detailed description of our risk governance structure, risk management procedures and methodologies, please refer to our Corporate Governance Report in [Annual Report 2018](#).

Ethical Business Operations and Anti-corruption

GRI 205-3, HKEX KPI B7.1

We maintain the highest ethical standard in our business activities. We strictly prohibit soliciting or accepting an advantage, any form of bribery⁷, extortion, fraud, or money laundering in our operations. We describe our ethical standards in our Business Code of Ethics and Code of Conduct, which our employees must follow. We also maintain policies on conflicts of interest, insider dealing, anti-competition, and anti-corruption and ensure employees' awareness of them.

We strive to raise employees' awareness of ethical business operations and legal compliance requirements. We invite representatives from law enforcement agencies including the Independent Commission Against Corruption ("ICAC") in Hong Kong for relevant training. We also impose ethical business standards on communication with suppliers prohibiting all gifts, cash or coupon offering to our employees. The Group enforces due diligence measures on donations and sponsorships to prevent any possible misconduct. The Group's Chairman or BUs' General Managers must approve all donations.

Our [Whistleblowing Policy and Procedures](#) ensures an open and accountable management by enabling em-

ployees and business partners to report misconduct and malpractice. It outlines all participants' responsibilities during all states of the report handling process, from initiation to investigation and follow-up. The Group's Company Secretary reads all the reports and refers them to managing directors, the Group Chief Financial Officer or the Audit Committee, depending on the nature of the report.

The Audit Committee must review whistleblowing reports and pass them to the Internal Audit Department for further handling and monitoring. All reports are confidential to protect employees from retaliation.

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



Direct and Indirect Economic Impact GRI 201-1, 203-1, HKEX KPI B8.1, B8.2

Our integral business development model enables us to contribute to local economies and communities in 2018.

Total Assets

HK\$227.3 billion



Employees⁸

approximately
8,700 employees



Revenue

HK\$21,055 million



Staff Cost⁹

HK\$1,922 million



Underlying Net Profit

HK\$6,511 million



Donations

HK\$7 million



⁷ Section 3 – 11 of the Prevention of Bribery Ordinance (Cap. 201)

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

⁹ Staff costs include contributions to defined contribution pension schemes of HK\$211 million, which included equity-settled share-based payment expenses of HK\$18 million.

We use our real estate development and management resources to support the community by sponsoring venues and advertisement panels, and making charitable donations to local organisations. In 2018,

we engaged with over 66 charitable events¹⁰ of various scales, bolstering promotion in environmental protection, social welfare, education, art and culture, health, emergency relief, and animal welfare.

Venue Sponsorship



Niccolo Chengdu provided for free a meeting venue, worth over RMB34,000 rental for the Yinxing Hospitality Management College of Chengdu University of Information Technology, to host a public seminar to enhance students' understanding of the hospitality industry.



With an aim to appeal to the public to care for animals and respect life, Dalian Times Square, in partnership with Dalian Vshine Animal Protection Association, launched the "Love Pets" fundraising and adoption campaign to raise funds for purchasing food and medical supplies for stray dogs.



Shanghai Wheelock Square and the Green Initiatives worked together to hold the "My Days without Plastic" environmental protection exhibition. Along with a thought-provoking documentary, the set of creative art installation of a "whale", which were turned from waste into treasure, attracted tenants and the public. We hope to trigger our communities to think deeper about sustainable future and reduce the use of plastic.

¹⁰ The reported contribution refers to the venue sponsorship and donations to charitable events, including both the Wharf's Hong Kong logistical operation and Mainland China's property investment, leisure and hospitality business stated on page 5 of this report.

Other Sponsorship



To support hospice care, Wharf Holdings has been sponsoring the Society for the Promotion of Hospice Care for their annual event “Hike for Hospice” for years. In 2018, we had two teams participating in the event to raise funds for the organisation and won the first and second runner-up for the 8-km category of team hike.



Modern Terminals sponsored employees to participate in charity activities including the Ngong Ping Charity Walk, and WWF volunteering events, to support local environmental conservation and youth development.

Supply Chain Management

GRI 102-9, 102-10, 204-1, 408-1, 409-1, **HKEX** KPI B4.1, B4.2, B5.1, B5.2

The Group’s diverse business operations require collaboration with a diverse range of suppliers in areas spanning food and beverage, service and facilities, engineering supply and maintenance, security, operational services and general supplies. Our stringent vendor management system maintains product and service quality across our entire supply chain.

We manage environmental, social and governance (“ESG”) risks, such as labour rights, health and safety, corruption, product safety, noise pollution, resource management, waste management, water shortage, and water pollution in our supply chain to protect

our business operations. We use a green purchasing clause in our tender document to assess suppliers’ sustainability measures and prioritise those who address ESG risks. We may also request our suppliers to provide environmental certificates whenever necessary. Some of our BUs require suppliers to sign a supplier declaration form with their company chop, vowing to maintain high standards of business ethics and integrity. We regularly follow up these measures with onsite audits to ensure that suppliers’ environmental performance meets our requirements. In 2018, there are no significant changes in our supply chain.

The table below includes information about the most significant 70% of our supply chain spending.

Sector	Main Category	Region	Number of Suppliers
Investment Properties - China	Engineering supply and maintenance	Mainland China	45
	Service and facilities	Mainland China	27
Development Properties - China	Engineering supply and maintenance	Mainland China	20
Leisure and Hospitality - China	Food and beverage	Mainland China	67
Logistics – Hong Kong	Operational services	Hong Kong	6
	Utilities - fuel	Hong Kong	1
	Service and facilities	Hong Kong	1
	Engineering supply and maintenance	Mainland China	1

PROTECTING OUR ENVIRONMENT



Protecting Our Environment

GRI 201-2, 307-1

The Group is committed to minimising the environmental impact of its business activities. We strive to enhance our performance in energy efficiency, emission reduction, water conservation, and waste management. Each BU formulates its environmental policies in line with the Group’s environmental principles based on its business scale, location, and nature.

Our investment properties set a good example of our commitment to green building design. We strive to attain certification under LEED (“Leadership in Energy and Environmental Design”), which is the most widely used green building rating system in the world. Some of our hotels have achieved certification under EarthCheck, the world’s leading scientific benchmarking certification for sustainable development in travel and tourism.



Chengdu IFS

- LEED Platinum for Existing Buildings

Shanghai Wheelock Square

- LEED Gold for Existing Buildings

Wuxi IFS

- LEED Gold for Core and Shell

Niccolo Chengdu

- EarthCheck Silver certification

Marco Polo Wuhan

- EarthCheck Silver certification

Green Terminal Model in Modern Terminals

We established the Green Terminal Model (“the Model”) to support Modern Terminals’ Corporate Environmental Policy. The Model’s main function is as follows:

- Lists environmental protection actions to be taken at different stages of the port lifecycle.
- Provides tools to assess and mitigate environmental impact when making decisions.

The Model contains a series of process flows, guidelines, and checklists to be considered when making development decisions. We review it periodically to align it with new trends in industry and our sustainability vision and strategy.



ISO14001:2015

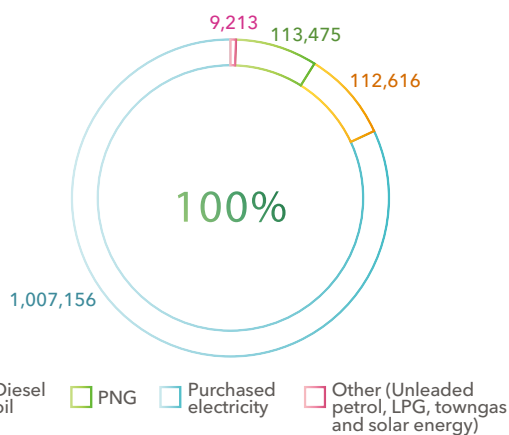
Environmental management system certification

Energy Consumption and Conservation

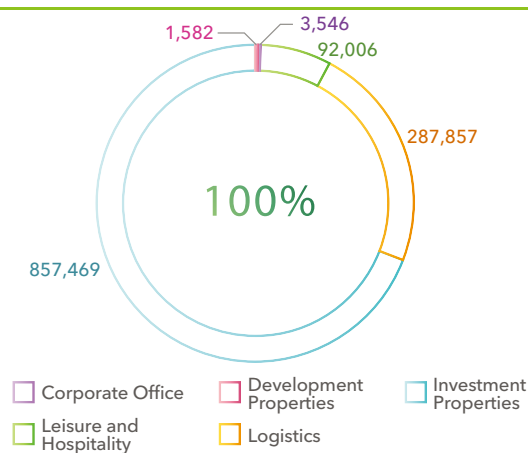
GRI 302-1, 302-3, CRE-1, 302-4, HKEX KPI A2.1, A2.3

Energy consumption is a major contributor to our environmental footprint. We endeavour to enhance our energy efficiency across our BUs through legal compliance and employee environmental awareness measures.

Energy consumption by type in GJ



Energy consumption by operation in GJ



Note:

(1) Corporate office refers to Wharf head office in Hong Kong.

(2) Investment Properties refer to Shanghai Times Square, Shanghai Wheelock Square, Chengdu IFS, Chongqing Times Square, Dalian Times Square, Wuxi IFS and Changsha IFS.

(3) Development Properties refer to the management offices located in Chengdu, Shanghai and Hangzhou.

(4) Leisure and Hospitality refer to Niccolo Chengdu, Niccolo Chongqing, Marco Polo Wuhan and Niccolo Changsha.

(5) Logistics refers to Modern Terminals Limited.

Case Study

The Group announced its first Green Loan Facility in the amount of HK\$2 billion on 31 January 2019, to refinance Chengdu IFS, the Group's first IFS flagship project in China.

The entire Green Loan proceeds were allocated to Chengdu IFS, which has earned the internationally recognised LEED Platinum for Existing Buildings certification.



Promoting Operational Energy Efficiency

As a real estate developer, we promote our environmental performance starting from design stage, during construction and throughout operations. Chengdu IFS, as an example, we considered green building elements during the design stage, and implemented different environmental measures.

Low-e Hollow Glass Curtain Wall

We installed low-e hollow glass curtain walls in Chengdu IFS. Low-e hollow glass, also named as low emissivity hollow glass, limits the passage of solar energy entering or leaving the building without reducing sunlight. This significantly improves our energy efficiency by reducing the need for air conditioning and the use of lighting during the day, thus curbing carbon emissions.

Variable Air Velocity ("VAV") Air Conditioning System

The VAV air conditioning system uses variable air flow rates to match the volume of cool air delivered to demand. This keeps tenants cool while saving the energy spent on unnecessary air conditioning.

Motion Sensor

To reduce electricity consumption in the carpark, motion sensors are installed to give only 10% lighting when no one is around and 100% lighting when movements are detected.

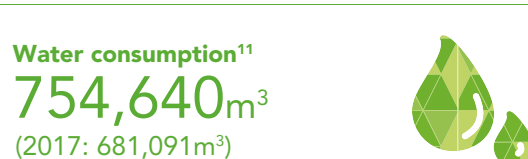
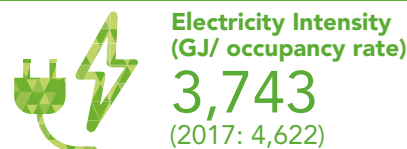


Sustainable Water Management

Chengdu IFS also collects water for reuse to maintain overall water consumption. Condensate water is collected from the air conditioning system and is added to cooling towers or reused for flushing and irrigation. Rainwater is also collected via rooftop drainage points and stored it in a 36 m³ tank. The rainwater is used for toilet flushing and irrigation.

Source Separation to Enhance Waste Management

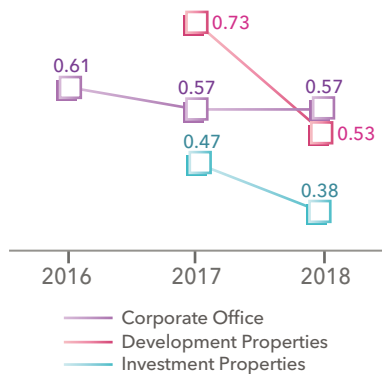
Food waste presents major environmental challenge and effective source separation helps reduce landfill dependency. We installed food waste decomposer onsite at Chengdu IFS to reduce food waste disposal to the landfill. Excessive food waste which cannot be processed onsite is handed over to qualified vendors for further handling. In 2018, we processed over 400 tonnes food waste onsite.



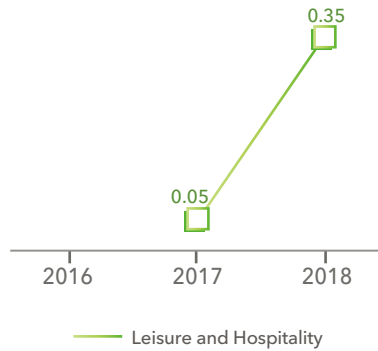
11 Increase in energy consumption, GHG emissions and water consumption is resulted from the increase in office tenancy rate.

12 Increase in total waste produced is resulted from the increase in office tenancy rate, yet total amount of recycled waste is also increased.

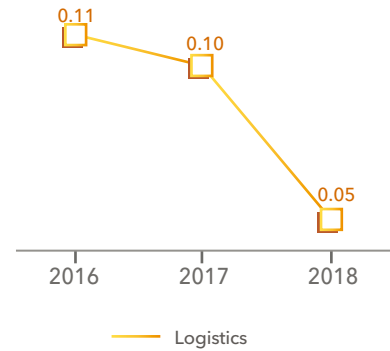
Energy intensity in GJ per GFA m²



Energy intensity in GJ per guest night



Energy intensity in GJ per TEU



Note:
In 2017, purchased electricity of Niccolo Chengdu and Niccolo Chongqing are included in that of Investment Properties.

We are replacing the lighting in our investment properties with energy efficient LEDs. Some properties are also retrofitting chiller systems and elevators with more energy efficient models. We estimate that Shanghai Times Square saved over 1,000,000 kWh in electricity by revamping chillers in 2018.

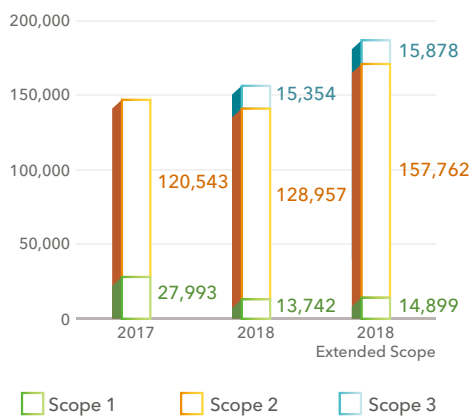
Modern Terminals piloted a building energy management system in its office areas to track the pattern of energy consumption and monitor energy use. It also converted the lighting of some quay cranes to LED lighting for further energy savings.

Our hotels switched to LED lighting to reduce unnecessary energy consumption. We installed smart sensors in the public area at Niccolo Chongqing to adjust lighting based on ambient daylight. We also optimised the power of our air conditioning systems to save energy in our hotels.

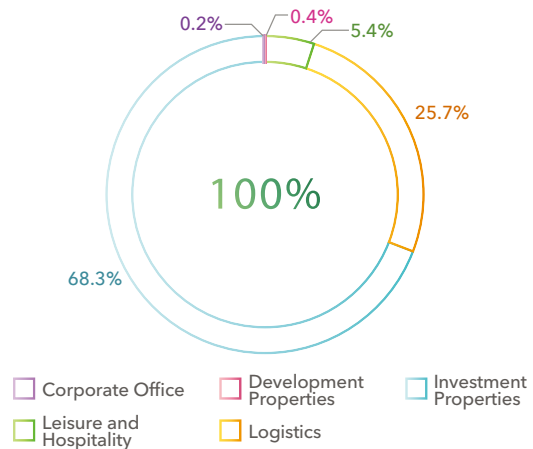
The reduction in energy consumption contributes to lower carbon emissions, ultimately help reduce our business activities' contribution to climate change.

GRI 305-1, 305-2, 305-4, CRE-3, 305-5, HKEX KPI A1.2, A1.5

Greenhouse Gas (GHG) emissions in tonnes CO₂e



Percentage of total GHG emissions by operation



Note:
In 2017, part of the GHG emissions of Leisure and Hospitality is included in that of Investment Properties.

Air Emission Reduction

GRI 305-7, HKEX KPI A1.1

We take responsibility for maintaining and improving local air quality. Modern Terminals strictly adheres to relevant laws and regulations, including Air Pollution Control Ordinance (Cap. 311), Shipping and Port Control Ordinance (Cap. 313) and Merchant Shipping (Local Vessels) Ordinance (Cap. 548) of the laws of Hong Kong.

The Group has detailed initiatives to reduce air pollution. In addition to the replacement of all traditional rubber-tired gantry cranes ("RTGs") with electrically-powered RTGs, Modern Terminals actively encourages the contractors to join force in reducing air emissions. In early 2018, with the support of Modern Terminals, its contractor introduced Hong Kong's first pure electric-driven tractor which is now operating at Modern Terminals. The tractor reduces diesel

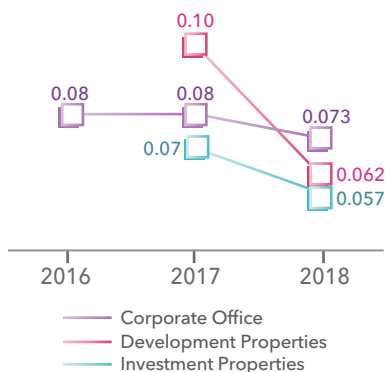
consumption and the emission of air pollutants. Also, Modern Terminals exceeded its ten-year emission target of less than 10kg CO₂e per TEU for its port operation in 2018.

We also undertook initiatives to control air emissions from investment property tenants. Chongqing Times Square requires mall restaurants to install hood fans and purifiers. This ensures that air emissions comply with both national and industry-level emissions regulations and standards.

At our development properties, we adopt industry best practices and strive to reduce dust emission while carrying out construction works. All fugitive construction materials and waste onsite are covered properly. We provide vehicle washing facilities at all site exits to wash away any dusty materials from vehicle body and wheels before they leave the site. Construction materials and waste are transported by enclosed vehicles.



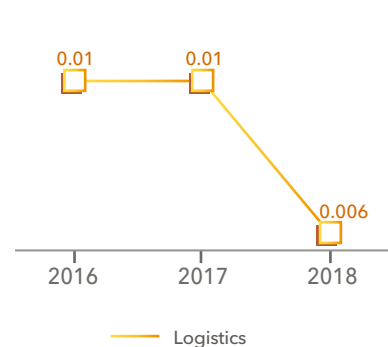
GHG emissions intensity in tonnes CO₂e per GFA m²



GHG emissions intensity in tonnes CO₂e per guest night



GHG emissions intensity in tonnes CO₂e per TEU



Note:

(1) In 2017, part of the GHG emissions of Leisure and Hospitality is included in that of Investment Properties.

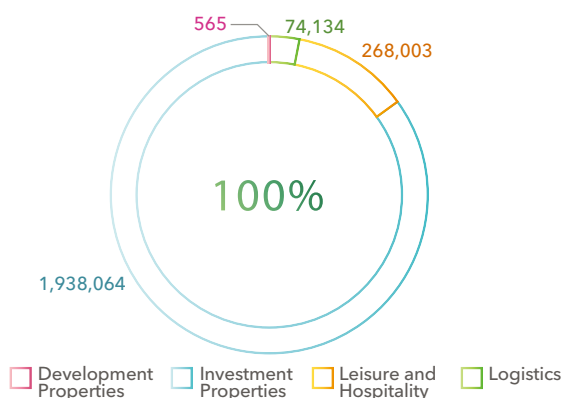
(2) Only Scope 1 and Scope 2 GHG emissions are included in intensity calculation for comparison of 2017 and 2018 data on a like-for-like basis.

Water Consumption and Conservation

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

The Group continues to conserve water through reuse, and actively motivate and engage tenants, shoppers, guests, and business partners to conserve water.

Water consumption by operation in m³



Note:

- (1) The Corporate Office does not have a separate meter. The consumption is included in the bills of Harbour City. Please refer to Wharf REIC's standalone Sustainability Report 2018.
- (2) In 2017, municipal water consumption of Niccolo Chongqing is included in that of Investment Properties.

Chengdu IFS, Dalian Times Square and Niccolo Changsha collect condensate water from the air conditioning system, add it to cooling towers or reuse it for flushing and irrigation. This initiative reduced municipal water consumption by nearly 13,000 m³ collectively in 2018.

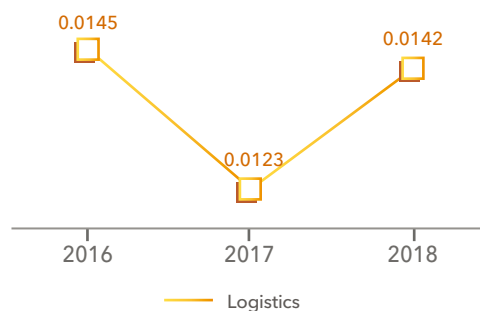
Since 2015, Chengdu IFS has also collected rainwater via rooftop drainage points and stored it in a 36 m³ tank. The rainwater is used for toilet flushing and irrigation.

The hospitality industry uses water intensively in areas such as in-room services, laundry and catering. Our hotels have addressed such consumption by installing water-saving faucets in public and in-room toilets.

Niccolo Chengdu adjusts the water flow to conserve water while maintaining guest satisfaction. Our green card programme encourages our guests to save water consumption with us by informing them that the hotel only changes bed linens and towels upon request. In the kitchen, we strictly control the water wastage. Our chefs are trained to save water during food preparation. Depending on the food preparation requirement, we thaw food under refrigeration at 5 degrees or below, or strive to minimise water used to thaw food.



Water intensity in m³ per TEU



	Development Properties (m ³ per GFA m ²)	Investment Properties (m ³ per GFA m ²)	Leisure and Hospitality (m ³ per guest night)
2018	0.19	0.86	1.02
2017	0.29	0.90	0.80

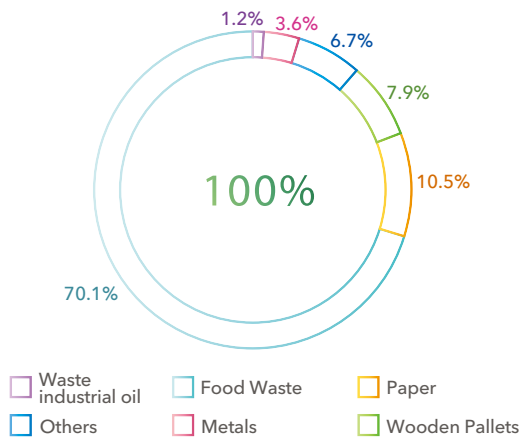


Waste Management

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

The Group is committed to prioritising green procurement and sustainable resources. Our green procurement guidelines encourage BUs to consider biodegradability and social responsibility in their purchasing decisions. We also adopt various resource conservation programmes across BUs.

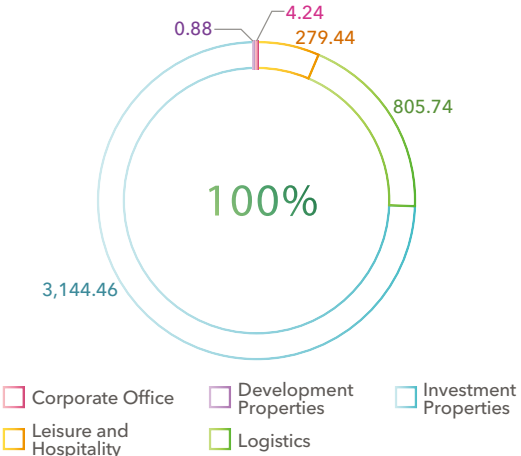
Recycled waste by type



Note:

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

Recycled waste by operation in tonnes



We are beginning a group-wide digitisation programme to reduce paper consumption. Our asset management system reduces our paper use and carbon footprint by digitising our workflows. It allows the digital submission of tenant requests and recommendations, and employee reports. It also updates patrol records using mobile phones. Shanghai Wheelock Square is using this

system in patrol, facility maintenance and repair, etc., and we will promote this digitisation practice across other investment properties and BUs in the coming years.

We also reduce, reuse and recycle construction waste whenever practical, transferring material that cannot be



recycled to qualified third parties for disposal.

During the reporting period, Modern Terminals conducted 10 sessions of waste audit across owned and leased properties, enabling it to find waste management improvement opportunities. Supporting the Group's "Say No to Plastic" campaign, Modern Terminals reduced disposable cutlery and plastic straw usage in the staff cafeteria. About 22,000 plastic straws have been reduced per month.

Chongqing Times Square – Upcycling Masterpiece

We can do more with waste than recycling it or sending it to landfill. At Chongqing Times Square, we introduced shoppers to upcycling in partnership with Alchemist Creations Studio. We presented a five-metre-long Pisces in the centre of the mall, made from 2,500 waste cans collected from restaurants and supermarkets. This art installation beautified the mall while conveying the



concept of upcycling to shoppers and the public.

Reducing Food Waste

Food waste is one of the major types of waste produced in our hotels. We use a variety of food waste reduction initiatives, including refilling buffet food more often with smaller amounts. We also use qualified service providers to handle any food waste.

Our tenants are also encouraged to reduce food waste from their operations. At Chengdu IFS, we installed food waste decomposer onsite to reduce food waste disposal to the landfill. Excessive food waste which cannot be processed onsite is handed over to qualified vendors for further handling. In 2018, we processed over 400 tonnes of food waste onsite and over 500 tonnes of food waste are transferred to qualified vendors.



Effluent and Spillage Management

Protecting water quality and marine habitats is also instrumental in our environmental management. Modern Terminals fully complies with the Water Pollution Control Ordinance (Cap. 358) and other laws and regulations regarding effluent discharge. Prior to discharge, all effluent is treated through underground fuel interceptor facilities. We also regularly check water quality and assess our facilities for effective water stewardship. We have an emergency response guide

to direct employees in dealing with chemical spillages, minimising any negative environmental impacts. We also conducted emergency drills to enhance employees' preparedness in case of chemical spillage.



Employees' Environmental Awareness

The Group strives to promote environmental awareness internally at all levels via its programmes and activities. BUs and premises continue to support annual event Earth Hour by WWF, and they also organise initiatives to promote individuals' awareness and encouraging participation.

Investment properties introduced an environmental protection campaign named WE Green Our Future (「綠色WE來」). The campaign promoted green living and working lifestyles including green commuting, using unwanted resources, and cultivating green office culture among employees.



NURTURING OUR PEOPLE



Nurturing Our People

The Group's human resources management strategy is established on our respect for employees, and is the basis for our productive workforce and inclusive workplace. We are committed to a rewarding, harmonious, healthy and safe working environment. We strive to be an employer of choice. As such, we will continue promoting work-life balance, health and safety, equal opportunities, and human rights for our people.

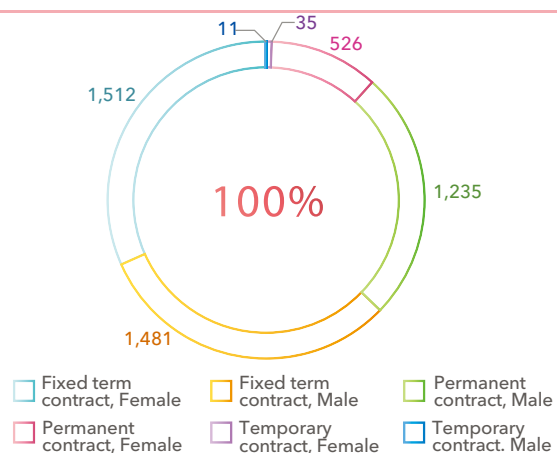
Our Group-wide CSR Guideline governs human rights and labour practices. It covers areas including grievances, workplace non-discrimination, principles and rights at work, working conditions, OSH, and staff development.

We adhere to labour laws and regulations. During the reporting period, we observed no non-compliance cases against Employment Ordinance (Cap. 57) of the laws of Hong Kong and the Labour Law of the People's Republic of China.

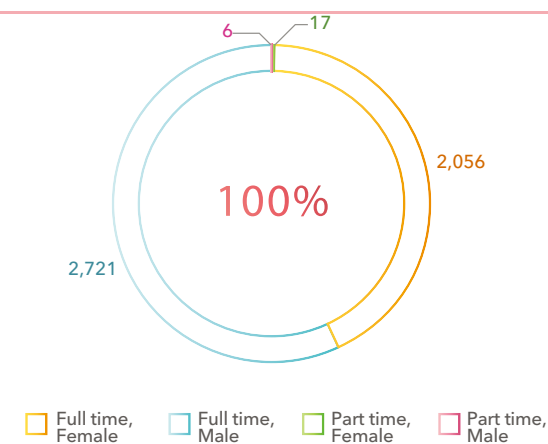
Employee Profile GRI 102-8, HKEX KPI B1.1

As of 31 December 2018, we employed a total of 4,800 people across our business units.¹³

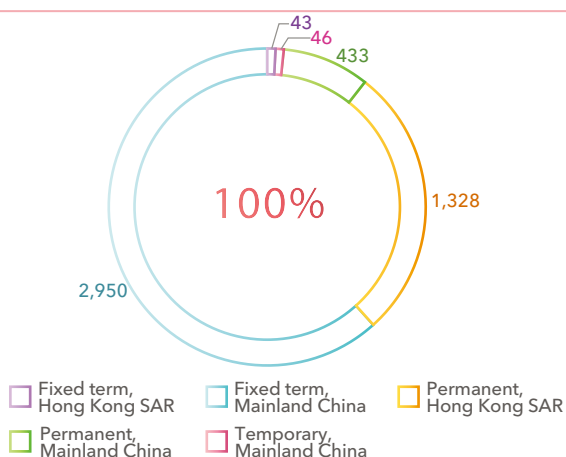
Total workforce by contract type by gender



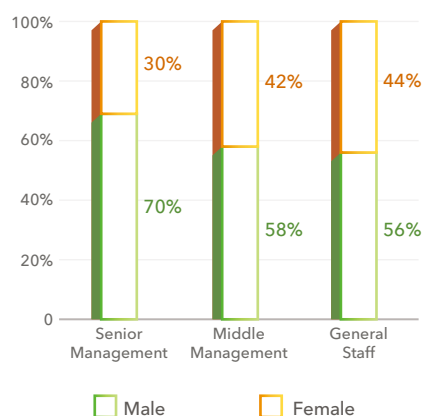
Total workforce by employment type by gender



Total workforce by contract type by region

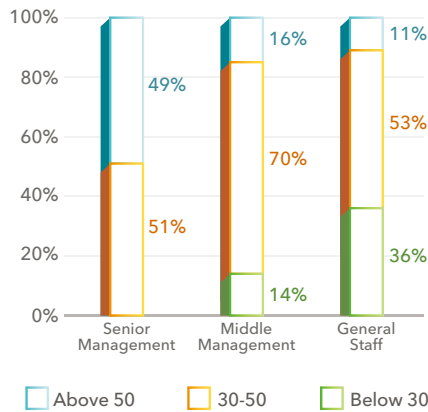


Gender distribution of employees in percentage



¹³ The number of employees reported cover Wharf Holdings' Hong Kong operations and Mainland China operations listed on page 5 of this Report.

Age distribution of employees in percentage



We believe employee diversity creates synergy at work. We foster an inclusive and discrimination-free workplace where all employees are treated with dignity and respect. Our staff handbook stipulates anti-discrimination guidelines in our recruitment process and in the workplace. We adhere to all anti-discrimination ordinances in Hong Kong and in our recruitment process and in the workplace.

Employee Relation and Communication

GRI 401-2, 408-1, 409-1, **HKEX** KPI B4.1, B4.2

Our business success relies on our employees’ talents. We retain them by providing competitive remuneration, listening to their needs, and promoting an inclusive and positive working environment. Our full-time employees enjoy remuneration exceeding the regulatory requirement. Meanwhile, BUs at their own discretion provide voluntary employer’s contribution to MPF,

extra paid leave¹⁴, complimentary pre-employment and regular health checks, counselling services, outpatient and hospitalisation coverage, special dental service rates, and subsidised meals. Full-time employees in Mainland China are entitled to the Five Social Insurance and One Housing Fund.



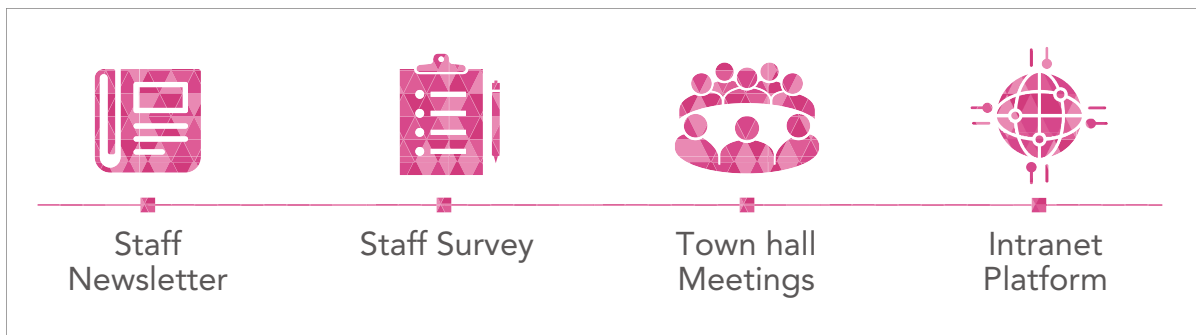
For career opportunities, please navigate the career section of our corporate website:

<https://www.wharfholdings.com/en/careers>

We strive to understand our employees through engagement activities and regular two-way communication. Communication channels include internal newsletters, staff surveys, luncheons, town hall meetings, and the company intranet. Our staff grievances policy also helps us to resolve labour issues in the workplace. We record all grievances and corresponding actions to refine our human resources management strategy.

We care about our employees’ overall wellness, both physical and mental. Individual BUs offer nursery rooms to help balance employees’ work and personal life, enabling them to meet their family responsibilities. We also arrange staff engagement events like recreational activities, outings, interest classes, and team-building events to help employees relax from work.

In 2018, investment properties organised a series of thematic wellbeing activities around the theme of Happy Appreciation. Participants went through different appreciation journey including “Better Me”, “Thank Others”, “Admire Beauty” and “Honour Tradition” by joining an array of experiential workshops.



¹⁴ Extra paid leaves include annual leave, sick leave, maternity and paternity leave, and marriage leave.



• **Better Me**

Chinese Calligraphy is an art form with long history. The participants have learnt to keep a calm mind to carefully decide, construct and write each stroke, which in turn strengthen their mind.



• **Thank Others**

We have organised some museum visits for our colleagues to enjoy with their family members. Our employees could spend more quality time with their children and nurture closer parent-child relations.



• **Admire Beauty**

Beauty exists in different forms for us to appreciate. We organised the ukulele class for our colleagues to learn this special musical instruments and opened their ears to the beautiful music.



• **Honour Tradition**

Chinese paper-cutting is a complicated traditional art which requires patience and craftsmanship. We arranged the learning class for our colleagues to enhance their understanding of this tradition.

Training and Development

GRI 404-1, 404-2, **HKEX** KPI B3.2

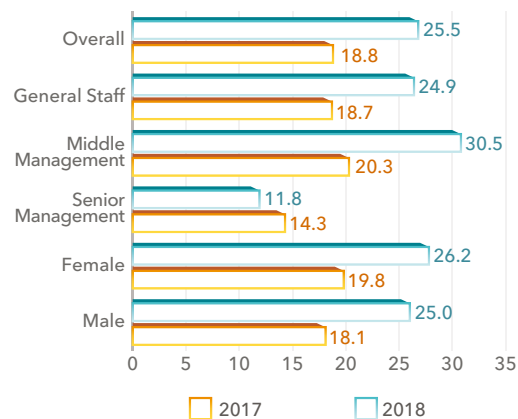
We offer a wide range of opportunities for our staff to grow and thrive, including training and clear career development paths. Each operation analyses annually its staff's training needs and designs relevant training and development programmes. We also encourage, release and subsidise full-time employees to attend job-related external training courses, seminars and conferences to broaden their professional horizons.






Total number of training hours provided to employees in 2018

122,475

Average training hours



Operation	Training Focus
 <p>Logistics</p>	<ul style="list-style-type: none"> • A Continuous Learning Framework that tailors core skills for each job level to support competency development. • A Skill Development Sponsorship Scheme that encourages employees to acquire the relevant knowledge and skills to broaden their career development opportunities.
 <p>Investment Properties</p>	<ul style="list-style-type: none"> • Problem solving skills and work flow optimisation skills. • Experiential training for creative thinking and cooperation.
 <p>Leisure and Hospitality</p>	<ul style="list-style-type: none"> • Operational skillsets including engineering, first aid, housekeeping supervision, and revenue management.



Employee A:

“Participants cooperate and help one another to finish the tasks at the training. As a new employee, this made me feel warmth at heart and welcome.”



Employee B:

“My team faced difficult challenge at one of the training task; we worked together to solve the problem and I feel tacit understanding has been enhanced.”

Health and Safety

Our commitment to employees’ health and safety drives us beyond basic legal compliance. We have designated a safety committee in each BU to identify, review, and manage potential OSH risks. We conduct regular safety assessments and policy reviews, and maintain an emergency plan and a corrective action plan. These steps help promote a healthy and safe workplace and minimise potential workplace injuries.

We align our health and safety practices with international standards. We obtained OHSAS 18001 Occupational Health and Safety Management System

certification in the International Finance Square Branch of Wharf China Property Management. We are working to migrate to the latest international standard.

Ensuring Workplace Safety

GRI 403-2, **HKEX** KPI B2.1, B2.2, B2.3

The first step to mitigating OSH risks in the workplace is to identify them. We conduct regular safety audits and assessments across our sites. We investigate any hazards to understand their root causes and then remediate them.

Our staff handbook includes safety work procedures, and we publish safety tips for our employees working at our China investment properties to address any OSH concerns that arise. In 2018, we published safety tips on commuting during extreme weather conditions, safety checks prior to facility maintenance, and safety door entry.

Instilling Safety in Mind

We complement our safety work guidelines with employee briefings and training sessions to raise OSH awareness. Modern Terminals provides mandatory safety induction training to all new hires, explaining the OSH standards and legislation they must comply with. We also conduct revalidation course of mandatory basic safety trainings (Green Card and Blue Card) to our colleagues to satisfy legal requirements. Regular workshops and seminars also refresh employee awareness in everyday work procedures. Contractors also joined these sessions so that they are fully aware of our safety guidelines.

In most of our investment properties, we complemented training with an occupational safety competition to enhance employee safety awareness. The competition mainly covered the practical skills required under different situations, including working at height, handling hazardous chemicals, first aid and firefighting. In the competition, our employees demonstrated their capabilities in handling various safety and health related

scenarios in their daily work to ensure safe operations.

Collaborating with Our Contractors

We expect our contractors and subcontractors to follow our OSH standards, and we include these requirements in our tender documents. OSH is included in our performance appraisal process to ensure contractor compliance. We also provide internal safety guidelines and in-house training sessions to align contractor operations with our expectations on OSH issues. At Modern Terminals, trainings including smart and safe driving, first aid care in the workplace, heat stress assessment and heat stroke prevention, container handling safety, and work and common gastrointestinal disease, etc. are also offered to contractors.



Injury rate by type (per 1,000 employees) and by gender, and by operation, and by region¹⁵

	Gender		Operation				Region	
	Male	Female	Investment Properties	Development Properties	Leisure and Hospitality - Wharf Hotels	Logistics	Hong Kong SAR	Mainland China
Musculoskeletal injuries	4.4	3.4	2.4	0.0	4.8	8.8	5.8	3.2
Integumentary injuries	7.0	4.3	7.3	2.4	8.0	2.2	1.5	7.6
Crushing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Puncture	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fracture	1.5	1.4	0.5	4.8	0.8	3.3	2.2	1.2
Other minor injuries	0.4	0.0	0.0	0.0	0.8	0.0	0.0	0.3
Other serious injuries	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall	13.2	9.2	10.2	7.2	14.4	14.2	9.5	12.3

¹⁵ Injury rate by type (per 1,000 employees) and by gender, and by operation, and by region at corporate office and WHML is 0.

BUSINESS-IN-COMMUNITY



Business-in-Community

GRI 203-1, 413-1, HKEX KPI B8.1, B8.2

The Group contributes to the community through its Business-in-Community philosophy. Our support of local community development and investment rests on three pillars: nurturing youth, supporting the needy, and promoting art and culture. We uphold the spirit of caring for others and encourage our employees to serve the community. In 2018, we supported over 66 charitable events of various scales. We expect to provide more support and more actively engage with volunteerism throughout our business operations.



Modern Terminals



Wharf Limited



Chongqing Times Square: Sunshine 520 Volunteers Association in Chongqing Yuzhong Certificate of Honour

Youth Development

The Group believes in youth development as the key to a better future. We search for talented young people in our local community, provide adequate support, and empower them to achieve their full potential. By engaging with the youth through different programmes and activities, we endeavor to promote positive youth development in the community.

Pilot Scheme on Corporate Summer Internship on the Mainland and Overseas

The Group has participated in the Pilot Scheme on Corporate Summer Internship on the Mainland and Overseas, an initiative of the HKSAR Government, which aimed at providing quality internship places on the Mainland and overseas for local tertiary students in the summer of 2018.

The Group sponsored Hong Kong undergraduates with internship opportunities in our Mainland business operations in Shenzhen, Foshan, and Chengdu, enabling students to explore the property and hospitality management industries. Other than providing the students with 6-week on-the-job training, the Group sponsored their airfare and accommodation and also paid them.





Project WeCan
「學校起動」計劃

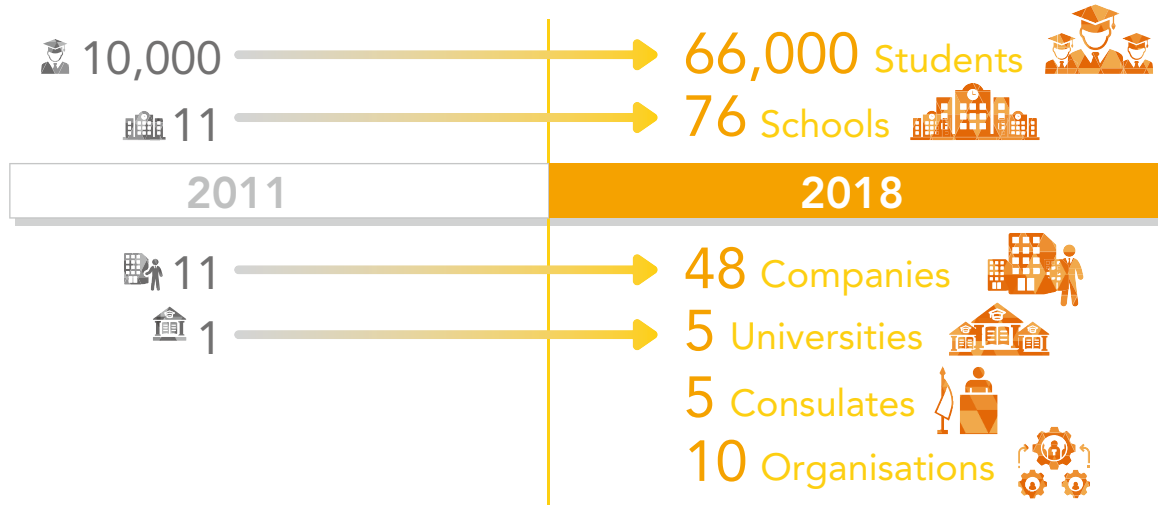
Project WeCan (“WeCan”)

WeCan is our Business-in-Community initiative to help disadvantaged secondary school students pursue higher studies and future careers.

WeCan uses an ‘adopt a school’ model to create multi-year collaboration between schools and partners from different sectors of the community. It provides financial and volunteer support to create mutual learning and exchange opportunities. We invite participating schools

to join a wide range of joint-school programmes. Various programmes not only give students an opportunity to experience and plan for future careers, but also provide teachers with a channel to share best practices in youth development.

In 2018, different partner organisations of WeCan hosted a wide range of activities in targeted secondary schools, including mock interviews, career talks, interior design or cooking workshops, etc.



WeCan Scholarship Scheme

The Scheme provides grants for students of our WeCan schools to pursue degree courses in the eight UGC-funded institutions or The Hong Kong Academy for Performing Arts. Each awardee receives a scholarship of up to HK\$25,000 per year for four years, and it is subject to renewal upon satisfactory academic performance. WeCan scholars are also invited to join the WeCan Alumni and give back to WeCan and the society. By the end of 2018, WeCan Scholarship Scheme has granted scholarships to over 330 students.



Teachers’ Development Days

To enable knowledge exchange among WeCan schools, annual Teachers’ Development Days are organised for teachers to broaden their horizons and exchange their knowledge and experience in teaching methods, student counselling and classroom management through panel discussions, seminars and workshops. In 2018, over 2,800 teachers from 53 schools participated in the event.



Arts and Culture

The Group is dedicated to the integration of arts and culture into the community. We view public awareness in arts and culture as a key aspect of a healthy society. We organise and support exhibitions that nurture young artistic talent.

Changsha IFS X KAWS Artwork Collaboration

Changsha IFS collaborated with New York artist KAWS to display the permanent art installation SEEING/WATCHING. Sculptors used their copper forging skills to craft the eight-meter-high artwork. The piece took nearly 30 days to install in the Sculpture Garden of the IFS, overlooking the city and Xiang River. This collaboration offers Changsha a new art and fashion landmark in Central China.



Community Care

The Group is dedicated to serving and caring for underprivileged groups through donations, venue sponsorship, logistics support and staff volunteering activities. We support a wide range of meaningful programmes in areas such as environmental protection, education, health, and social equality.

We Knit You

We Knit You is a 6-month long voluntary scarf-knitting project supported by all our investment properties in China. Over 700 volunteers participated in the programme, including the Group's business partners, staff, and their friends and families. The project donated over 1,150 scarves to 14 social service organisations, offering a helping hand to seniors and children with special needs.



Repairing, Tidying, Cleaning

This project offers repairing, tidying and cleaning services in dilapidated building structures. Volunteers from Chengdu IFS, Chongqing Times Square, Dalian Times Square, Shanghai Times Square and Shanghai Wheelock Square have contributed by repairing and improving various facilities. These include a shabby primary school, houses for elderly people living alone, and a mental rehabilitation centre.



Changsha IFS X Mango V Fund

The Dreammaker Project creates a positive learning atmosphere for underprivileged students in rural areas. Changsha IFS collaborated with the Mango V Fund on this project, hosted an event to promote public welfare education, social responsibility, and environmental protection.



2018 Shanghai International TOWERrunning Grand Prix – Wheelock Square Station

Shanghai Wheelock Square continued to support the charity event by forming a team of 13 staff members to join the run. Fund was raised for Jing'an Temple Community School for Special Education.



Driver Caring Day

Our newly opened Niccolo Changsha organised Driver Caring Day to promote safe driving. We prepared a total of 2,000 lunchboxes for taxi drivers in the city to show our care to them. The lunchboxes provided a good mix of meat and vegetable to encourage drivers to maintain a healthy lifestyle while working hard to provide quality services to our guests.



Bear Rescue

To support protection of and respect for animals, Chengdu IFS' volunteer team visited The China Bear Rescue Centre of Animals Asia in Chengdu, which is the first bear sanctuary in the world. Volunteers followed the guidance from the teacher to make feeders and toy facilities for the moon bears rescued.



No Garbage on the Ground

Shanghai Wheelock Square organised the "No Garbage on the Ground" activity, aiming to promote awareness of public health and help clean the community. The volunteer team spent the day picking up trash and cleaning the neighbourhood.



Christmas Celebration at the Harbour

Supported by The Boys' & Girls' Clubs Association of Hong Kong, Modern Terminals invited 8 low income families to a one-hour ferry tour at the Victoria Harbour to enjoy the lighting decoration following a dinner to celebrate Christmas together.



Modern Terminals' Summer Fitness Programme

Modern Terminals' Summer Fitness Programme is an annual community programme with the YMCA New Territories Centre as the supporting organisation. In 2018, we provided sports training, spiritual development activity, a development day camp and a half-day parent-child adventure camp to 40 children from low-income families in Kwai Tsing, students from Cotton Spinners Association Secondary School and our colleagues' children.



Number of service hours in 2018

3,582.5

PROVIDING VALUE TO OUR CUSTOMERS



Providing Value to Our Customers

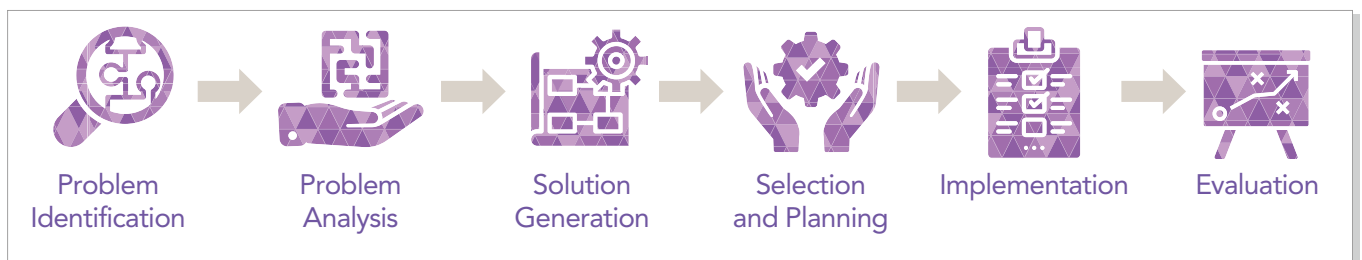
The Group is committed to providing customers with quality products and services. All BUs follow the Group's guidelines in customer service, customer health and safety, personal data privacy, marketing, and quality assurance.

Quality Products and Services

As part of our commitment to professional customer service, each BU provides regular customer service guidance and training to employees. For example, all managers at the service frontline in Chengdu IFS are required to work on the frontline for a day to better understand its operation.



At our hotels, we follow the six steps problem solving technique to excel at addressing customer feedback.



Unique Development Property

The Group pursues a selective land acquisition policy with a strategic focus on quality land in key tier one and tier two cities including Shanghai, Hangzhou and Suzhou. Hangzhou Royal Seal and Shi Ji Hua Fu are good examples of our quality properties in Hangzhou.



Leading Investment Property Portfolio

Our diverse investment property portfolio in Mainland China features prime locations, strategic planning and design, and sound management. The newest opened

Changsha IFS boasts the city's most coveted location. It comprises contemporary chic hotel Niccolo, corporate offices, residences and luxury retail, offering over 370 international brands alongside domestic designers. Changsha IFS has held a series of exhibitions, cultural events and festivals, making it a cultural hub in Central China.



iMall App – smart living at your fingertips



Changsha IFS launched the iMall App this year in response to market development and customer needs. Incorporating the latest information on dining, parking, shopping and other activities in our shopping mall, with the App, our customers can easily navigate around the shopping mall, make reservation at their favourite restaurant, purchase movie tickets, settle parking fees and initiate a car search in case they could not locate their cars. These features save them much time and offer a great deal of convenience.



Notable Hotel Operations and Management

Wharf Hotels manages 17 hotels under two main brands: Marco Polo Hotels and luxury brand Niccolo Hotels. Its unique positioning of understated luxury, exquisite design and gracious hospitality has fuelled its strong success in Mainland China, Hong Kong, and the Philippines.

Niccolo Hotel is a new brand with a collection of contemporary chic hotels at highly desirable addresses. Niccolo Changsha, a new luxury sky hotel, ushers in a new era of hospitality following in the footsteps of its sister hotels. It offers an excellent customer experience by embracing corporate and leisure travel, retail, and signature dining experiences in a refined, urban environment.



World-class Terminal Service

Modern Terminals in Kwai Tsing is a leading operator of world-class container terminal services in the South China region. Apart from optimising its business in the Port of Hong Kong, Modern Terminals has found a strong position in Pearl River Delta (“PRD”) and holds a majority stake in DaChan Bay Terminal in the PRD.



Customer Health and Safety

A safe, healthy, and enjoyable customer experience is our highest priority. We regularly evaluate the safety of our products and services, including food safety and equipment hygiene, to ensure that our customers’ health is not affected.

Safe Premises and Clean Environment

All BUs regularly conduct safety inspections and annual safety facility maintenance work at all of our properties. We invite tenants to participate in our annual fire drills, educating them on fire service equipment, fire exits, and firefighting work. Emergency firefighting equipment and gear are available at designated locations, accessible by our trained personnel. We have crowd control measures for emergency evacuations in place and employ well-trained security personnel to carry out emergency plans.

Our properties work with nationally-recognised third parties on air quality assessments, and regularly clean air conditioning systems in public areas. We have stringent procurement criteria concerning the health and safety performance of our suppliers’ products and services. We also sterilise goods in our hotel rooms at high temperatures to maximise our hygiene level.



Detection dogs working in China investment property

Shanghai Wheelock Square and Chengdu IFS use detection dogs for enhanced security. The detection dogs are well-trained by qualified trainers for explosive search and riot control. Together with our security personnel, they are put on duty to patrol and stand guard over our premises.

Apart from their professional performance, they are like ambassadors and are very popular and welcomed by tenants and employees. In 2016, 2 detection dogs of Chengdu IFS, Lemon and Pineapple got married. Eight puppies were born in 2017 and they serve in the same location as their parents.



Food Safety

All hotel business units follow our Operational Manual on Food Safety Hygiene. To further increase food safety awareness, we organise monthly food safety training and assessments for employees, and we conduct food safety inspections regularly.



Customer Satisfaction

Customer satisfaction is key to the Group's success. We engage with tenants, visitors, shoppers, and business partners via diverse channels to understand their opinions and expectations of us. Our regular surveys measure the overall customer satisfaction rate within different operations. This enables us to monitor our product and service quality and continuously improve.

We pay close attention to customer feedback. Employees resolve complaints in accordance with our standard procedures and report them to higher authorities. Our frontline customer service employees ensure that we always operate with the customer's interests in mind.



Operation	Investment Properties	Development Properties	Leisure and Hospitality	Logistics
Internet and e-mails	✓	✓	✓	✓
Customer service hotlines	✓	✓	✓	
Social media platform	✓		✓	✓
Focus group discussion	✓	✓		✓
Phone interview		✓	✓	
Comments card			✓	
Online survey	✓	✓	✓	
Mystery shopper	✓			

Customer Privacy



We collect customers' data in our daily operations to facilitate management decision making and enhance the products and services we provide to our customers. To ensure the personal data we collected is held safe, the Group strictly implements consumer data protection measures. We take extra care when gathering consent from customers to use their data, offering a privacy policy statement and personal information collection statement that explain why we are collecting data and which personnel will have access to it.



The Group puts in place internal guidelines regarding physical, environmental and IT security. We strictly regulate the use of critical Information Communications Technology ("ICT") equipment used either onsite or offsite. Such measures protect the information from loss, damage, theft or compromise. The access to sensitive information is also restricted to authorised personnel. Records of physical access to secure properties, including data centres and server rooms, are kept in accordance with legal requirements and industry standards.

We also have strict control on the maintenance and disposal of sensitive ICT equipment. Maintenance

of ICT equipment is conducted by authorised and qualified personnel based on agreements. All contracts and contact numbers of our service providers are readily available in case technical support is needed. Where equipment needs to be disposed of, secure disposal with overwriting is required. We physically destroy and discard the storage media if overwriting is not possible. We also appoint external auditor to perform annual physical penetration test to evaluate the effectiveness of our physical security controls.

Our advanced supporting IT infrastructure enables us to handle customers' personal data with the proper procedures throughout the entire data lifecycle, from data collection to secure storage and disposal. We also regularly train employees in the proper treatment of customer information.

To make sure that the above procedures are followed, we encourage reporting of actual and potential data protection compliance failure. Employees can report to our data breach team, consisting of senior management, head of communications and IT managers, through designated communication methods. Upon receipt of the report, our data breach team shall make timely decisions on the remediation plan and notify the affected individuals. If affected individuals are in the European Union ("EU"), the relevant supervisory authority will be notified within 72 hours of any data breach cases according to the latest EU General Data Protection Regulation ("GDPR").

We strictly comply with the data protection laws and regulations including Personal Data (Privacy) Ordinance (Cap. 486) and GDPR. There were no complaints concerning breaches of customer privacy or losses of customer data during the reporting period.

Performance Data Summary

Key for Data Performance Table*

Operation	Business Unit	Acronym
Corporate Office	Wharf Limited	WL
Investment Properties	Wharf China Estates Limited <ul style="list-style-type: none"> • Shanghai Times Square • Shanghai Wheelock Square • Chongqing Times Square • Dalian Times Square • Chengdu IFS • Wuxi IFS • Changsha IFS** 	WCEL
Development Properties	Wharf China Development Limited*** <ul style="list-style-type: none"> • Chengdu • Shanghai • Hangzhou • Construction sites in Hangzhou (XiaoQingLong, SanTang and YuHang) 	WCDL
Leisure and Hospitality	Wharf Hotels Management Limited <ul style="list-style-type: none"> • Wharf Hotels • Niccolo Chengdu • Niccolo Chongqing • Marco Polo Wuhan • Niccolo Changsha**** 	WHML WH
Logistics	Modern Terminals Limited	MTL

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

* Changsha IFS, construction sites in Hangzhou and Niccolo Changsha are newly added to the 2018 reporting scope. For WHML, only social data are reported. For investment properties, environmental data are collected from generation of public area. For Chengdu, Shanghai and Hangzhou branches of WCDL, data are collected from management offices.

** Changsha IFS commenced operation on 7 May 2018.

*** Data from construction sites in Hangzhou is included in the calculations of GHG Emissions (Scope 3) and waste.

**** Niccolo Changsha commenced operation on 29 Oct 2018.

Environmental Performance

Air Emissions

Air emissions by type and source in tonnes [HKEX A1.1](#)¹⁶

	2018	2017
NOx emissions	1.409	0.271
SOx emissions	0.049	0.001
PM emissions	0.096	0.024

¹⁶ These data are confined to air emissions from vehicles and towngas and are calculated based on the methodology from the HKEX Reporting Guidance on Environmental KPIs. NOx and PM emissions from trailer mounted boom lifts at WCEL are not included.

Energy Consumption

Energy consumption by source in GJ (GRI 302-1, HKEX A2.1¹⁷)

		Corporate Office	Investment Properties	Development Properties	Leisure and Hospitality	Logistics	Total
		WL	WCEL	WC DL	WH	MTL	
Diesel oil	2018	75	9,189	0	22	103,330	112,616
	2017	73	7,744	-	-	325,389	333,206
	2016	231	-	-	-	314,236	314,467
Unleaded petrol	2018	740	334	1,014	64	1,034	3,186
	2017	738	806	1,053	-	1,208	3,805
	2016	782	-	-	-	1,363	2,145
Liquefied petroleum gas ("LPG")	2018	0	0	0	0	3,404	3,404
	2017	-	-	-	-	3,553	3,553
	2016	-	-	-	-	3,542	3,542
Towngas	2018	-	0	0	0	2,623	2,623
	2017	-	-	-	-	1,962	1,962
	2016	-	-	-	-	2,437	2,437
Piped natural gas ("PNG")	2018	-	75,310	0	38,165	-	113,475
	2017	-	43,739	-	6,181	-	49,920
	2016	-	-	-	-	-	0
Purchased electricity	2018	2,731	772,636	568	53,755	177,466	1,007,156
	2017	2,732	562,003	1,136	0	179,299	745,170
	2016	2,755	-	-	-	172,292	175,047
Self-generated renewable energy - Solar	2018	-	-	-	-	-	0
	2017	-	4	-	-	-	4
	2016	-	-	-	-	-	0
Total	2018	3,546	857,469	1,582	92,006	287,857	1,242,460
	2017	3,543	614,296	2,189	6,181	511,411	1,137,620
	2016	3,768	-	-	-	493,870	497,638

Energy intensity (GJ/unit) (GRI 302-3, HKEX A2.1)

	2018	2017
Energy consumption per number of employee	258.85	284.90
Energy consumption per million revenues	59.01	46.78

¹⁷ Energy conversion factors used for diesel oil, unleaded petrol, LPG and gas oil are from CDP Technical Note: Conversion of fuel data to MWh. Energy conversion factors used for PNG is from 2012 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting. Energy consumption of towngas was calculated based on the formula provided by The Hong Kong and China Gas Company Limited. In 2017, purchased electricity of Niccolo Chengdu and Niccolo Chongqing are included in that of Investment Properties. Self-generated renewable energy - Solar refers to Chengdu IFS.

Water Consumption¹⁸

Water consumption by source **GRI** 303-1, **HKEX** A2.2

		Municipal water (m ³)			Captured rain water (m ³)		
		2018	2017	2016	2018	2017	2016
Investment Properties	WCEL	1,818,115	1,085,316	-	943	36	-
Development Properties	WCDL	565	877	-	-	-	-
Leisure and Hospitality	WH	267,871	94,439	-	-	-	-
Logistics	MTL	74,134	62,763	66,891	-	-	-
		Underground water (m ³)			Recycled water (m ³)		
		2018	2017	2016	2018	2017	2016
Investment Properties	WCEL	106,054	71,405	-	12,952	8,232	-
Development Properties	WCDL	-	-	-	-	-	-
Leisure and Hospitality	WH	-	-	-	132	-	-
Logistics	MTL	-	-	-	-	-	-

Water intensity (m³/ unit) **GRI** 303-1, **HKEX** A2.2

	2018	2017
Water consumption per number of employee	475.16	331.35
Water consumption per million revenues	108.32	54.40

GHG Emissions¹⁹

Scope 1, Scope 2 and Scope 3 GHG emissions in tonnes CO₂e **GRI** 305-1, 305-2, 305-3, 305-4, **HKEX** A1.2

	2018	2017
Direct (Scope 1) GHG emissions ²⁰	14,899	27,993
Energy indirect (Scope 2) emissions ²¹	157,762	120,543
Scope 3 emissions ²²	15,878	-
Total (Scope 1, 2 & 3)	188,539	148,536
Total (Scope 1, 2 & 3) per number of employee	39.28	37.20
Total (Scope 1, 2 & 3) per million revenues	8.95	6.11

		Direct (Scope 1) GHG emissions			Energy Indirect (Scope 2) emissions		
		2018	2017	2016	2018	2017	2016
Corporate Office	WL	67	67	69	387	410	413
Investment Properties	WCEL	4,472	3,288	-	124,281	92,999	-
Development Properties	WCDL	84	87	-	103	215	-
Leisure and Hospitality	WH	2,323	376	-	7,850	0	-
Logistics	MTL	7,953	24,175	22,089	25,141	26,919	25,874
Total		14,899	27,993	22,158	157,762	120,543	26,287

18 In 2017, municipal water consumption of Niccolo Chongqing is included in that of Investment Properties. The Corporate Office does not have a separate meter. The consumption is included in the bills of Harbour City (Please refer to Wharf REIC's standalone Sustainability Report). Captured rainwater and underground water used are confined to Chengdu IFS.

19 CO₂, CH₄ and N₂O are included in the calculation of GHG emissions.

20 2018 Scope 1 emission are direct GHG emissions from sources that are owned or controlled by Wharf, such as the GHG emissions by the combustion of diesel, unleaded petrol, towngas, and LPG are calculated based on Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong. Emission from combustion of PNG is calculated based on 2012 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting. In 2017, direct (Scope 1) GHG emissions include 15,711 tonnes CO₂e from diesel oil consumption of heavy goods vehicle by haulage contractors of MTL.

21 2018 Scope 2 emissions are indirect GHG emissions from the generation of purchased or acquired electricity and towngas consumed by Wharf, and were calculated based on the default factors provided by electricity providers in Hong Kong, Power Assets (0.79 CO₂e kg/kWh), CLP (0.51 CO₂e kg/kWh) and The Hong Kong and China Gas Company Limited (0.592 CO₂e kg/unit). GHG emission by electricity purchased in China in this report is calculated based on China grid emission factor in 2011 年和 2012 年中國區域電網平均二氧化碳排放因子 (0.7035 CO₂e kg/kWh).

22 2018 Scope 3 emissions include diesel oil consumption of heavy goods vehicle by haulage contractors of MTL, other mobile machinery operated by contractors in XiaoQingLong, purchased electricity in SanTang and in YuHang.

Waste Management^{23,24} **GRI** 306-2, **HKEX** A1.3, A1.4, A1.6

Waste by type and disposal method in tonnes in 2017 - 2018

		Corporate Office	Investment Properties	Development Properties	Leisure and Hospitality	Logistics	
		WL	WCEL	WCDL	WH	MTL	Total
① General Refuse to landfill	2018	-	14,921.54	0.17	387.95	808	16,117.66
	2017	9	11,111	-	527	847	12,494
② Waste collected for recycling							
Non-hazardous waste							
Paper	2018	-	399.58	0.55	20.06	25.31	445.50
	2017	5.93	67.35	0.13	11.47	24.93	109.81
Plastics	2018	0	22.59	0	10.03	0.17	32.79
	2017	0.01	1.2	0.02	8.42	0.17	9.82
Metal	2018	-	23.11	0	2.33	128.60	154.04
	2017	-	3	-	4.25	815.54	822.79
Food Waste	2018	-	2,681.69	0	238.18	49.13	2,969
	2017	-	823.33	-	204.23	10.49	1,038.05
Glass	2018	0	0	0	7.37	0.18	7.55
	2017	0.07	-	-	0.01	0.16	0.24
Soap	2018	-	0	0	0	-	0
	2017	-	-	-	1.11	-	1.11
Hazardous waste							
Electrical Appliances/Components	2018	-	0	0	0	4.78	4.78
	2017	1.12	-	-	0.01	0.5	1.63
Used Ink Cartridge	2018	0.35	0.04	0.17	0.18	0.11	0.85
	2017	0.38	-	0.11	0.24	0.13	0.86
Scrap Tyres	2018	0.03	0	0.15	0	196.34	196.52
	2017	-	-	0.03	-	89.78	89.81
Waste Cooking Oil	2018	-	15.23	0	1.21	0.45	16.89
	2017	-	12.02	-	0.97	-	12.99
Waste Industrial Oil	2018	-	0.96	0	0	46.17	47.13
	2017	-	0.08	-	-	41.23	41.31
Wooden Pallets	2018	0	0	0	0	334.64	334.64
	2017	-	-	-	-	315.02	315.02
Waste Filter	2018	0	0	0	0	3.40	3.40
	2017	-	-	-	-	4.30	4.30
Waste Rag	2018	0	0	0	0	10.58	10.58
	2017	-	-	-	-	9.22	9.22
Cell Batteries	2018	0	0.35	0.01	0.06	0	0.42
	2017	-	0.15	0.01	0.06	0.001	0.22
Industrial Batteries	2018	-	0	0	0	5.29	5.29
	2017	-	-	-	-	3.70	3.70
Fluorescent Lamps	2018	-	0.91	0	0.02	0.59	1.52
	2017	0.05	0.3	-	0.03	0.42	0.80
Light Bulbs	2018	-	0	0	0	0	0
	2017	-	0.08	-	0.05	-	0.13
Others	2018	3.86	0	0	0	0	3.86
	2017	-	-	-	-	-	-
Grand Total ① + ②	2018	4.24	18,066	1.05	667.39	1,613.74	20,352.42
	2017	16.56	12,018.51	0.3	757.85	2,162.59	14,955.81

23 Data on others (two scrapped private cars) are newly reported in 2018.

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

Construction waste to landfill and for recycling in 2018^{25, 26}

		Investment Properties	Development Properties	Total
Construction waste ²⁷	to landfill	22,102	-	22,102
	for recycling	122.54	-	122.54
Wood	to landfill	-	0	0
	for recycling	-	0.80	0.80
Reinforcing steel bars	to landfill	-	0	0
	for recycling	-	3.65	3.65
Concrete	to landfill	-	0	0
	for recycling	-	0.70	0.70
Others	to landfill	-	1.30	1.30
	for recycling	-	0	0
Earthwork (m ³)	to landfill	-	2,040	2,040
	for recycling	-	0	0
Mud (m ³)	to landfill	-	283	283
	for recycling	-	0	0

25 The unit of all data is in tonnes, except the earthwork and mud is measured in m³.

26 Waste is produced majorly by tenants of Investment Properties and contractors on construction sites.

27 Construction waste refers to the waste produced during renovation in the Investment Properties.

Employee Statistics

Employee Distribution

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

		Corporate Office	Investment Properties	Development Properties	Leisure and Hospitality		Logistics	Total
		WL	WCEL	WCDL	WHML	WH	MTL	
2018	Male	68	1,074	196	18	559	812	2,727
	Female	102	978	221	35	636	101	2,073
	Total	170	2,052	417	53	1,195	913	4,800
2017	Male	67	800	232	21	373	823	2,316
	Female	96	737	243	35	460	106	1,677
	Total	163	1,537	475	56	833	929	3,993
2016	Male	126	-	-	-	-	848	974
	Female	158	-	-	-	-	110	268
	Total	284	-	-	-	-	958	1,242

Total workforce by employment type **GRI** 102-8, **HKEX** B1.1²⁸

		Corporate Office	Investment Properties	Development Properties	Leisure and Hospitality		Logistics	Total
		WL	WCEL	WCDL	WHML	WH	MTL	
2018	Full time	170	2,031	417	53	1,193	913	4,777
	Part time	0	21	0	0	2	0	23
	Total	170	2,052	417	53	1,195	913	4,800
2017	Full time	162	1,518	475	56	831	929	3,971
	Part time	1	19	0	0	2	0	22
	Total	163	1,537	475	56	833	929	3,993
2016	Full time	265	-	-	-	-	918	1,183
	Part time	0	-	-	-	-	0	0
	Total	265	-	-	-	-	918	1,183

²⁸ 2016 data show the distribution of permanent contract employees while 2017 and 2018 data show the distribution of total workforce.

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

		Corporate Office	Investment Properties	Development Properties	Leisure and Hospitality		Logistics	Total
		WL	WCEL	WCDL	WHML	WH	MTL	
2018	Permanent	149	497	101	38	64	912	1,761
	Fixed term	21	1,532	316	15	1,108	1	2,993
	Temporary	0	23	0	0	23	0	46
2017	Permanent	143	440	114	35	61	924	1,717
	Fixed term	19	1,070	361	21	741	5	2,217
	Temporary	1	27	0	0	31	0	59
2016	Permanent	265	-	-	-	-	918	1,183
	Fixed term	19	-	-	-	-	35	54
	Temporary	-	-	-	-	-	5	5

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

		Corporate Office	Investment Properties	Development Properties	Leisure and Hospitality		Logistics	Total
		WL	WCEL	WCDL	WHML	WH	MTL	
2018	Male	52	281	53	9	29	811	1,235
	Female	97	216	48	29	35	101	526
	Total	149	497	101	38	64	912	1,761
2017	Male	53	258	59	9	25	821	1,225
	Female	90	182	55	26	36	103	492
	Total	143	440	114	35	61	924	1,717
2016	Male	111	-	-	-	-	812	923
	Female	154	-	-	-	-	106	260
	Total	265	-	-	-	-	918	1,183

Gender, age group and minority group distribution of all employees by employment category²⁹ in 2018 **GRI** 102-8, 405-1, **HKEX** B1.1

		Male	Female	Below 30	30 - 50	Above 50	Minority group ³⁰	Non-minority group	
Corporate Office	WL	Senior management	82%	18%	0%	18%	82%	0%	100%
		Middle management	39%	61%	0%	74%	26%	0%	100%
		General staff	34%	66%	20%	55%	25%	0%	100%
Investment Properties	WCEL	Senior management	50%	50%	0%	63%	37%	0%	100%
		Middle management	50%	50%	2%	85%	13%	1%	99%
		General staff	52%	48%	36%	58%	6%	2%	98%
Development Properties	WCDL	Senior management	100%	0%	0%	50%	50%	0%	100%
		Middle management	58%	42%	0%	84%	16%	0%	100%
		General staff	43%	57%	24%	73%	3%	1%	99%
Leisure and Hospitality	WHML	Senior management	50%	50%	0%	33%	67%	0%	100%
		Middle management	33%	67%	6%	83%	11%	0%	100%
		General staff	18%	82%	35%	53%	12%	0%	100%
	WH	Senior management	75%	25%	0%	88%	12%	13%	87%
		Middle management	49%	51%	35%	63%	2%	1%	99%
		General staff	46%	54%	59%	35%	6%	2%	98%
Logistics	MTL	Senior management	69%	31%	0%	44%	56%	19%	81%
		Middle management	76%	24%	10%	60%	30%	0%	100%
		General staff	94%	6%	12%	55%	33%	0%	100%
Group Overall		Senior management	70%	30%	0%	51%	49%	7%	93%
		Middle management	58%	42%	14%	70%	16%	1%	99%
		General staff	56%	44%	36%	53%	11%	1%	99%

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

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

New Employees Hires

Gender distribution of new employee hires in number and percentage³¹ **GRI** 401-1

		Corporate Office	Investment Properties	Development Properties	Leisure and Hospitality		Logistics	Total
		WL	WCEL	WCDL	WHML	WH	MTL	
2018	Male	11 (16%)	316 (29%)	28 (14%)	11 (61%)	274 (49%)	58 (7%)	698 (26%)
	Female	32 (31%)	359 (37%)	32 (14%)	7 (20%)	340 (53%)	24 (24%)	794 (38%)
2017	Male	8 (12%)	143 (18%)	31 (13%)	10 (48%)	275 (74%)	53 (6%)	520 (22%)
	Female	24 (25%)	207 (28%)	23 (9%)	12 (34%)	281 (61%)	13 (12%)	560 (33%)
2016	Male	17 (13%)	-	-	-	-	59 (7%)	76 (8%)
	Female	28 (18%)	-	-	-	-	18 (17%)	46 (17%)

Age distribution of new employee hires in number and percentage³² **GRI** 401-1

		Corporate Office	Investment Properties	Development Properties	Leisure and Hospitality		Logistics	Total
		WL	WCEL	WCDL	WHML	WH	MTL	
2018	Below 30	14 (58%)	380 (56%)	24 (32%)	4 (57%)	431 (68%)	36 (36%)	889 (58%)
	30-50	24 (26%)	290 (23%)	36 (11%)	11 (37%)	173 (35%)	43 (8%)	577 (22%)
	Above 50	5 (10%)	5 (4%)	0 (0%)	3 (19%)	10 (14%)	3 (1%)	26 (4%)
2017	Below 30	19 (70%)	210 (43%)	24 (24%)	6 (100%)	347 (81%)	27 (29%)	633 (56%)
	30-50	9 (10%)	136 (15%)	30 (9%)	14 (39%)	196 (56%)	38 (7%)	423 (19%)
	Above 50	4 (8%)	4 (3%)	0 (0%)	2 (14%)	13 (25%)	1 (0%)	24 (4%)
2016	Below 30	23 (56%)	-	-	-	-	37 (43%)	60 (-)
	30-50	16 (9%)	-	-	-	-	36 (7%)	52 (-)
	Above 50	6 (10%)	-	-	-	-	4 (1%)	10 (-)

Region distribution of new employee hires in numbers and percentage³³ **GRI** 401-1

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

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

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

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

Employee Turnover

Gender distribution of employee turnover in number and percentage³⁴ **GRI** 401-1, **HKEX** B1.2

		Corporate Office	Investment Properties	Development Properties	Leisure and Hospitality		Logistics	Total
		WL	WCEL	WCDL	WHML	WH	MTL	
2018	Male	8 (12%)	137 (13%)	52 (27%)	10 (56%)	249 (45%)	70 (9%)	526 (19%)
	Female	23 (23%)	222 (23%)	46 (21%)	7 (20%)	326 (51%)	32 (32%)	656 (32%)
2017	Male	7 (10%)	164 (21%)	70 (30%)	12 (57%)	173 (46%)	80 (10%)	506 (22%)
	Female	27 (28%)	166 (23%)	65 (27%)	11 (31%)	155 (34%)	18 (17%)	442 (26%)
2016	Male	12 (10%)	-	-	-	-	63 (7%)	75 (8%)
	Female	24 (15%)	-	-	-	-	19 (17%)	43 (16%)

Age distribution of employee turnover in number and percentage³⁵ **GRI** 401-1, **HKEX** B1.2

		Corporate Office	Investment Properties	Development Properties	Leisure and Hospitality		Logistics	Total
		WL	WCEL	WCDL	WHML	WH	MTL	
2018	Below 30	8 (33%)	184 (27%)	32 (42%)	3 (43%)	375 (59%)	29 (29%)	631 (41%)
	30-50	20 (21%)	158 (13%)	65 (21%)	12 (40%)	195 (40%)	46 (9%)	496 (18%)
	Above 50	3 (6%)	17 (13%)	1 (4%)	2 (13%)	5 (7%)	27 (9%)	55 (9%)
2017	Below 30	12 (44%)	183 (38%)	34 (33%)	5 (83%)	206 (48%)	22 (24%)	462 (41%)
	30-50	17 (20%)	133 (14%)	99 (28%)	13 (36%)	115 (33%)	36 (7%)	413 (18%)
	Above 50	5 (10%)	14 (11%)	2 (10%)	5 (36%)	7 (13%)	40 (12%)	73 (12%)
2016	Below 30	15 (37%)	-	-	-	-	17 (20%)	32 (-)
	30-50	14 (8%)	-	-	-	-	34 (7%)	48 (-)
	Above 50	7 (11%)	-	-	-	-	31 (8%)	38 (-)

Region distribution of employee turnover in numbers and percentage³⁶ **GRI** 401-1, **HKEX** B1.2

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

Parental leave – return to work rate³⁷ **GRI** 401-3

	Corporate Office	Investment Properties	Development Properties	Leisure and Hospitality		Logistics	Overall
	WL	WCEL	WCDL	WHML	WH	MTL	
2018	100%	100%	100%	100%	100%	100%	100%

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

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

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

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

Health and Safety

Group total work-related fatality in number by gender and region **GRI** 403-2, **HKEX** B2.1

	Male	Female	Hong Kong SAR	Mainland China	Overall
2018	0	0	0	0	0
2017	0	0	0	0	0
2016	0	0	-	-	-

Injury rate by gender per 1,000 employees³⁸ **GRI** 403-2

		Corporate Office	Investment Properties	Development Properties	Leisure and Hospitality	Logistics	Overall
		WL	WCEL	WCDL	WHML	WH	MTL
2018	Male	0	13	5	0	14	13
	Female	0	7	9	0	16	9
2017	Male	0	25	0	0	40	18
	Female	10	3	4	0	35	13
2016	Male	16	-	-	-	-	12
	Female	0	-	-	-	-	0

Injury rate by region per 1,000 employees³⁹ **GRI** 403-2

	Hong Kong SAR	Mainland China	Overall
2018	9	12	11
2017	6	21	16

Lost day rate by gender in percentage⁴⁰ **GRI** 403-2, **HKEX** B2.2

		Corporate Office	Investment Properties	Development Properties	Leisure and Hospitality	Logistics	Overall
		WL	WCEL	WCDL	WHML	WH	MTL
2018	Male	0%	0.148%	0.022%	0%	0.031%	0.233%
	Female	0%	0.027%	0.252%	0%	0.046%	0.049%
2017	Male	0%	0.099%	0%	0%	0.089%	0.180%
	Female	0.005%	0.004%	0.023%	0%	0.146%	0.027%
2016	Male	0.002%	-	-	-	-	0.052%
	Female	0%	-	-	-	-	0%

Lost day rate by region in percentage⁴¹ **GRI** 403-2, **HKEX** B2.2

	Hong Kong SAR	Mainland China	Overall
2018	0.253%	0.091%	0.154%
2017	0.230%	0.069%	0.128%

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

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

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

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

Occupational disease rate by gender in percentage⁴² **GRI** 403-2

		Corporate Office	Investment Properties	Development Properties	Leisure and Hospitality		Logistics	Overall
		WL	WCEL	WCDL	WHML	WH	MTL	
2018	Male	0%	0%	0%	0%	0%	0%	0%
	Female	0%	0%	0%	0%	0%	0%	0%
2017	Male	0%	0%	0%	0%	0%	0%	0%
	Female	0%	0%	0%	0%	0%	0%	0%
2016	Male	0%	-	-	-	-	0%	-
	Female	0%	-	-	-	-	0%	-

Occupational disease rate by region in percentage⁴³ **GRI** 403-2

	Hong Kong SAR	Mainland China	Overall
2018	0%	0%	0%
2017	0%	0%	0%

Absentee rate by gender in percentage⁴⁴ **GRI** 403-2

		Corporate Office	Investment Properties	Development Properties	Leisure and Hospitality		Logistics	Overall
		WL	WCEL	WCDL	WHML	WH	MTL	
2018	Male	2.0%	0.7%	0.5%	0.6%	0.2%	2.1%	1.1%
	Female	1.7%	1.7%	1.2%	1.5%	1.0%	1.8%	1.5%
2017	Male	1.3%	0.9%	0.5%	0.7%	0.3%	1.8%	1.2%
	Female	1.5%	2.2%	1.5%	0.6%	0.9%	1.7%	1.6%
2016	Male	1.8%	-	-	-	-	1.7%	-
	Female	1.9%	-	-	-	-	1.9%	-

Absentee rate by region in percentage⁴⁵ **GRI** 403-2

	Hong Kong SAR	Mainland China	Overall
2018	1.8%	0.9%	1.3%
2017	1.7%	1.1%	1.3%

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

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

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

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

Training and Education

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

		Corporate Office	Investment Properties	Development Properties	Leisure and Hospitality	Logistics	Overall	
		WL	WCEL	WCDL	WHML	WH	MTL	
2018	Male	4.1	10.3	4.9	7.4	58.7	28.2	25.0
	Female	4.9	12.1	6.2	5.7	59.1	27.7	26.2
	Total	4.6	11.2	5.6	6.3	58.9	28.1	25.5
2017	Male	2.2	10.6	7.3	12.0	40.0	20.0	18.1
	Female	4.3	11.0	7.0	12.0	43.4	25.0	19.8
	Total	3.4	10.8	7.1	12.0	41.9	20.6	18.8
2016	Male	2.2	-	-	-	-	28.0	-
	Female	2.9	-	-	-	-	23.7	-
	Total	2.6	-	-	-	-	27.5	-

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

		Corporate Office	Investment Properties	Development Properties	Leisure and Hospitality	Logistics	Overall	
		WL	WCEL	WCDL	WHML	WH	MTL	
2018	Senior management	6.5	8.3	7.4	8.0	15.9	18.9	11.8
	Middle management	12.1	12.0	3.5	6.3	59.7	29.6	30.5
	General staff	2.4	11.1	6.2	4.4	59.8	27.9	24.9
2017	Senior management	5.7	4.8	1.0	12.0	42.6	9.3	14.3
	Middle management	7.4	10.0	2.9	12.0	33.9	31.1	20.3
	General staff	2.3	10.9	8.5	12.0	42.6	17.1	18.7
2016	Senior management	4.5	-	-	-	-	23.6	-
	Middle management	4.7	-	-	-	-	38.6	-
	General staff	1.7	-	-	-	-	23.7	-

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

Selected Awards and Recognition

Organiser	Award and Recognition	Business Unit
Hang Seng Index Company Limited	Constituent member of Hang Seng Corporate Sustainability Index	Wharf Holdings
Hong Kong Quality Assurance Agency (HKQAA)	CSR Index Plus	Wharf Holdings
Employees Retraining Board	Manpower Developer Award Scheme - Manpower Developer - ERB (2014-2020)	Modern Terminals
Business Environment Council	Sustainable Consumption Enterprise Award - Certificate of Excellence	Modern Terminals
Occupational Safety & Health Council	17th Hong Kong Occupational Safety & Health Award: - Safety Promotion Award - Merit - OSH Annual Report Award - Merit	Modern Terminals
U.S. Green Building Council - LEED	Platinum for Existing Building: Operations and Maintenance Standard	Chengdu IFS
	Gold for Existing Building: Operations and Maintenance Standard	Shanghai Wheelock Square
	Gold for Core and Shell	Wuxi IFS
Chengdu Association of Building Economy Promotion	China (Chengdu) Advanced Environment Protection Building	Chengdu IFS
Environmental Protection Department	IAQ Certification Scheme for Offices and Public Places	Modern Terminals
Lloyd's Register Quality Assurance Limited	ISO14001: 2015 EMS Certification	Modern Terminals
EarthCheck	Silver Certification	Niccolo Chengdu, Marco Polo Wuhan
Mandatory Provident Fund Schemes Authority	Good MPF Employer (2017-2018)	Wharf Limited, Wharf China Development Limited, Wharf China Estates Limited
Employees Retraining Board	Manpower Developer	Wharf China Estates Limited
Promoting Happiness Index Foundation & Hong Kong Productivity Council	Happy Company	Wharf China Estates Limited, Modern Terminals
The Hong Kong Council of Social Service	Caring Company Logo	Wharf Limited (5 years plus), Modern Terminals (10 years plus)

Selected Membership and Charters

Organisations	Nature of Membership/Name of Charters	Business Unit
Hong Kong General Chamber of Commerce	Corporate Member	Wharf Holdings, Modern Terminals
Employers' Federation of Hong Kong	Corporate Member	Wharf Limited, Modern Terminals, WHML
World Wide Fund For Nature Hong Kong	Double Diamond Member	Wharf Holdings
Business Environment Council	Council Member, Communications and Membership Committee Member	Modern Terminals
Occupational Safety and Health Council	Green Cross Group	Wharf Limited, Modern Terminals
	Corporate Member	Modern Terminals
	Joyful@Healthy Workplace Charter	Wharf Limited, Wharf China Development Limited
The Chartered Institute of Logistics and Transport in Hong Kong	Corporate Member	Modern Terminals
Hong Kong Container Terminal Operators Association	Corporate member, Committee Member & Treasurer	Modern Terminals
Office of the Privacy Commissioner for Personal Data	Data Protection Officer's Club	Wharf Limited
Shanghai Services Federation	Member	Shanghai Wheelock Square
Golden Key International Alliance – Property Alliance	Member	Shanghai Wheelock Square, Shanghai Times Square
China Real Estate Chamber of Commerce – Commercial Real Estate Association	Member	Dalian Times Square and Chengdu IFS
Chengdu Association of Building Economy Promotion	Vice Chairman Unit	Chengdu IFS
Chengdu Retailers Business Association	Council Member	Chengdu IFS
Jinjiang Joint Association of Commerce in China-Chengdu	Vice President	Chengdu IFS
China Shopping Center Development Association of Mall China	Executive Council Member	Dalian Times Square
The American Chamber of Commerce	Corp Representative, Former Chairman, Member	Modern Terminals
The British Chamber of Commerce	Corporate Member	Niccolo Chengdu
Environmental Bureau	Energy Saving Charter	Modern Terminals

Significant Laws and Regulations

Environment

Aspect A1: Emissions

- Air Pollution Control Ordinance (Cap. 311 of the laws of Hong Kong)
- Shipping and Port Control Ordinance (Cap. 313 of the laws of Hong Kong)
- Waste Disposal Ordinance (Cap. 354 of the laws of Hong Kong)
- Noise Control Ordinance (Cap. 400 of the laws of Hong Kong)
- Merchant Shipping (Local Vessels) Ordinance (Cap. 548 of the laws of Hong Kong)

Aspect A2: Use of Resources

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

Aspect A3: The Environment and Natural Resources

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

Social

Aspect B1: Employment

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

Aspect B2: Health and Safety

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

Aspect B6: Product Responsibility

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

Aspect B7: Anti-corruption

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

GRI Standards and HKEX ESG Reporting Guide Content Index

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102-1	Name of the organization	The Wharf (Holdings) Limited
102-2	Activities, brands, products, and services	P. 4
102-3	Location of headquarters	Hong Kong
102-4	Location of operations	P. 4
102-5	Ownership and legal form	Publicly listed company
102-6	Markets served	P. 4
102-7	Scale of the organization	P. 4
102-8	Information on employees and other workers	KPI B1.1 P. 28, 49-51
102-9	Supply chain	KPI B5.1, B5.2 P. 18
102-10	Significant changes to the organization and its supply chain	P. 4, 18
102-11	Precautionary Principle or approach	P. 6-7, 14-16
102-12	External initiatives	P. 58-59
102-13	Membership of associations	P. 58-59
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102-14	Statement from senior decision-maker	P. 1-2
Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	KPI B7.2 P. 6-7, 14-16
Governance		
102-18	Governance structure	P. 14
Stakeholder engagement		
102-40	List of stakeholder groups	P. 8
102-41	Collective bargaining agreements	Some of our business units in Mainland China have set up trade unions to safeguard the legitimate rights and interests of our employees and to establish a coordinated and stable employment relation. Collective bargaining agreements do not apply to the Group's operations in Hong Kong.
102-42	Identifying and selecting stakeholders	P. 8
102-43	Approach to stakeholder engagement	P. 8
102-44	Key topics and concerns raised	P. 9
Reporting practice		
102-45	Entities included in the consolidated financial statements	P. 4 Annual Report 2018 - Independent Auditor's Report (P. 100-104)
102-46	Defining report content and topic boundaries	P. 8-12
102-47	List of material topics	P. 10-12
102-48	Restatements of information	There is no restatement information.
102-49	Changes in reporting	P. 5, 10-12

Disclosures		HKEX ESG Guide	Page Numer/ Remarks
102-50	Reporting period		P. 5
102-51	Date of most recent report		Sustainability Report 2017
102-52	Reporting cycle		Annual
102-53	Contact point for questions regarding the report		P. 5
102-54	Claims of reporting in accordance with the GRI Standards		P. 5 This report has been prepared in accordance with GRI Standards: Core Option.
102-55	GRI content index		P. 61-64
102-56	External assurance		P. 65
200 Economic			
201: Economic Performance 2016			
103	Management approach		P. 6-7, 14-16 Annual Report 2018 - Chairman's Statement (P. 8-11)
201-1	Direct economic value generated and distributed		P. 16 Annual Report 2018 - Directors' Report (P. 79-99)
201-2	Financial implications and other risks and opportunities due to climate change		P. 20-26 Annual Report 2018 - Directors' Report (P. 97-98)
201-4	Financial assistance received from government		No financial assistance from HKSAR Government was received.
202: Market Presence 2016			
103	Management approach		P. 6-7, 14-16
202-2	Proportion of senior management hired from the local community		P. 14
203: Indirect Economic Impacts 2016			
103	Management approach	GD B8	P. 6-7, 14-18
203-1	Infrastructure investments and services supported	KPI B8.1, B8.2	P. 16-18
204: Procurement Practices 2016			
103	Management approach	GD B5	P. 6-7, 14-16, 18
204-1	Proportion of spending on local suppliers	KPI B5.1	P. 18
205: Anti-corruption 2016			
103	Management approach	GD B7	P. 6-7, 14-16
205-3	Confirmed incidents of corruption and actions taken	KPI B7.1	P.16 In 2018, there were no confirmed incidents of corruption.
300: Environment			
302: Energy 2016			
103	Management approach	GD A2, A3	P. 6-7, 14-16, 20-22
302-1	Energy consumption within the organization within the organization	KPI A2.1	P. 20-22, 45
302-3	Energy intensity	KPI A2.1	P. 22, 45
CRE-1	Building energy intensity	KPI A2.1	P. 22
302-4	Reduction of energy consumption	KPI A2.3	P. 20-22
303: Water 2018			
103	Management approach	GD A2, A3	P. 6-7, 14-16, 24

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303-1	Water withdrawal by source	KPI A2.2	P. 24, 26
CRE-2	Building water intensity	KPI A2.2	P. 24
303-2	Water sources significantly affected by withdrawal of water	KPI A2.4, A3.1	P. 24 The majority of the water consumed in Hong Kong and Mainland China are purchased and distributed by the Government's municipal water supplies department.
305: Emission 2016			
103	Management approach	GD A1, A3	P. 6-7, 14-16, 22-23
305-1	Direct (Scope 1) GHG emissions	KPI A1.2	P. 22, 46
305-2	Energy Indirect (Scope 2) GHG emissions	KPI A1.2	P. 22, 46
305-3	Other indirect (Scope 3) GHG emissions	KPI A1.2	P. 22, 46
305-4	GHG emissions intensity	KPI A1.2	P. 23, 46
CRE-3	GHG emissions intensity from buildings	KPI A1.2	P. 23
305-5	Reduction of GHG emissions	KPI A1.5	P. 22-23
305-7	NOx, SOx, and other significant air emissions	KPI A1.1	P. 23, 44
306: Effluent and Waste 2018			
103	Management approach	GD A1, A3 KPI A2.5	P. 6-7, 14-16, 25-26 The Group does not have significant impact on the environment from packaging materials.
306-2	Waste by type and disposal method	KPI A1.3, A1.4, A1.6	P. 25-26, 47-48
306-3	Significant spills	KPI A3.1	No significant spill was recorded.
306-5	Waste bodies affected by water discharges and/or runoff	KPI A3.1	No water bodies are significantly affected by our operations.
307: Environmental Compliance 2016			
103	Management approach		P. 6-7, 14-16, 20-26
307-1	Non-compliance with environmental laws and regulations		In 2018, the Group received no fines or non-monetary sanctions for incidences of non-compliance.
400: Social			
401: Employment 2016			
103	Management approach	GD B1	P. 6-7, 14-16, 28-30
401-1	New employee hires and employee turnover	KPI B1.2	P. 52-53
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		P. 29
401-3	Parental leave		P. 53
402: Labor/ Management Relations 2016			
103	Management approach		P. 6-7, 14-16, 28-30
402-1	Minimum notice periods regarding operational changes		We do not have a fixed notice period. Depending on commercial and/or other aspects of business sensitivity, reasonable notice is normally allowed for any significant operational changes of the company.
403: Occupational Health and Safety 2018			
103	Management approach	GD B2	P. 6-7, 14-16, 31-32

Disclosures	HKEX ESG Guide	Page Numer/ Remarks
403-2 Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	KPI B2.1, B2.2, B2.3	P. 31-32, 54-55
404: Training and Education 2016		
103 Management approach	GD B3	P. 6-7, 14-16, 30-31
404-1 Average hours of training per year per employee	KPI B3.2	P. 30, 56
404-2 Programmes for upgrading employee skills and transition assistance programmes		P. 30-31
405: Diversity and Equal Opportunity 2016		
103 Management approach		P. 6-7, 14-16
405-1 Diversity of governance bodies and employees		P. 14, 51
406: Non-discrimination 2016		
103 Management approach		P. 6-7, 14-16, 28-30
406-1 Incidents of discrimination and corrective actions taken		In 2018, there were no recorded incidents of non-compliance with anti-discrimination legislation.
408: Child Labor 2016		
103 Management approach	GD B4	P. 6-7, 14-16, 18, 28
408-1 Operations and suppliers at significant risk for incidents of child labor	KPI B4.1, B4.2	P. 18, 28
409: Forced or Compulsory Labor 2016		
103 Management approach	GD B4	P. 6-7, 14-16, 18, 28
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	KPI B4.1, B4.2	P. 18, 28
413: Local Communities 2016		
103 Management approach		P. 6-7, 14-16, 37
413-1 Operations with local community engagement, impact assessments and development programmes		P. 37-43
416: Customer Health and Safety 2016		
103 Management approach		P. 6-7, 14-16, 41-42
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		In 2018, there were no recorded incidents of non-compliance.
417: Marketing and Labelling 2016		
103 Management approach		P. 6-7, 14-16, 40
417-3 Incidents of non-compliance concerning marketing communications		In 2018, there were no recorded incidents of non-compliance.
418: Customer Privacy 2016		
103 Management approach	GD B6	P. 6-7, 14-16, 43
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	KPI B6.5	In 2018, there were no recorded incidents of non-compliance.
419: Socioeconomic Compliance 2016		
103 Management approach		P. 6-7, 14-16
419-1 Non-compliance with laws and regulations in the social and economic area		In 2018, there were no recorded incidents of non-compliance.

Verification Statement GRI 102-56



Scope and Objective

Hong Kong Quality Assurance Agency ("HKQAA") has been commissioned by The Wharf (Holdings) Limited ("Wharf") to undertake an independent verification for its Sustainability Report 2018 ("the Report"). The scope of this verification covers the sustainability performance data and information of Wharf's business in Hong Kong and Mainland China for the period of 1st January 2018 to 31st December 2018, as defined in the Report.

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

Level of Assurance and Methodology

The process applied in this verification was based on the International Standard on Assurance Engagements 3000 (Revised) - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. The verification process was designed to obtain a reasonable level of assurance in accordance with the standard for the purpose of devising the verification conclusion. The extent of verification covered the Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards"), the GRI G4 Construction and Real Estate Sector Disclosures and the Environmental, Social and Governance Reporting Guide ("ESG Guide") of The Stock Exchange of Hong Kong Limited.

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

Independence

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

Conclusion

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

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

Wharf has been putting continuous efforts to enhance its report quality by adopting a more thorough approach for the stakeholder engagement process referencing to the AA1000 Stakeholder Engagement Standard 2015 of AccountAbility. Also, the Report divulges the alignment of Wharf's business strategies and the UN Sustainable Development Goals which enables clearer portray of Wharf's overarching sustainability commitment and stewardship.

Signed on behalf of Hong Kong Quality Assurance Agency

Connie Sham
Head of Audit
May 2019



WHARF

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