



REGAL REIT  
富豪產業信託

Regal Real Estate Investment Trust

(a Hong Kong collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))  
(Stock Code : 1881)

2018

Environmental, Social and  
Governance Report

Managed by

 富豪資產管理有限公司  
Regal Portfolio  
Management Limited



# CONTENTS

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- 2** About this Report
  - Reporting Standard
  - Reporting Scope and Boundary
  - Reporting Period
  - Accessibility of the Report
  - Board Approval
- 3** Chairman's Statement
- 4** About Regal REIT
  - Property Portfolio
  - Organisation and Structure
  - The Hotel Manager
- 6** Our ESG Approach
  - Corporate Governance
  - Sustainability Governance
  - Stakeholder Engagement
  - Materiality Assessment
- 11** Environmental Responsibility
  - Commitment to the Environment
  - Environmental Management
  - Energy and Emissions
  - Water Management
  - Waste Management
- 16** Social Responsibility
  - Commitment to Community
  - Youth Development
  - Health Enhancement
  - Social Inclusion
- 21** Economic Responsibility
  - Commitment to Employees
  - Commitment to Guests
  - Supply Chain Management
  - Anti-corruption
  - Fair Competition
- 29** Appendix I – Awards, Recognitions, Qualifications and Membership
- 33** Appendix II – Performance Table
- 34** Appendix III – The Stock Exchange of Hong Kong Limited's ESG Reporting Guide Content Index

## About this Report

### REPORTING STANDARD

This report was prepared in accordance with the “comply or explain” provisions set out in the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

To enable meaningful communication and informed decision-making, this report was prepared based on the following four fundamental reporting principles listed in the ESG Reporting Guide:

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

### REPORTING SCOPE AND BOUNDARY

This is the third annual standalone ESG report of Regal Real Estate Investment Trust (“Regal REIT”) prepared by Regal Portfolio Management Limited (the “REIT Manager”). This report covers the sustainability performance of material ESG issues at hotel properties which are owned by Regal REIT and managed by the Hotel Manager.

There have been no changes from previous reporting periods in the scope of this Report.

### REPORTING PERIOD

Unless otherwise specified, this report encapsulates the highlights of the progress and performance of the hotel properties in Hong Kong on material ESG issues for the period from 1 January 2018 to 31 December 2018.

### ACCESSIBILITY OF THE REPORT

An electronic copy of this report can be accessed on Regal REIT’s website at [www.regalreit.com/annualrpt.html](http://www.regalreit.com/annualrpt.html). Should you have any enquires about the report or opinions regarding Regal REIT’s ESG performance, please feel free to contact us via [info@RegalREIT.com](mailto:info@RegalREIT.com).

### BOARD APPROVAL

This report was approved by the Board of Directors of the REIT Manager (the “Board”) on 5 July 2019.



## Chairman's Statement

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

Promoting sustainability continues to be one of the priorities in our business operations. To put commitment into action, the REIT Manager collaborates with the Hotel Manager in implementing a set of Sustainability Programmes and Corporate Social Responsibility initiatives, which aim to create a positive impact on the environment, people and the local communities in which our hotel properties operate.

The Sustainability Programmes launched with the Hotel Manager continue to guide the sustainable practices in our hotels. Based on the three major pillars of Environmental Responsibility, Social Responsibility and Economic Responsibility, we implement initiatives and establish best practices to maintain our hotels' sustainability performance.

Our efforts on promoting environmental responsibility are recognised by the industry. This year, our Initial Hotels, namely, Regal Airport Hotel, Regal Hongkong Hotel, Regal Kowloon Hotel, Regal Oriental Hotel and Regal Riverside Hotel, attained Gold certification from EarthCheck, an international environmental benchmark for the travel and tourism industry. The accreditation comes as a positive endorsement of the joint efforts of the REIT Manager and the Hotel Manager in promoting environmental betterment in our hotels and gives us motivation to act further on our environmental initiatives.

As the employer of all the employees working in our hotels, the Hotel Manager is also committed to social responsibility through the beneficial development of professional careers as well as the communities to which our hotels are connected. Continuing with the three focus areas in community investment, including youth development, health enhancement and social inclusion, the Hotel Manager has been recognised as a "Caring Company" by The Hong Kong Council of Social Service for the 16<sup>th</sup> consecutive year.

The REIT Manager is fully cognizant of its responsibilities on the Environmental, Social and Economic aspects and is committed to managing and continually improving, together with all other stakeholders, the hotels' operation through various Sustainability Programmes and initiatives.

**LO YUK SUI**

*Chairman*

**Regal Portfolio Management Limited**

(as the REIT Manager of Regal REIT)

Hong Kong

5 July 2019



## About Regal REIT

Regal REIT is a collective investment scheme established in the form of a unit trust under the laws of Hong Kong. Listed on the main board of The Stock Exchange of Hong Kong Limited since 2007, Regal REIT is the only listed hospitality real estate investment trust ("REIT") with market concentration in Hong Kong.

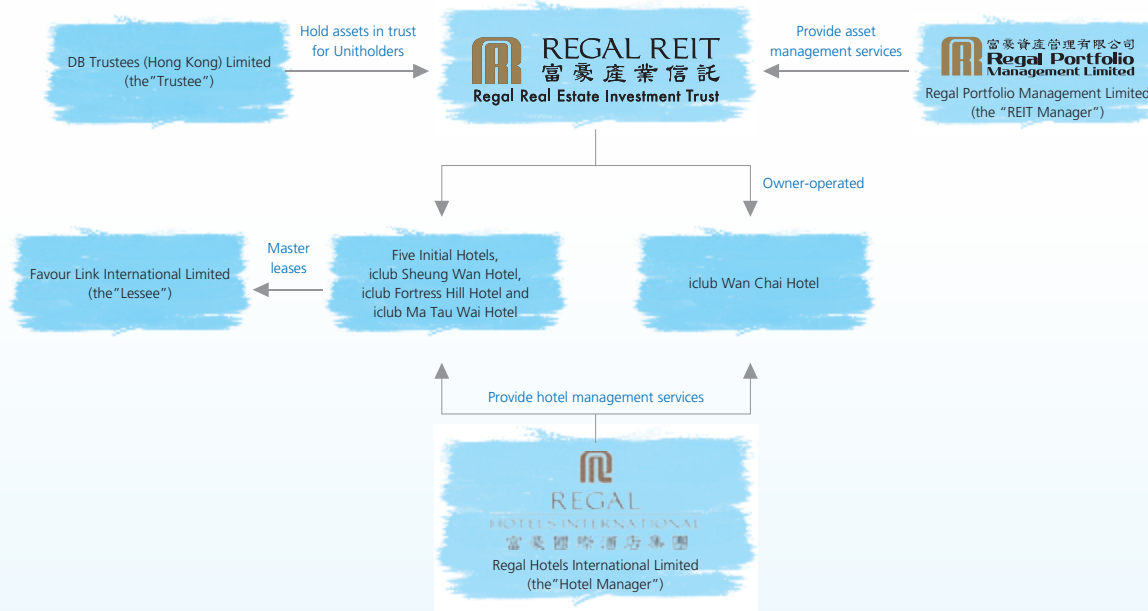
### PROPERTY PORTFOLIO

As at 31 December 2018, Regal REIT owns a total of nine operating hotels in Hong Kong, consisting of 4,909 guestrooms and suites. Regal REIT's hotel portfolio provides a wide range of hotel services from full-service type hotels to select-service type hotels in strategic locations. The diverse portfolio enables us to cater to different types of demand from business travellers to leisure visitors.

As at 31 December 2018, the property portfolio of Regal REIT comprised:



## ORGANISATION AND STRUCTURE



Regal REIT is managed by the REIT Manager and does not employ any employee directly. The REIT Manager does not directly manage the day-to-day operations of the hotel properties of Regal REIT. Apart from iclub Wan Chai Hotel (an owner-operated property without lease), all the hotels under Regal REIT's property portfolio are leased to the Lessee, which is a wholly-owned subsidiary of Regal Hotels International Holdings Limited ("RHIHL", together with its relevant subsidiaries, collectively, the "RHIHL Group"), with long-term lease agreements.

Meanwhile, the Hotel Manager, a wholly-owned subsidiary of RHIHL, provides management services to all the hotel properties through respective long-term hotel management agreements.

The REIT Manager is also a wholly-owned subsidiary of RHIHL and is licensed by the Securities and Futures Commission in Hong Kong (the "SFC") to undertake the regulated activity of asset management. The REIT Manager oversees and supervises the performance of the Lessee and the Hotel Manager in the operation of the five Initial Hotels and the four iclub Hotels. The REIT Manager meets high standards in relation to compliance with the regulations and guidelines, including environmental, employment, procurement and anti-corruption aspects, set by the RHIHL Group in maintaining a sustainable business environment.

The Trustee of Regal REIT is DB Trustees (Hong Kong) Limited (the "Trustee"), a wholly-owned subsidiary of Deutsche Bank AG. The Trustee is responsible for holding the assets of Regal REIT in trust for the benefit of the unitholders of Regal REIT (the "Unitholders") and oversees the activities of the REIT Manager for compliance with all the regulatory requirements.

## THE HOTEL MANAGER

The Hotel Manager is engaged in the daily operations of the hospitality business of all the five Initial Hotels and four iclub Hotels. The Hotel Manager operates, manages and promotes the hotel properties of Regal REIT under the brand names of "Regal" and "iclub by Regal", respectively.

In collaboration with the REIT Manager, the Hotel Manager adopts sustainable practices in the hospitality industry and implements different Sustainability Programmes in our business operation, in an aim to providing quality services to guests and customers, which could help to enhance the value of our hotel assets in the long term.

## Our ESG Approach

Under the present operating framework, the Hotel Manager has been appointed to manage the daily operations of our hotels. The Hotel Manager has established a set of sustainability core values and commitments to achieve the long-term and sustainable development of our hotels, which could create continuous capital growth for the Unitholders.



### Hotel Manager's Sustainability Core Values and Commitments:

- To implement Green Programmes inside and outside the workplace;
- To launch a minimum of one significant Humanitarian Service Project per business unit per year focusing on Youth Development and Health Enhancement in the communities where the hotels operate;
- To be a financially responsible group accountable to the Unitholders;
- To implement sustainable Economic and Community Development Programmes where the hotels operate;
- To engage guests, employees and their families in all its sustainability efforts; and
- To engage internationally recognised certification organisations to measure its sustainability performance and development.





The Hotel Manager has upheld its mission and role as an internationally recognised hotel group known for its Sustainability Programmes targeting environmental, social and economic responsibility.

#### **Environmental Responsibility Programmes**

- Reducing carbon emissions
- Reducing energy consumption
- Enhancing energy and water conservation
- Implementing waste management programmes and practices
- Implementing the 5-R Principle (Reduce, Reuse, Recycle, Reform and Reject)
- Exploring the implementation on renewable energy

#### **Social Responsibility Programmes**

- Employing minority and physically handicapped citizens
- Supporting health, medical and literacy projects in the community
- Bolstering youth development

#### **Economic Responsibility Programmes**

- Maximisation of revenue and minimisation of cost business practices
- Delivering maximum profit to investors and Unitholders
- Creation of local employment
- Development of employees and implementation of equal employment opportunity practices
- Delivering quality products and services
- Enhancing work efficiency
- Exploiting technology and automation
- Implementing economies of scale and engaging with local partners



## CORPORATE GOVERNANCE

Regal REIT is committed to maintaining sound corporate governance practices and procedures. The REIT Manager adheres to all relevant laws and regulations with a high standard of corporate governance and has adopted the compliance manual as the customary requirement for all REITs in Hong Kong, which sets out the guidelines for key processes, systems, policies and procedures applicable to Regal REIT's business and operations. The compliance manual sets out the framework for corporate governance and is crucial to the management and operations of Regal REIT's business. Being an SFC authorised REIT, Regal REIT is governed by the Code on Real Estate Investment Trusts and the Listing Rules, as if they were applicable to Regal REIT.

Regal REIT is a collective investment scheme authorised by the SFC and constituted by a trust deed. The responsibility of the Trustee is for the safe custody of the assets of Regal REIT for the benefit of the Unitholders as a whole and to oversee the activities of the REIT Manager for compliance with regulatory requirements. On the other hand, the REIT Manager ensures the assets of Regal REIT are professionally managed in their financial and economic aspects. The Trustee and the REIT Manager are functionally independent of each other. The Board oversees the overall governance of the REIT Manager and establishes a framework for maintaining effective management of Regal REIT on internal controls and business risk aspects. At the same time, sustainability issues are considered to optimise risk management in the business.

Please refer to our Annual Report 2018 for more information about the REIT Manager's governance and the Board.

## SUSTAINABILITY GOVERNANCE

Regal REIT prioritises sustainable business practices in the management of our hotel portfolio. Regal REIT, through the REIT Manager and Hotel Manager, considers key stakeholders' opinions on sustainability performance and their interests against the development goals. Since 2012, the Hotel Manager has launched Sustainability Programmes to address environmental, social and economic issues in our hotels.

To demonstrate our dedication on sustainability, an Environmental Policy has been established to govern all environmental measures in all hotels under Regal REIT. The environmental and social performance of the hotels are regularly reviewed and monitored. Meanwhile, the Hotel Manager has identified focus areas for community investment. These areas include youth development and health enhancement. During the reporting period, the Hotel Manager constantly conducted community programmes in our hotels, and supported external volunteering programmes to demonstrate care and social responsibility.

## STAKEHOLDER ENGAGEMENT

To understand stakeholders' opinions and their expectations on our hotels' sustainability performance, the REIT Manager and Hotel Manager maintain transparent and regular communication channels. Based on the needs of different stakeholder groups, the communication channels have been established to ensure that their views are collected effectively. The major communication channels for each group are listed as follows:

STAKEHOLDER GROUP ENGAGED	METHODS OF ENGAGEMENT
<i>Engaged by the REIT Manager</i>	
<b>Unitholders</b>	<ul style="list-style-type: none"> <li>• General meetings</li> <li>• Annual and interim reports</li> <li>• Announcements and circulars</li> <li>• Website and email</li> </ul>
<b>Investors</b>	<ul style="list-style-type: none"> <li>• Analyst briefings</li> <li>• Investor meetings</li> <li>• Annual and interim reports</li> <li>• Announcement and circulars</li> <li>• Website and email</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>• Media conferences</li> <li>• Face-to-face meetings</li> </ul>
<i>Engaged by the Hotel Manager</i>	
<b>Hotel Management</b>	<ul style="list-style-type: none"> <li>• Regular meetings</li> <li>• Ongoing engagement</li> </ul>
<b>Hotel General Employees</b>	<ul style="list-style-type: none"> <li>• Employee satisfaction questionnaires</li> <li>• Regular meetings</li> <li>• Orientation activities</li> <li>• Notice boards</li> <li>• Annual appraisal meetings</li> <li>• Employee engagement activities</li> </ul>
<b>Suppliers/Contractors</b>	<ul style="list-style-type: none"> <li>• On-site evaluation visits and meetings</li> <li>• Regular meetings</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>• Media conferences</li> <li>• Face-to-face meetings</li> <li>• Volunteer activities</li> </ul>

## MATERIALITY ASSESSMENT

Materiality assessments are regularly conducted to identify material sustainability issues in our hotels' operations. The following summarises the steps taken in the materiality assessment:

1

### IDENTIFYING ESG TOPICS

Background review, including stakeholder interviews, observations during site visits, documentation review, media review and peer analysis, is undertaken to identify possible sustainability issues in our hotels.

2

### RANKING ESG TOPICS

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

3

### VALIDATING RESULT

The Hotel Manager reviewed and approved the results of the materiality assessment.

Based on the materiality assessment result, the following 13 material issues were identified to be discussed throughout this report:



### ENVIRONMENTAL

- Energy Management
- Waste Management



### OPERATING PRACTICES

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



### EMPLOYEES

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



### COMMUNITY

- Community Investment

## Environmental Responsibility

We duly care about the environment as each of us depends on our planet to survive and thrive. The Hotel Manager identified and prioritised three relevant focus areas, energy, water and waste, for environmental management plan. The Green Committee of the Hotel Manager implements initiatives that actively and efficiently manage the environmental impact on these three focus areas.

### COMMITMENT TO THE ENVIRONMENT

The REIT Manager works together with the Hotel Manager to promote the well-being of the surroundings and environmental quality by consciously monitoring and managing the environmental impacts.

### ENVIRONMENTAL MANAGEMENT

The RHIHL Group has formulated and implemented a group-wide Environmental Policy Statement. The Statement ensures our hotels operate in an environmentally acceptable manner and minimise adverse environmental impact wherever practicable. The Statement stipulates the environmental missions, which include compliance, monitoring and reporting, employee awareness, enhancement initiatives and risk management, for our hotels to follow.

Through a partnership with EarthCheck, our hotels align the efforts with international standards. EarthCheck provides integrated environmental management systems used by the tourism industry as a benchmark and certification for operational practices.

In addition, EarthCheck's independent third-party verification ensures that our hotels comply with relevant environmental laws and regulations<sup>1</sup> and continually improve environmental performance to address material issues according to EarthCheck certification, such as energy and water consumption, carbon emissions and waste management in our hotels' operations.



"We Love Our Planet" programme to promote environmental sustainability inside and outside the workplace.



In 2018, all of our hotels participated in the EarthCheck certification programme. Regal Airport Hotel, Regal Hongkong Hotel, Regal Kowloon Hotel, Regal Oriental Hotel and Regal Riverside Hotel have achieved the status of Gold-certified EarthCheck Hotels while three iclub Hotels - iclub Fortress Hill Hotel, iclub Sheung Wan Hotel and iclub Wan Chai Hotel have attained Silver Certification in 2018.

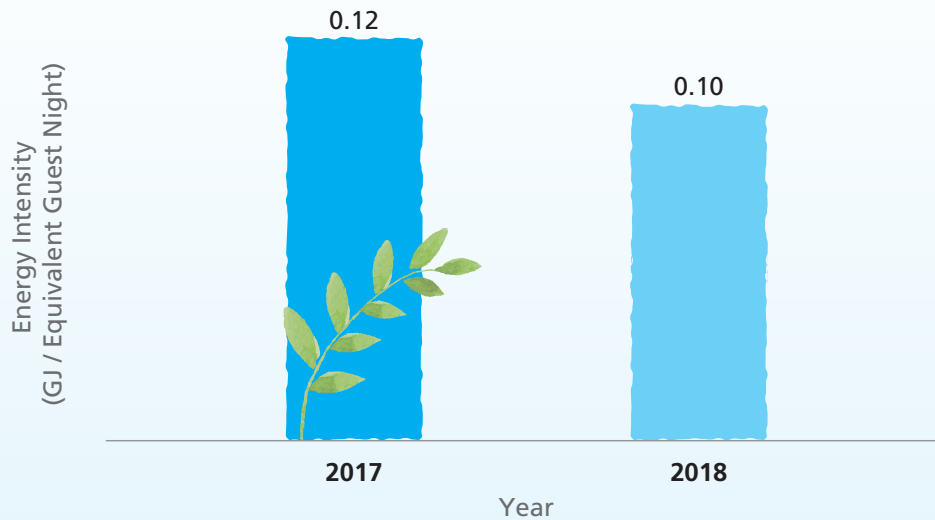
Opened in May 2017, iclub Ma Tau Wai Hotel has commenced the certification process in the beginning of 2019 when the full year data is available. The Hotel is expecting to attain Silver Certification within 2019.

1 The environmental laws and regulations that might be significant to our hotels include Air Pollution Control Ordinance (Cap. 311 of the laws of Hong Kong), Waste Disposal Ordinance (Cap. 354 of the laws of Hong Kong), Water Pollution Control Ordinance (Cap. 358 of the laws of Hong Kong) and Noise Control Ordinance (Cap. 400 of the laws of Hong Kong).

## ENERGY AND EMISSIONS

The Hotel Manager has put in place energy management systems to manage and monitor the energy consumption in our hotels' operations. The systems are reviewed and upgraded from time to time to align with our hotels' needs and industry best practices. Apart from upgrading or maintaining systems in line with international standards, all hotels are required to set their respective energy and carbon reduction targets. In 2018, the target was set as 2% of energy and carbon reduction, based on 2017's level.

### ENERGY INTENSITY OF OUR HOTELS IN 2017 AND 2018







To reduce energy consumption and enhance energy efficiency, the Hotel Manager has implemented improvement measures in our hotels. For example, our hotels are in the process of:

- replacing all lighting with more energy efficient LED lights;
- installing automatic induction devices in areas with lower guest flows to reduce unnecessary lighting;
- reviewing the energy efficiency of our hotels' kitchen and water heating equipment and systems and replacing them with more energy-efficient models whenever practicable;
- applying adequate insulation to reduce heat loss in piping and reduce energy consumption to maintain room temperature for hotels with space heating systems;
- reviewing the energy efficiency and replacing equipment of centralised air-conditioning systems in some hotels; and
- working with electricity companies to conduct energy audit in hotels to explore Energy Management Opportunities (EMOs).

Apart from hardware retrofitting, the Hotel Manager also encourages its employees and guests to save energy. The employees are encouraged to switch off all lighting and electronic devices after use. Energy saving tips and reminders have also been placed in lobbies and guestrooms of our hotels.

The latest edition of Intergovernmental Panel on Climate Change (IPCC) special report urges for a more stringent greenhouse gas reduction target to curb the growing threat from climate change. In addition to the energy use reduction initiatives, the Hotel Manager has also implemented specific initiatives on greenhouse gas reduction. Measures include:

- installing electric vehicle charging stations in most of our hotels to promote clean and low carbon transportation;
- phasing out and replacing diesel-powered equipment with natural gas-powered equipment to reduce air and carbon emissions; and
- setting up organic farms in five of our hotels to reduce carbon emissions and provide fresh and chemical-free herbs for the restaurants.

## WATER MANAGEMENT

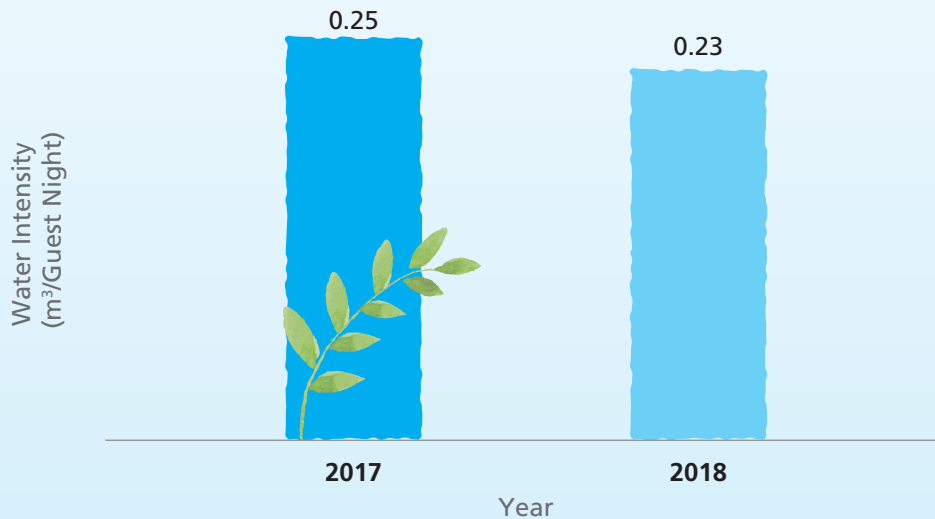
Water is important in providing hospitality to guests, from catering and cleaning to consumption. Water management, as a result, is essential to managing the environmental footprint. The Hotel Manager has implemented various water saving measures, including:

- recycling and reusing air-conditioning condensing water;
- retrofitting with automatic faucets and toilet flushers in public toilets;
- installing dual-flush toilets while renovating guestrooms, which enable use of an appropriate amount of flushing water; and
- checking all water meters daily to fix any possible water leakage in a timely manner.

Swimming pools are the most water-intensive facilities in our hotels. Regal Airport Hotel and Regal Riverside Hotel have replaced the activated carbon in boiler tanks with quartz sand for water filtration. This measure can improve pool water quality and reduce the need for refilling pool water.

To minimise the consumption of laundry water, the Hotel Manager has reduced the frequency of washing guests' linen and bath towels to every third day of their stay, unless requested otherwise. This can reduce water consumption and water pollution from laundry.

### WATER INTENSITY OF OUR HOTELS IN 2017 AND 2018



## WASTE MANAGEMENT

In hospitality operation, waste is a major environmental concern due to significant material consumption. To minimise the adverse impacts from waste disposal, the Hotel Manager works with its employees, guests and non-profit organisations to reuse and recycle waste whenever economically practicable. The Hotel Manager also tracks and ensures the remaining waste is disposed of responsibly. The Hotel Manager regularly monitors the amount of waste generated and recycled and reviews for improvement whenever possible.

One of the major sources of waste in hospitality operation is food waste. Catering services, especially banquets and buffets, generate the majority of waste. To reduce food waste generation, the Hotel Manager estimates and procures food from suppliers based on the number of guests and meal reservations to reduce wastage from over-purchasing. The Hotel Manager also collaborates with qualified vendors to collect food waste for recycling.

In 2018, our hotels donated a total of 1,405 kg of unconsumed food, which is confirmed to be safe for consumption to Foodlink Foundation, a leading Hong Kong hunger relief charity.

Although hazardous waste generation is not significant in our hotels, the Hotel Manager takes due care of the hazardous waste generated to prevent any irreversible environmental impact. Hazardous waste in our hotels mainly includes containers or residual chemicals and cleaning products. Starting from procurement, vendors are required to obtain eco-certificates or labels for their products. This can reduce the environmental impact of using these chemicals and cleaning products. A protocol is also set out on hazardous materials and waste storage and handling for our hotels' employees to follow and prevent environmental problems caused by improper handling.

The Hotel Manager reinforces waste handling procedure to curb land contamination. Registered collectors are appointed to handle disposed electrical appliances, such as computers, fridges and televisions. As such, land contamination and leaking of refrigerant can be avoided.

## Social Responsibility

The RHIHL Group not only cares about the accommodation quality of guests but also the entire society. By bringing people together to create a greater social impact, we strive to make the community and society a better place for all.

The RHIHL Group has set up a Social Responsibility Steering Committee, which is chaired by its chief operating officer and supported by all function heads to provide continuous monitoring of its efforts in corporate social responsibility. This Steering Committee has identified three social responsibility focuses:

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

### COMMITMENT TO COMMUNITY

To put community commitment into action, the Hotel Manager has developed two volunteer teams, namely, Colour our World and Young Colour our World, consisting of adult and young people, respectively. The two teams work together to serve the society.

In 2018, the Hotel Manager partnered with around 30 non-profit organisations and participated in a wide variety of community programmes to help people in need, including home visits, day trips, voluntary training workshops, house cleaning and flag selling events. These efforts have been well recognised by communities.



The Hotel Manager has been selected as a “Caring Company” by the Hong Kong Council of Social Service for 16 years consecutively, and was recognised in “The 9<sup>th</sup> Hong Kong Outstanding Corporate Citizenship Awards”, affirming its contribution to the community.



#### HIGHLIGHTS:

- Number of partnering non-profit organisations and other institutes in 2018: 30
- Number of organised volunteer activities in 2018: 43
- Total volunteer hours contributed by its hotels' employees in 2018: 1690.5 hours
- Amount of donation and sponsorship of RHIHL Group in 2018: HK\$1,913,800

## YOUTH DEVELOPMENT

Young people are the future pillars of the society. It is of utmost importance to provide them with sufficient education and development opportunities.

### “Regal Hotels International Youth Development Programme”

The Hotel Manager has launched the “Regal Hotels International Youth Development Programme” since 2015, in which students from Hotel, Service and Tourism Studies disciplines at the Hong Kong Institute of Vocational Education, a member of the Vocational Training Council, are offered scholarships and 300 hours of internship opportunities every year.



### Hotel Tours

Supporting NGOs and various education institutions, the Hotel Manager organised hotel tours in 2018 for over 250 participating students from nine secondary schools to illustrate how a hotel operates.





## HEALTH ENHANCEMENT

The RHIHL Group believes that healthy living conditions are the cornerstone of a positive and prosperous society. Therefore, the Hotel Manager advocates healthy lifestyles and provides assistance and financial support to those in need of medical resources.

### Fun Day with Kids

In May 2018, volunteers spent a day with children who are terminally and chronically ill and are undergoing treatment at hospitals near Ronald McDonald House to relieve stress.



### Charity Sales

In May 2018, a Charity Cookies Sales event was held at Regal Hongkong Hotel and raised funds for Fu Hong Society to support rehabilitation services for people with disabilities.



### Donations to Sheen Hok Charitable Foundation

In 2018, the Hotel Manager donated a total of HK\$1,000,000 to Sheen Hok Charitable Foundation, an organisation supporting over 300 charitable organisations with beneficiaries including infants, orphans, pregnant women, the elderly, the disabled, children with facial deformities and victims of natural disasters.



### Donations to the Hong Kong Anti-Cancer Society

In line with the Social Sustainability Programme's focus of "Health Promotion & Enhancement", the Hotel Manager donated HK\$900,000 to support the Hong Kong Anti-Cancer Society ("HKACS") in 2018. HKACS is a professionally managed non-profit organisation in the forefront of serving Hong Kong citizens in the aspects of cancer education, cancer research and cancer treatments.

## SOCIAL INCLUSION

The RHHL Group embraces individuality and values differences. Everybody, regardless of their background and capability, should be treated equally and respected. Aiming at fostering a more inclusive community, the Hotel Manager has organised a series of social activities to engage the underprivileged and minorities in our society.

### Joy Charity Walk • Inclusion • Tsing Yi

The hotel employees supported the "Joy Charity Walk • Inclusion • Tsing Yi 2018", a major fundraising event held by the Hong Kong Federation of Handicapped Youth, helping the disabled to fully integrate, participate and contribute to society through participating in the walk.





### Day Trips with Handicapped Youths

In advocating equal opportunities, the Hotel Manager collaborated with the Hong Kong Federation of Handicapped Youth and conducted a total of 11 day-trips for physically challenged persons throughout the year.



### Drawing workshop for special needs people

In 2018, volunteers helped a group of challenged individuals aged 6 to 14 at the Haven of Hope Christian Service in a Drawing Workshop.



### House Cleaning for the Elderly

The volunteer team teamed up with the Hong Kong Family Welfare Society to provide house cleaning services and spent quality time with the elderly in September 2018.

## Economic Responsibility

Business growth and brand reputation are oftentimes driven by quality products and services. With an aim to bringing additional value to stakeholders, the Hotel Manager seeks to provide a fair and equal working environment, promote employee development, create wonderful customer experiences and achieve responsible supply chain management.

The economic responsibility of the RHIHL Group focuses on three aspects: employment, customer relations and operational practices. First, the Hotel Manager strives to offer well-designed training programmes, competitive benefits and comprehensive employment policies and initiatives to nurture and retain talents. In our business operation, the Hotel Manager hopes to create an exceptional hotel experience for guests and to connect with them through better communication and loyalty programmes. Moreover, the Hotel Manager hopes to impact stakeholders, including Unitholders, guests, business partners and the community, through ethical business operations and responsible supply chain management.

### COMMITMENT TO EMPLOYEES

The REIT Manager does not participate directly in the daily operation of the hotels under Regal REIT. The REIT Manager monitors and oversees the performance of the Hotel Manager, which is dedicated to provide caring attention not only to guests but also hotel employees. The RHIHL Group believes that employees are its valuable asset, as the RHIHL Group's success could not have been achieved without their hard work. Employee-friendly policies and initiatives are essential to the consistent delivery of quality services. Recognising the importance of good employees, the Hotel Manager is committed to providing a healthy, safe and fulfilling working environment, as well as well-structured career paths. Practical on-the-job training opportunities and employee engagement events are provided and organised to help them to thrive and unleash their potentials.

During the reporting period, the Hotel Manager complied with the relevant laws and regulations<sup>2</sup> that were having a significant impact on compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, and other benefits and welfare; providing a safe working environment and protecting its employees from occupational hazards; and prohibiting the use of child and forced labour.

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

## RECRUITMENT, RETENTION AND BENEFITS

The RHIHL Group believes that recruiting and retaining passionate talents are paramount to corporate development. The RHIHL Group is an equal opportunity employer and adopts the guidelines and regulations set by the Equal Opportunities Commission as the basis of its human resources policies. The Hotel Manager's recruitment and promotion process adheres to strict guidelines on fairness and non-discrimination. Hotel employees, regardless of their gender, age, ethnicity, family status, sexual orientation, disability, race and religion, are protected from any kind of discrimination.

The RHIHL Group is dedicated to providing a positive working environment that fosters employees' growth. Apart from competitive remuneration, we also offer comprehensive welfare and benefits. The Employee Handbook of the Hotel Manager provides details on matters relating to employee compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, and other benefits and welfare. To improve the work-life balance of its employees, the Hotel Manager has changed the work schedule of its office employees from alternative Saturdays off to five-day work weeks and provide two additional days off each month for its employees working in operational divisions.

## LEARNING AND CAREER DEVELOPMENT

The RHIHL Group believes that providing a wide variety of training will enable its employees to continuously improve their job performance and achieve their career goals. To facilitate their understanding of the RHIHL Group's corporate values and code of conduct, the Hotel Manager has developed a series of standard training courses for all its employees.

The RHIHL Group understands that hotel employees have diverse training needs. Therefore, the Hotel Manager seeks to offer a wide array of tailor-made learning and training programmes, where different departments organise their own courses in accordance with their operational needs. The annual conference on hospitality market trends, organised for all sales and marketing personnel, is a case in point. To promote more flexibility on learning, the Hotel Manager also encourages its employees to participate in external training programmes, with subsidies available for application. In the future, the Hotel Manager will continue to diversify the training programmes and online training courses, which will further enable its employees to excel at work and grow their own expertise.

Taking employees' career development seriously, the Hotel Manager offers a clear career path for each employee, where they can be promoted from rank and file to departmental heads. In addition, the Hotel Manager offers two additional programmes with continuous career guidance, which are the Management Trainee Programme and Executive Trainee Programme, respectively.



## EMPLOYEE ENGAGEMENT

To enrich the workplace experience, our Hotel Manager engages with employees through regular activities and programmes every year. Assisting its employees in achieving a better work-life balance, the Hotel Manager arranges regular leisure activities, including sports competitions and annual employee parties. Recognising their dedication and loyalty, the Hotel Manager presents Long Service Awards to employees.

To better understand how its employees feel about their working experience, the Hotel Manager has set up offline and online channels for them to express their opinions and provide suggestions. These channels include employee meetings with the hotel general managers, suggestion boxes and annual surveys.

In addition to formal suggestions, a grievance mechanism is in place to allow employees to voice concerns to immediate supervisors or management. All concerns are carefully handled and it is mandatory for management of the Hotel Manager to respond to enquiries within a given timeframe.

## WORKPLACE HEALTH AND SAFETY

As a caring employer, the RHIHL Group makes every effort to provide a healthy and safe working environment for all employees. Different aspects of a hospitality operation, from room cleaning and catering to engineering and renovation work, are vulnerable to potential occupational safety hazards. To mitigate these risks, the Hotel Manager has published a Safety Manual to outline the management, control and coordination of safety work. The Hotel Manager has also established a Safety Committee to assist the hotel general managers in conducting monthly reviews on the implementation of the Safety Manual. A safety management system is maintained to comply with all relevant laws and regulations. To help its employees better understand relevant health and safety legal requirements, a Safety Policy has been introduced to oversee all operations. The policy is reviewed periodically to keep up with the latest developments in workplace health and safety, and related regulations.

Apart from the establishment of a management mechanism, a series of measures have also been implemented to ensure workplace health and safety at the operational level. First, the Hotel Manager has a team of Safety and Security Officers, whose duties are to identify any potential hazards, devise prevention measures and recommend alternatives for improvement. Through inspections, job hazard analysis, monitoring and safety audits, and implementation of safety management systems and prevention measures for accidents, we strive to minimise workplace health and safety risks. In case of any non-compliance found, personnel not following the safety rules and practices may be penalised. In addition, the Hotel Manager requires all its operating hotels to maintain adequate personal protective equipment and first aid materials. With the health assurance programme, the Hotel Manager also arranges pre-job and regular medical examinations for employees who are exposed to health hazards to ensure their physical well-being.

The RHIHL Group believes that workplace health and safety is more than just following rules but also about mentality and awareness of potential dangers. In light of this, the Hotel Manager provides safety training for all its employees on occupation-related safety risks. The Hotel Manager also invites external parties to provide training to supervisory and managerial personnel, which focuses more on application of safety knowledge in daily hotel operation. In terms of emergency preparedness, the Hotel Manager has appointed an adequate number of trained personnel who are competent in the use of fire-fighting equipment and provision of first aid and rescue techniques. To model real-life scenarios, the Safety and Security Officers organise simulated emergency drills regularly for all emergency and rescue teams.

Healthy and safe working environment requires continuous monitoring and awareness of all potential occupational hazards. Therefore, the Hotel Manager puts up posters at workplaces and distributes health and safety information sheets, newsletters and bulletins to its employees. Relevant warning signs, emergency and rescue procedures, notices and placards are placed prominently in hotel offices, workshops and welfare facilities to keep employees alert. Moreover, to provide incentives for working safely, the Hotel Manager introduced a Safety Award to recognise the best health and safety practices at work. Safety and Security Officers are required to submit monthly safety reports detailing any accidents, injury statistical data, health and safety training undertaken, safety inspections and audits for the hotel general managers' endorsement.

## COMMITMENT TO GUESTS

The RHIHL Group is devoted to creating memorable moments in life for guests with premium services and amenities. Its long-standing commitment to safety, quality and attention to detail has enabled the Hotel Manager to drive "Regal" and "iclub by Regal" as two pre-eminent hotel brands in the Greater China region. To continue to thrive in the changing hospitality landscape, the Hotel Manager is more than prepared to listen and respond to customer needs and wants. The Hotel Manager proactively engages and communicates with guests through various channels, including the Regal Card, Regal Rewards and 925 Club, to seek their opinions on services. The Hotel Manager also protects customers' privacy throughout our hotel operations while providing reliable services to guests.



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

## GUEST HEALTH AND SAFETY

As the Hotel Manager provides a wide array of hospitality services to guests, concern about their health and safety lies at the heart of its operations. We have established stringent standards on food safety to ensure the standard of the food quality from food suppliers and their compliance with government regulations. All vendors are required to declare compliance with Hong Kong laws and regulations, including but not limited to Part V of the Public Health and Municipal Services Ordinance (Cap. 132 of the laws of Hong Kong) and the Food Safety Ordinance (Cap. 612 of the laws of Hong Kong).

Besides imposing stringent standards on food-related procurement, four Regal hotels, namely, Regal Airport Hotel, Regal Hongkong Hotel, Regal Kowloon Hotel and Regal Riverside Hotel, are certified with the ISO 22000:2005 Food Safety Management System in which “traceability” is the core requirement. The Hotel Manager conducts safety checks on all incoming raw materials from suppliers. For ready-made food products, the Hotel Manager requires the food suppliers to provide a full list of ingredients with supporting documents for their delivery. The hotel’s employees also strictly follow the receiving guidelines clearly stated in the RHIHL Group’s Food Safety Policy and ingredients delivered without supporting documents are not accepted to ensure food safety. An incoming food is stored in accordance with its category upon the receipt of food products to prevent any cross-contamination risks.

In addition, selected suppliers’ product and/or process controls are audited on-site during plant visits to ensure the safety of the food supply. In 2018, one of our hotels, Regal Airport Hotel, detected a fault concerning raw material food safety under our internal monitoring system. The supply of that raw material was tested immediately upon its arrival. With substandard quality, use of the affected raw material was banned immediately and it was isolated for storage.

## CUSTOMER DATA PROTECTION

Protecting customers’ privacy is always a prime concern of the RHIHL Group. The Hotel Manager strictly complies with all laws and regulations on personal data privacy in its operating jurisdictions. Under the privacy policy, all personal data collected is handled by the Hotel Manager with strict confidentiality. Various levels of access rights have been set up so that only authorised personnel are permitted to access customers’ personal information. Personal information collected for membership maintenance is only used for membership programme administration and marketing with the customers’ consent. As the Hotel Manager welcomes guests from all over the world, the Hotel Manager also complies with the European Union General Data Protection Regulation, which came into force on 25 May 2018. Under the regulations, the Hotel Manager provides visitors with a clear explanation on how their personal information will be captured, maintained and used, and reassures them that their permission is required for data usage. During the reporting period, the Hotel Manager observed no non-compliance cases against Personal Data (Privacy) Ordinance (Cap. 486 of the laws of Hong Kong).

## CONNECTING WITH GUESTS

To keep guests updated with our hotels' latest promotions and build brand loyalty, the Hotel Manager offers a wide range of customised rewards programmes. The Regal Rewards Programme was launched in 2007 and is an exclusive reward programme with refined services and special privileges tailor-made to frequent travellers and loyal customers. At present, there is a total of five major loyalty programmes for guests, namely, Regal Rewards, 925 Club, Regal Card, Regal Kids Club and Airline Rewards, serving different customer segments and satisfying their respective needs.

The RHIHL Group values every comment from customers, as their opinions could drive the continuous improvement of its facilities and services. Aiming to achieve a "win-win" situation and maintaining a positive image of our hotels, the Hotel Manager strives to handle and resolve guest complaints efficiently. Thus, the Hotel Manager has set up Guest Comments Reply Standards to ensure that every guest comment, regardless of nature, is heard and regarded as a priority. To facilitate hotel guests in expressing their views, various channels, including verbal communication, guest questionnaires and websites, have been established to gather their feedback. All comments, once collected, are reported, categorised and redistributed to relevant departments. The departments are required to follow up on comments by contacting guests in person or by writing within 48 hours. Further follow-up actions are taken whenever necessary.



### REGAL & ICLUB VIRTUAL ASSISTANT

#### The AI Guest Service Officer – RIVA

To enrich the customer experience at our hotels, the Hotel Manager has adopted the latest artificial intelligence technology to create Riva, the first hotel chatbot powered by IBM Watson in Greater China. By using its virtual assistant features and three built-in languages (English and traditional and simplified Chinese), Riva serves as the first Guest Service Officer in Regal Hotels and iclub Hotels and works around the clock. Relying on its natural language processing power and AI technology, Riva provides a personalised and engaging experience for clients and interacts with them. The speedy, technology-enabled responses that Riva delivers also make trip planning easier for guests. Through the deployment of advanced technology, the RHIHL Group is committed to delivering high-quality services and experiences to its guests.



## SUPPLY CHAIN MANAGEMENT

Our hotels have an extensive and complex supply chain that consists of vendors from various nations and provides a wide range of products and services, ranging from food and beverage to cleaning and laundry services. The Purchasing Department of the Hotel Manager is responsible for the procurement of supplies for the daily operations of our hotels in accordance with the Contractor Code of Conduct and Safety and the Supplier Code of Conduct. The Code of Conduct ensures that the contractors and the suppliers share similar core values with the Hotel Manager to create a socially and environmentally friendly supply chain.

To better manage the supply chain and mitigate risks, the Hotel Manager has developed a well-established mechanism to monitor suppliers with respect to a wide range of rules so that we can minimise the negative environmental and social impacts that may otherwise arise from the procurement process. In terms of risk management in food safety, the suppliers are required to comply with relevant regulations in their supply chain. During the selection process, the Hotel Manager requests potential suppliers to provide relevant samples and catalogues for testing and examination to ensure that they comply with all the standards and regulations. Meanwhile, our hotels also implement a mechanism to regularly evaluate the suppliers' performance in accordance with the Supplier Code of Conduct.

## RESPONSIBLE SOURCING

Being a member of the Green Council since 2012, the Hotel Manager promotes green procurements and gives priority to contractors and suppliers that demonstrate environmental commitment. In accordance with the Green Purchasing Policy, our hotels purchase environmentally preferable products, such as LED lighting, bio-degradable shopping bags, recycled-paper packages, chemicals and cleaning products with eco-certificates or labels, etc. Additionally, the Hotel Manager eliminates the use of disposable cutlery and purchases vegetables and fruit from local farmers whenever possible to support the local economy and minimise its environmental footprint. Beyond daily procurement, the Hotel Manager takes heed of sustainability considerations when engaging with its suppliers. Through the sustainable procurement practices, the Hotel Manager is committed to fulfilling its corporate social responsibility at source.



## ANTI-CORRUPTION

The RHIHL Group established policies to ensure the provision of a corruption-free environment in the procurement management team. The Hotel Manager established the Supplier Code of Conduct which is included in the Supplier/Distributor Registration Application Form to facilitate anti-corruption practices in supplier selection. The Form is a prerequisite for any co-operation with our hotels and provides guidelines on the primary consideration of managing corruption and bribery incidents. The Hotel Manager believes that gifts among business employees are to the detriment of a fair and honest co-operative partnership. In order to improve transparency and overall ethical standards, there are strict rules stipulating that if any of the employee requests or receives gifts from a supplier, in money or any other form, during business dealings, he/she may be subject to summary dismissal.

During the reporting period, the Hotel Manager complied with the Prevention of Bribery Ordinance (Cap. 201 of laws of Hong Kong). No legal cases regarding corrupt practices brought against the Hotel Manager or its employees were recorded in 2018.

## FAIR COMPETITION

The RHIHL Group believes that fair practice can only be achieved throughout the supply chain if healthy competition is maintained among suppliers. Therefore, with a view to reassure that no anti-competitive behaviour exists, all tendering documents of the Hotel Manager request suppliers to declare an anti-collusion confirmation. The Hotel Manager also arranges sufficient training sessions for all employees on anti-competitive conduct and all relevant laws and regulations to ensure they have sufficient knowledge to combat anti-competitive behaviour.

During the reporting period, no non-compliance cases against the Competition Ordinance (Cap.619 of the laws of Hong Kong) were observed in our hotel operations.

## Appendix I – Awards, Recognitions, Qualifications and Membership

### REGAL HOTELS INTERNATIONAL LIMITED (THE HOTEL MANAGER)



AWARDS AND RECOGNITIONS	ORGANISATIONS
Business for Sustainability	Hong Kong Council of Social Service
Certificate of Appreciation	Agency for Volunteer Service
Certificate of Appreciation	TREATS
Certificate of Appreciation - Gold Category	Volunteer Movement
Certificate of Appreciation	The Salvation Army
Corporate Drive for Hong Kong Corporate Citizenship Award (Enterprise Category)	Hong Kong Productivity Council
Family-Friendly Employers Award - Corporate Category	The Family Council
Family-Friendly Employers Award - Corporate Category ~ Special Mention (Gold)	The Family Council
Family-Friendly Employers Awards for Breastfeeding Support	The Family Council
Good Employer Charter	Labour Department
Sincere Engagement Service Award	Hong Kong College of Technology
Social Capital Builder	Labour and Welfare Bureau & Community Investment and Inclusion Fund
15 Years + Caring Company	Hong Kong Council of Social Service



## REGAL AIRPORT HOTEL

AWARDS AND RECOGNITIONS	ORGANISATIONS
Best Airport Hotel Asia-Pacific	Travel Weekly Asia
World's Best Airport Hotel	Business Traveller
Travel Hall of Fame and the Best Airport Hotel	TTG Asia-Pacific Awards
At Your Service Most Helpful Company	Hong Kong Airport Authority



## REGAL HONGKONG HOTEL

AWARDS AND RECOGNITIONS	ORGANISATIONS
Certificate for Participants in the 2018 Peach Blossom Trees Recycling Programme	Baguio Waste Management & Recycling Limited



## REGAL KOWLOON HOTEL

AWARDS AND RECOGNITIONS	ORGANISATIONS
Partner Employer Award 2018/19	The Hong Kong Chamber of Small and Medium Business
10-year QTS Merchant Recognition – Mezzo	Hong Kong Tourism Board



## REGAL ORIENTAL HOTEL

AWARDS AND RECOGNITIONS	ORGANISATIONS
Christian Action Training Services Certificate	Christian Action Training Services Division Trade Advisory Committee (Hotel)
Christian Action Training Services Certificate of Appreciation	Christian Action Training Services
Good Employer Charter Certificate	Labour Department
CLP Smart Energy Award	CLP Power Hong Kong Limited (CLP)

## REGAL RIVERSIDE HOTEL

AWARDS AND RECOGNITIONS	ORGANISATIONS
Certificate of Appreciation, Rotary Life Planning Programmes	Education Bureau and the Rotary
Good Employer Charter Certificate	Labour Department
Christian Action Training Services Certificate of Appreciation	Christian Action Training Services
“Hong Kong No Air Con Night” Certificate	Green Sense
10-year QTS Merchant Recognition	Hong Kong Tourism Board
– Aji Bou Izakaya	
– Avanti Pizzeria	
– Vi	
Friends of the Earth (HK) “Used Clothes Recycling Program” Certificate	Friends of the Earth
CLP Peak Demand Management Programme Certificate	CLP Power Hong Kong Limited (CLP)

## QUALIFICATIONS

- **EARTHCHECK (GOLD)**

Regal Airport Hotel, Regal Hongkong Hotel, Regal Kowloon Hotel, Regal Oriental Hotel and Regal Riverside Hotel are certified.

- **EARTHCHECK (SILVER)**

iclub Wan Chai Hotel, iclub Sheung Wan Hotel and iclub Fortress Hill Hotel are certified.

- **QUALITY WATER:**

Under the Quality Water Supply Scheme for the Building of Water Supplies Department, the Government of Hong Kong Special Administrative Region, four Initial Hotels in Hong Kong achieved the below levels:

- o Regal Hongkong Hotel – Gold
- o Regal Oriental Hotel – Gold
- o Regal Riverside Hotel – Gold
- o Regal Kowloon Hotel – Blue

- **QUALITY AIR:**

All five Initial Hotels and four iclub Hotels received Indoor Air Quality Certificates awarded by the Environmental Protection Department, the Government of Hong Kong Special Administrative Region.

- **ISO CERTIFICATIONS:**

- o ISO 14064 – 1: All five Initial Hotels and four iclub Hotels are certified.
- o ISO 22000: Regal Airport Hotel, Regal Hongkong Hotel, Regal Kowloon Hotel and Regal Riverside Hotel are certified.
- o ISO 50001: Regal Airport Hotel is certified.

- **CARBON REDUCTION:**

All five Initial Hotels in Hong Kong achieved Carbon Reduction Certificates, Hong Kong Green Organisation Certification issued by Environmental Campaign Committee.

## **MEMBERSHIP**

The Hotel Manager has been a member of the Hong Kong Green Purchasing Charter of the Green Council since 2012, advocating green and local purchases.

## Appendix II – Performance Table

### ENVIRONMENTAL RESPONSIBILITY PERFORMANCE<sup>3</sup>

	UNITS	PERFORMANCE IN 2017	PERFORMANCE IN 2018
<b>Air Emissions<sup>4</sup></b>			
Nitrogen Oxide (NOx)	kg	N/A	2,215
Sulphur Oxide (SOx)	kg	N/A	7.87
Particulate Matters (PM)	kg	N/A	99
<b>Greenhouse gas (GHG) emissions</b>			
Total GHG emissions	tonnes of CO <sub>2</sub> equivalent (tonnes CO <sub>2</sub> e)	51,522	53,779
Direct GHG emissions (Scope 1) <sup>5</sup>	tonnes CO <sub>2</sub> e	7,633	8,780
Indirect GHG emissions (Scope 2) <sup>6</sup>	tonnes CO <sub>2</sub> e	43,888	44,999
GHG emission intensity	kg CO <sub>2</sub> e/equivalent guest night <sup>7</sup>	15.64	14.59
<b>Energy consumption</b>			
Total energy consumption	GJ	385,520	372,512
Electricity	kWh	67,078,400	66,147,823
Towngas	GJ	123,150	116,926
Fuel	GJ	15,873	17,454
Steam	GJ	5,015	0
Energy intensity	GJ/equivalent guest night <sup>7</sup>	0.12	0.10
<b>Water consumption</b>			
Total water consumption	m <sup>3</sup>	828,730	844,230
Water intensity	m <sup>3</sup> /equivalent guest night <sup>7</sup>	0.25	0.23
<b>Waste disposal and recycled</b>			
General waste disposed	tonnes	3,942	4,428
<b>Waste recycled</b>			
Used cooking oil	Litre	20,912	19,576
Aluminium cans	kg	477	569
Plastic bottles	kg	9,553	11,511
Paper	kg	125,639	116,210
Food waste and donations	kg	208,482	169,889
Glass bottles	kg	19,051	16,869
Soap	kg	1,429	1,836

3 The performance data only covers hotel management operations in Hong Kong, including the five Initial Hotels (Regal Airport Hotel, Regal Hongkong Hotel, Regal Kowloon Hotel, Regal Oriental Hotel and Regal Riverside Hotel) and four iclub Hotels (iclub Fortress Hill Hotel, iclub Ma Tau Wai Hotel, iclub Sheung Wan Hotel and iclub Wan Chai Hotel), in 2018.

4 The Hotel Manager started to collect air emission data in 2018, thus the data in 2017 is not available.

5 Direct GHG emission generated from fuel consumption and leaked refrigerant/CO<sub>2</sub>e from equipment.

6 Indirect GHG emissions generated from electricity and towngas consumption.

7 Equivalent guest night includes the total number of guests stayed overnight in our hotels and one third on total number of guest patron in the restaurants and banquet/function rooms.





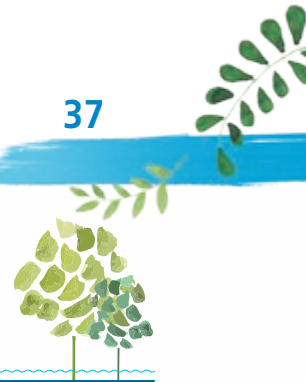
## Appendix III – The Stock Exchange of Hong Kong Limited’s ESG Reporting Guide Content Index

INDICATORS		SECTION/ STATEMENT
<b>A. Environmental</b>		
<b>Aspect A1: Emissions</b>	<p><b>General Disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p><b>KPI A1.1</b> The types of emissions and respective emissions data.</p> <p><b>KPI A1.2</b> Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p> <p><b>KPI A1.3</b> Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p> <p><b>KPI A1.4</b> Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p> <p><b>KPI A1.5</b> Description of measures to mitigate emissions and results achieved.</p> <p><b>KPI A1.6</b> Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.</p>	<p>Environmental Management</p> <p>Environmental Responsibility Performance</p> <p>Environmental Responsibility Performance</p> <p>Environmental Responsibility Performance</p> <p>Environmental Responsibility Performance</p> <p>Energy and Emissions</p> <p>Waste Management</p>

INDICATORS		SECTION/ STATEMENT
<b>A. Environmental</b>		
<b>Aspect A2: Use of Resources</b>	<p><b>General Disclosure</b> Policies on the efficient use of resources, including energy, water and other raw materials.</p> <p><b>KPI A2.1</b> Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).</p> <p><b>KPI A2.2</b> Water consumption in total and intensity (e.g. per unit of production volume, per facility).</p> <p><b>KPI A2.3</b> Description of energy use efficiency initiatives and results achieved.</p> <p><b>KPI A2.4</b> Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.</p> <p><b>KPI A2.5</b> Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.</p>	<p>Environmental Management</p> <p>Environmental Responsibility Performance</p> <p>Environmental Responsibility Performance</p> <p>Energy and Emissions</p> <p>Water Management</p> <p>Not applicable to the core business of Regal REIT's hotels</p>
<b>Aspect A3: The Environment and Natural Resources</b>	<p><b>General Disclosure</b> Policies on minimising the issuer's significant impact on the environment and natural resources.</p> <p><b>KPI A3.1</b> Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.</p>	<p>Commitment to the Environment</p> <p>Commitment to the Environment</p>



INDICATORS		SECTION/ STATEMENT
<b>B. Social</b>		
<b>Employment and Labour Practices</b>		
<b>Aspect B1: Employment</b>	<p><b>General Disclosure</b> Information on:</p> <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</li> </ul>	Recruitment, Retention and Benefits
<b>Aspect B2: Health and Safety</b>	<p><b>General Disclosure</b> Information on:</p> <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.</li> </ul>	Workplace Health and Safety
<b>Aspect B3: Development and Training</b>	<p><b>General Disclosure</b> Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p>	Learning and Career Development
<b>Aspect B4: Labour Standards</b>	<p><b>General Disclosure</b> Information on:</p> <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.</li> </ul>	Recruitment, Retention and Benefits



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

