



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)



2019

Environmental, Social
and Governance Report

Managed by



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

CONTENTS

About this Report	2
Reporting Standard	
Reporting Principles	
Reporting Scope and Boundary	
Reporting Period	
Accessibility of the Report and Feedback	
Board Approval	
Chairman's Statement	3
About Regal REIT	4
Property Portfolio	
Organisation and Structure	
The Hotel Manager	
Our ESG Approach	6
Corporate Governance	
Sustainability Governance	
Corporate Sustainability Recognition	
Stakeholder Engagement	
Materiality Assessment	
Environmental Responsibility	10
Environmental Policy	
EarthCheck and Achievement	
Emissions and Energy Efficiency	
Water Management	
Waste Management	
Social Responsibility	16
Fostering Community Engagement	
Youth Development	
Health Enhancement	
Social Inclusion	
Economic Responsibility	22
Caring For Employees	
Caring For Guests	
Supply Chain Management	
Anti-corruption	
Fair Competition	
Appendix I – Awards, Recognitions, Qualifications and Membership	29
Appendix II – Performance Table	34
Environmental Responsibility Performance	
Appendix III – The Stock Exchange of Hong Kong Limited's ESG Reporting Guide Content Index	36



ABOUT THIS REPORT

Reporting Standard

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

Reporting Principles

This report has been prepared based on the four fundamental reporting principles outlined in the ESG Reporting Guide to facilitate meaningful communication and informed decision-making. The details are as follows:

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

Reporting Scope and Boundary

This is the fourth annual standalone ESG report of Regal REIT prepared by Regal Portfolio Management Limited (the “REIT Manager”). This report covers the sustainability performance of ESG issues that are material to the hotel properties owned by Regal REIT and managed by Regal Hotels International Limited (the “Hotel Manager”).

Reporting Period

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

Accessibility of the Report and Feedback

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

Board Approval

This report was reviewed and approved by the Board of Directors of the REIT Manager (the “Board”) on 2 July 2020.

CHAIRMAN'S STATEMENT

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

Sustainable development is an integral part of our hotel asset management. Upholding Regal REIT's mission to become an internationally recognised hotel group known for its Sustainability Programmes, we have worked closely with the Hotel Manager since 2012 in planning and implementing various energy-saving initiatives, green hotel management, as well as corporate social responsibility activities that create positive impacts to the environment, the community and the economy where Regal REIT's hotels operate.

Regal REIT is conscious of today's environmental problems and is concerned about the adverse effects of climate change, as global carbon emissions continue to rise at an alarming rate. To help in addressing these problems, all our hotel assets continue to participate in the EarthCheck certification to reduce their environmental footprints.

With the recent outbreak of the coronavirus pandemic (COVID-19) worldwide, social and business activities around the world as well as cross-border traffic have been drastically affected. We and the Hotel Manager have taken prompt measures to manage the situation on different fronts and to implement different initiatives to safeguard guests and employees from the spread of the coronavirus. On the other hand, the Hotel Manager continues to provide care for the communities through its Social Sustainability Programmes, focusing on the three areas, including youth development, health care and social inclusion. Furthermore, we are pleased to note that the Hotel Manager was listed on the Hang Seng Corporate Sustainability Benchmark Index for the second consecutive year and accredited as a "Caring Company" by The Hong Kong Council of Social Service for the 17th year.

In the future, Regal REIT will continue to work with the Hotel Manager to enhance sustainability in its hotel operations. Through participating in Sustainability Programmes, Regal REIT is committed to delivering sustainable value to stakeholders and the wider community. I wholeheartedly thank you for your support and invite you to join us in the sustainability journey so needed world-wide.

LO YUK SUI

Chairman

Regal Portfolio Management Limited

(as the REIT Manager of Regal REIT)

Hong Kong

2 July 2020

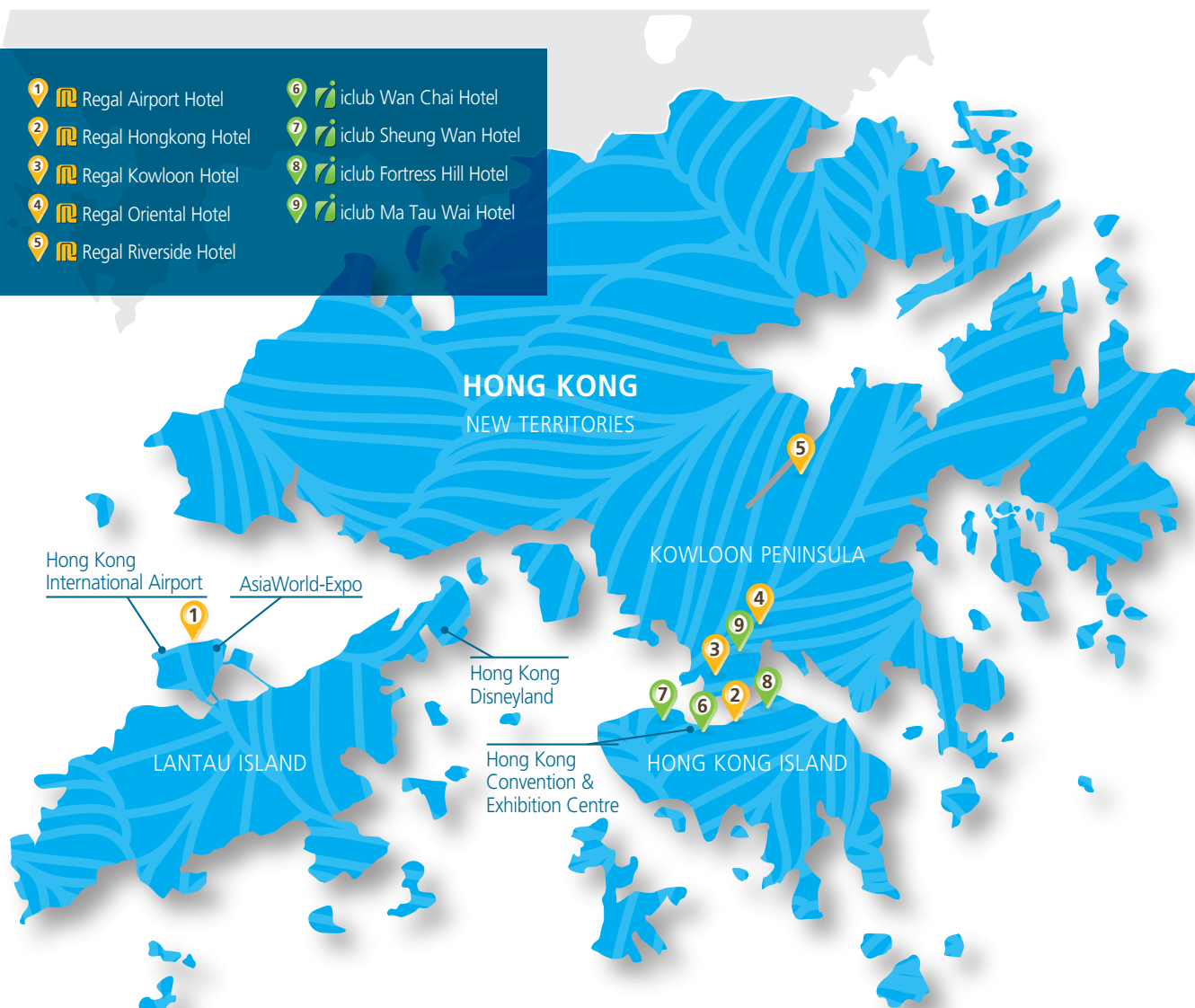
ABOUT REGAL REIT

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

In 2019, Regal REIT owned 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 demands from business travellers to leisure visitors.

As at 31 December 2019, the property portfolio of Regal REIT comprised:



Organisation and Structure



Regal REIT is managed by the REIT Manager and does not employ any employees directly. The REIT Manager does not directly manage the daily operations of Regal REIT's hotel properties. Apart from iclub Wan Chai Hotel (an owner-operated property without lease), all 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 five Initial Hotels and four iclub Hotels. The Hotel Manager operates, manages and promotes Regal REIT's hotel properties 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 the hotel operations. With an aim to providing quality services to guests and customers, we help to enhance the value of all 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 the hotels. With Regal REIT's objective of operating in a sustainable manner, the Hotel Manager has established a set of sustainability core values and commitments, and incorporated sustainable operating practices into daily management of the hotels, which helps to create continuous capital growth for 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 communities where the hotels operate;
- 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 positions itself as an internationally recognised hotel group that demonstrates a commitment to sustainable development. The Hotel Manager has implemented diverse Sustainability Programmes which target environmental, social and economic sustainability.

Environmental Responsibility Programmes



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

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

Upholding a good practice in corporate governance is one of Regal REIT's business operation principles. The REIT Manager strives to maintain a solid corporate governance system, and being an SFC authorised REIT, Regal REIT is governed by the Code on Real Estate Investment Trusts and the Listing Rules, where they are applicable to Regal REIT. In addition, the REIT Manager has adopted its Compliance Manual, a 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.

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 its unitholders as a whole and to oversee the activities of the REIT Manager for compliance with regulatory requirements. At the same time, the REIT Manager ensures the assets of Regal REIT are professionally managed in all 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.

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

Sustainability Governance

Regal REIT puts top priority on sustainable business practices in its business plan. We value key stakeholders' opinions and feedback regarding the sustainability performance of the hotels. Therefore, through the REIT Manager and Hotel Manager, we have considered their interests to formulate development goals. Since 2012, the Hotel Manager has used Sustainability Programmes to address environmental, social and economic issues related to the hotels.

Regal REIT is dedicated to advocating sustainability and an Environmental Policy has been formulated to govern environmental measures in all hotels under Regal REIT. The environmental and social performance of the hotels are reviewed and monitored on a regular basis. Meanwhile, focus areas for community investment have been identified by the Hotel Manager. These areas include youth development, health enhancement and social inclusion. To demonstrate the commitment to social responsibility and giving back to society, during the reporting period, the Hotel Manager has proactively organised and promoted community programmes in the hotels, and supported volunteer programmes launched by external parties.

Corporate Sustainability Recognition

The Hotel Manager has been selected as a constituent member of the Hang Seng Corporate Sustainability Benchmark Index for two consecutive years. Hang Seng Indexes Company Limited launched the Hang Seng Corporate Sustainability Index Series in 2010. This covers companies that perform well with respect to corporate sustainability and provides benchmarks for sustainability investments.



Hang Seng Corporate
Sustainability Index
Series Member 2019-2020

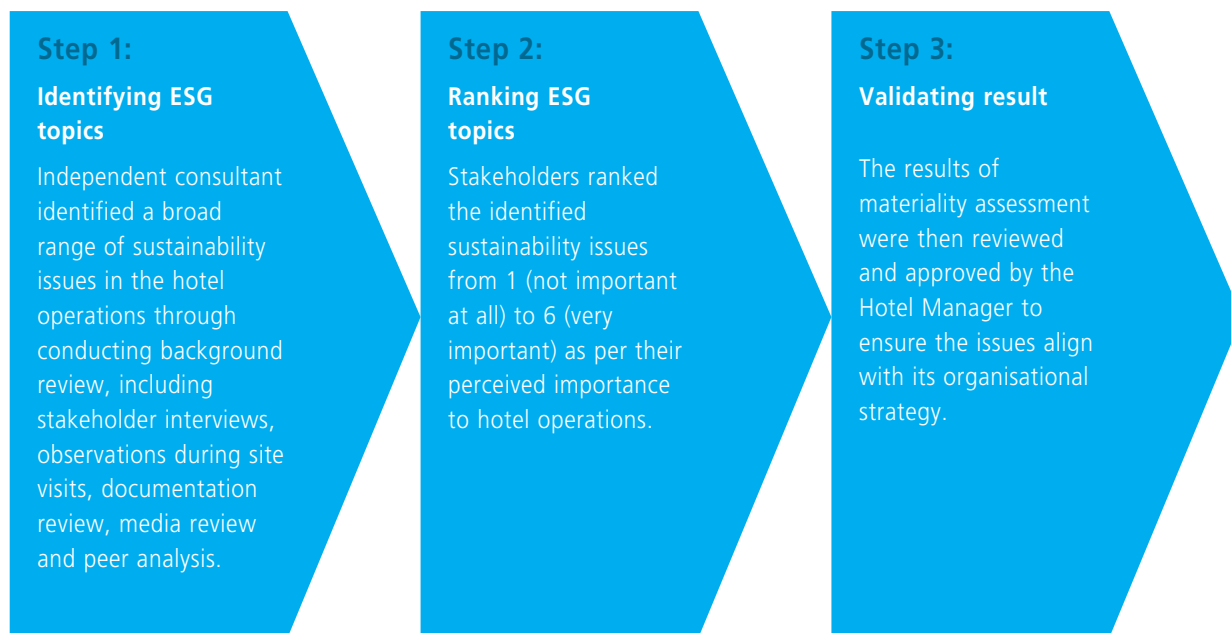
Stakeholder Engagement

With the purpose of satisfying the needs of different stakeholder groups, transparent and diverse communication channels have been established to ensure effective collection of their views. The REIT Manager and Hotel Manager value stakeholder opinions and, hence, engage with them on a regular basis through different communication channels to gather and understand their views and expectations on all hotel sustainability performances. The major communication channels for each group are listed as follows:

Stakeholder Group Engaged	Methods of Engagement
Engaged by the REIT Manager	
Unitholders	<ul style="list-style-type: none"> • General meetings • Annual and interim reports • Announcements and circulars • Website and email
Investors	<ul style="list-style-type: none"> • Analyst briefings • Investor meetings • Annual and interim reports • Announcement and circulars • Website and email
Community	<ul style="list-style-type: none"> • Media conferences
Engaged by the Hotel Manager	
Hotel Management	<ul style="list-style-type: none"> • Regular meetings • Ongoing engagement
Hotel General Employees	<ul style="list-style-type: none"> • Employee satisfaction questionnaires • Regular meetings • Orientation activities • Notice boards • Annual appraisal meetings • Employee engagement activities
Suppliers/Contractors	<ul style="list-style-type: none"> • On-site evaluation visits and meetings • Regular meetings
Community	<ul style="list-style-type: none"> • Media conferences • Face-to-face meetings • Volunteer activities
Hotel Guests	<ul style="list-style-type: none"> • Guest satisfaction surveys • Loyalty clubs, e.g. 925 Club • Website and social media • Day-to-day communication with front-line employees • Customer feedback mechanism • Hotlines
Industrial Associations	<ul style="list-style-type: none"> • Industry forums

Materiality Assessment

Material sustainability issues related to the hotel operations are reviewed regularly. To reflect stakeholders' feedback and expectations, the results of stakeholder engagement are regarded as the basis for materiality assessments. The prioritisation of the material topics followed the principles defined in the ESG Reporting Guide, and the steps are summarised as follows:



The following 13 issues are considered material with regard to our stakeholders as well as the core business of our hotels and will be addressed in detail throughout this Report.





ENVIRONMENTAL RESPONSIBILITY

We are committed to creating a tranquil and pleasant environment for everyone. Besides offering a relaxing and cozy atmosphere in each hotel, the REIT Manager works together with the Hotel Manager to promote the well-being of the surroundings through consciously monitoring and managing the environmental impacts within the hotel operations.

Environmental Policy

Caring for the environment is of paramount importance to everyone as human survival and prosperity depend on a healthy planet. To minimise its adverse environmental impacts wherever practicable, the RHIHL Group has formulated a group-wide Environmental Policy Statement to promote and maintain the quality of environmental performances. The Statement sets out the environmental missions and guides our hotels to implement measures including environmental compliance checks, monitoring and reporting, employee awareness, enhancement initiatives and risk management. To this end, three focus areas are identified and prioritised in the hotels, namely, energy consumption, water consumption and waste generation in the environmental management plan. The Green Committee of the Hotel Manager regularly monitors the environmental performance and implements measures to reduce the environmental footprints in the aforementioned areas.

EarthCheck and Achievement

Our hotels have partnered with EarthCheck, the world's leading scientific benchmarking, certification and advisory group for travel and tourism, to implement sustainable business practices. The Hotel Manager has implemented an environmental management system that meets the requirements of the EarthCheck Certification standards, as well as ensuring that our hotels comply with all relevant environmental laws and regulations¹ and their environmental performances in areas like energy and water consumption, carbon emissions and waste management are gradually achieving international best practices in sustainability.

By engaging Global Tourism Advisory Group to conduct independent third-party verification, the Hotel Manager adopts a systematic and process-driven method for continuous improvement in environmental sustainability. All hotels are EarthCheck certified. 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 four iclub Hotels - iclub Fortress Hill Hotel, iclub Sheung Wan Hotel, iclub Wan Chai Hotel and iclub Ma Tau Wai Hotel have attained Silver Certification in 2019.

¹ The environmental laws and regulations that might be significant to Regal REIT's 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).

Over past years, the Hotel Manager has made positive changes as the focus of its environmental sustainability goals and targets. These certification achievements are made through the following environmental-friendly measures, including

- establishing Environmental Management System (EMS) for effective implementation of sustainability action in hotels with more than 500 guestrooms. The Hotel Manager's EMSs in Regal Airport Hotel, Regal Kowloon Hotel and Regal Riverside Hotel were set up and audited by EarthCheck in 2019;
- replacing quartz lamps/fluorescent lamps by LED lights for better energy saving;
- participating in Automated Demand Response Programmes to reduce the electricity consumption at critical peak-load periods; In February 2020, Regal Airport Hotel, Regal Kowloon Hotel and Regal Riverside Hotel were rewarded with incentives from the power company;
- replacing aged plant with new equipment to enhance efficiency in operation, energy saving and reduction of carbon emissions;
- installing new Building Management System (BMS) for the monitoring of plant and machinery operating schedules and arranging partial loading at different periods of the day;
- signing performance-based contracts with specialist contractors for the implementation of energy saving programmes to the chillers in the hotels;
- incorporating frequency controllers upon replacements of air conditioning systems and hot-water boiling plants;
- working closely with the Hong Kong Hotel Association and other professional engineering bodies to gain/share updated sustainability information; and
- appointing registered waste collectors to handle the disposal of electrical appliances, so as to curb land contamination and refrigerant leakage.



EarthCheck Gold Certification received by one of our hotels, Regal Oriental Hotel.



Starting from 2012, the Hotel Manager has initiated the "We Love Our Planet" programme so as to promote the concept of "green workplace". Various departments of the Hotel Manager support the programme by introducing environmentally friendly practices and participating in green activities inside and outside workplaces.

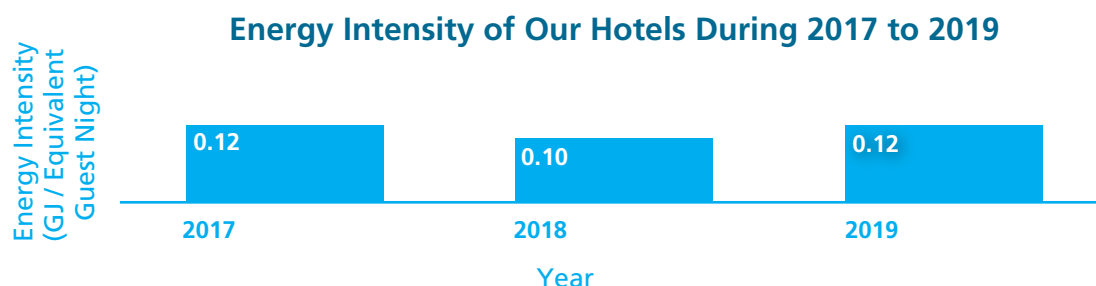


Reserve Ranger Volunteering Experience was held by the Hotel Manager. The event aims to raise its employees' environmental awareness and let them participate in the natural conservation programme.

Emissions and Energy Efficiency

The Hotel Manager regards achieving energy efficiency as one of its environmental management strategies and has put in place management systems to monitor and evaluate the energy consumption patterns of the hotel operations. For instance, Regal Airport Hotel was the first hotel in Hong Kong to attain both international standards, including ISO 50001 Energy Management System certification and ISO 14064 Greenhouse Gas Accounting and Verification certification. Moreover, reviews are conducted and these systems are upgraded from time to time to ensure that they meet the hotels' needs and industry best practices.

In addition, the Hotel Manager proposes targets on energy and carbon reduction each year for all hotels and formulates concrete improvement plans and measures. In 2019, the RHIHL Group achieved a 0.44% reduction in carbon emissions and a 0.73% reduction in energy consumption.

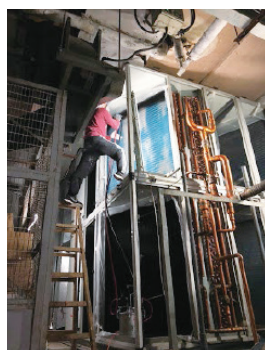


To enhance energy efficiency, the Hotel Manager implements various improvement measures in the hotels, including

- 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 the kitchen and water heating equipment and systems and replace them with more energy-efficient models whenever practicable;
- applying adequate insulation to reduce heat loss in piping and reduce energy consumption to maintain room temperatures for hotels with space heating systems;
- reviewing the energy efficiency and replacing equipment of centralised air conditioning systems in some hotels;
- partnering with electric companies to conduct energy audits in hotels to explore Energy Management Opportunities (EMOs); and

- working with a specialist contractor to prevent corrosion by spraying water-based proprietary materials onto the fins and coils of three air-cooled condensing units at Regal Hongkong Hotel, resulting in longer lifespan and energy savings up to 30% due to better thermal heat transfer.

Application Process



Finished Work Product



Conducted performance enhancement work of an air-cooled condenser at Regal Hongkong Hotel.

In addition to retrofitting the equipment, the Hotel Manager also encourages our hotels to save energy by promoting green behaviours and green lifestyles to employees and guests, respectively. For instance, energy-saving tips and reminders are posted in the hotel lobbies and guestrooms to remind employees and guests to turn off all lighting and electronic devices after use.

The latest edition of The Intergovernmental Panel on Climate Change (IPCC) special report urges for more stringent greenhouse gas reduction targets to curb the growing threats from climate change. In addition to the energy use reduction initiative, the Hotel Manager has also implemented specific initiatives on greenhouse gas reductions, such as the following:

- installing electric vehicle charging stations in 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 hotels to reduce carbon emissions and provide fresh and chemical-free herbs for the restaurants.

By extending care to the environment, all hotels also participate in environmental initiatives hosted by external parties like the World Wide Fund for Nature (WWF) to demonstrate the Hotel Manager's dedication towards energy conservation and the climate change movement.



All hotels under the Regal and iclub by Regal brands supported WWF's Earth Hour activity in 2019.



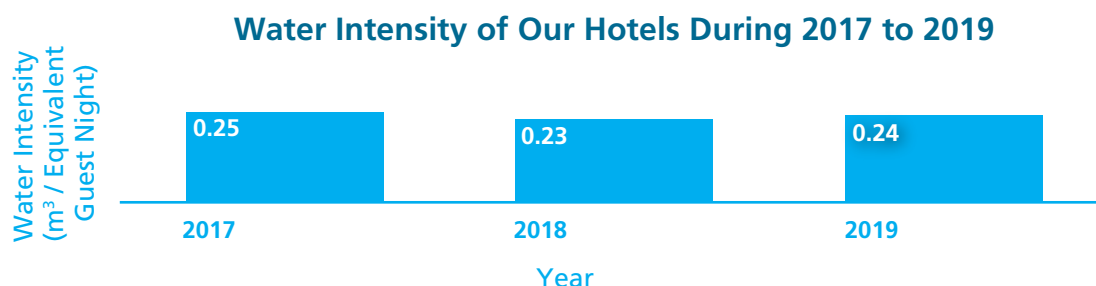
Regal Riverside Hotel received recognition for its participation in No Air Con Night 2019, an event organised by Green Sense to promote low-carbon living.

Water Management

The Hotel Manager strives to minimise water consumption and consume water responsibly throughout the hotel operations, from catering and cleaning to consumption. As a result, good water management is important to safeguarding precious water resources. Some of the key water saving measures are:

- recycling and reusing of air-conditioning condensing water;
- retrofitting with automatic faucets and toilet flushers in public toilets;
- installing dual-flush toilets when renovating guestrooms, which enable use of an appropriate amount of flushing water;
- checking all water meters daily to fix any possible water leakage in a timely manner; and
- encouraging hotel guests to participate in the linen and bath towel reuse programme.

Swimming pools are the most water-intensive facilities in hotels. In Regal Airport Hotel and Regal Riverside Hotel, the Hotel Manager has 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.



Waste Management

Waste Minimisation and Recycling

Given the nature of the hospitality industry, waste generation is the major environmental concern in our hotel operations. In light of this, the Hotel Manager adopts measures at different production and disposal stages, to make sure that effective controls are implemented on its material consumption and waste handling. In the waste management process, the Hotel Manager works with its employees, guests and non-profit organisations to reuse and recycle waste whenever economically practicable.

One of the major sources of waste in hospitality operations is food waste. Hotels' catering services, especially banquets and buffets, account for most of the waste. To reduce food waste at source and avoid over-purchasing, all hotels make frequent estimations and adjustments on the food procurement volumes, based on the number of guests and meal reservations. Besides, the Hotel Manager partners with Foodlink Foundation, a leading Hong Kong hunger relief charity, to donate unconsumed food after confirming that they are safe for consumption. In 2019, a total of 472 kg of food was donated to Foodlink. Another major source of waste is disposable room amenities. The Hotel Manager actively sorts unused amenities, including soap and shampoo, and reuse them for cloth washing. In Hong Kong, a total of 734 kg of soap was donated in 2019.

Dealing with large numbers of visitors every day, traditional hospitality operations often require complex documentation processes and have a significant demand for paper consumption. However, by making use of technological advancements, the Hotel Manager has digitised most of its documentation processes through its customer relationship management systems. Moreover, to reduce its actual paper consumption, the Hotel Manager prefers duplex printing of documents and use of single-sided paper whenever printing is necessary.

To further improve the solid waste management during operations, all hotels also track and ensure the remaining waste is disposed of responsibly. Moreover, the Hotel Manager's employees regularly monitor the amount of waste generated and recycled to identify possible improvement opportunities.

Our hotel operations do not generate any significant amounts of hazardous waste. However, as hazardous waste might create irreversible environmental impacts, the Hotel Manager takes due care and a cautious mind when handling the waste. The hazardous waste in the hotels mainly includes containers or residual chemicals and cleaning products. Starting from procurement, the Hotel Manager requires its vendors to obtain eco-certificates or labels for their products so that the negative environmental impact of using hazardous chemicals and cleaning products are reduced at source. The Hotel Manager has also established a protocol on hazardous materials and waste storage and handling for its employees to prevent environmental incidents caused by improper handling procedures. It reinforced the waste handling procedures to curb land contamination. The Hotel Manager appoints registered collectors to handle all disposed electrical appliances, such as computers, fridges and televisions. As such, the Hotel Manager can avoid land contamination and leakage of hazardous waste such as refrigerants.

SOCIAL RESPONSIBILITY

The RHIHL Group strives to become a leading corporate citizen that not only provides excellent accommodation service to guests and more importantly creates social benefits to a wider community. Through participation in community and social service programmes, the RHIHL Group strives to help to make the community and society a better place for all.

Viewing community affairs as an essential element of corporate social responsibility (CSR), the RHIHL Group includes “Social Responsibility” as a pillar of its long-term sustainability programme. To ensure an unwavering pathway towards sustainability, the RHIHL Group has established a Social Responsibility Steering Committee. The Committee, chaired by the Hotel Manager’s chief operating officer and supported by all function heads, provides continuous monitoring of its CSR efforts. The Committee has identified three social responsibility focuses:

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

Fostering Community Engagement

To foster its long-term community participation, the RHIHL Group believes volunteer services should not only focus on caring for those in need, but more importantly on developing the personal capabilities of the Hotel Manager’s employees such as leadership, management and communication skills through participating in volunteer services. To achieve this, the Hotel Manager has developed two volunteer teams consisting of adult and young people, Colour our World and Young Colour our World, respectively. To bring positive impacts to society, the two teams work together to provide regular volunteer services.

During the reporting period, the Hotel Manager partnered with 18 non-profit organisations to bring positive impacts to society. By collaborating with different community partners, its employee volunteers stayed connected with different social groups through home visits or community centre visits to elderly and underprivileged families. Over 292 volunteers participated in over 41 volunteer activities such as outdoor day trips, voluntary training workshops and flag selling events, and contributed over 1,290 hours to serve the community in Hong Kong. The volunteer services are well received by the local communities and volunteers.

Highlights of Community Investment 2019:

- Number of partnering non-profit organisations and other institutes in 2019: 18
- Number of organised volunteer activities in 2019: 41
- Total volunteer hours contributed by its hotels’ employees in 2019: 1,293 hours
- Amount of donations and sponsorships of RHIHL Group in 2019: HK\$1,178,000

During the reporting period, the Hotel Manager has been accredited as “Caring Company” by the Hong Kong Council of Social Service for the 17th year and was awarded the “15 Years Plus Caring Company Logo”. In addition, it received “the 10th Hong Kong Outstanding Citizenship Award” by the Hong Kong Productivity Council and certificates of appreciation from different government and community organisations.



Youth Development

In an effort to develop the younger generation, the RHIHL Group strives to provide them with good education and development opportunities. The Hotel Manager organises internship programmes and hotel tours for young people so as to complement conventional school education and give youngsters a diverse, out-of-the-classroom learning experience.

Regal Hotels International Youth Development Programme 2019

Since 2015, the Hotel Manager has launched the “Regal Hotels International Youth Development Programme”, in which students from Hotel, Service and Tourism Studies disciplines at the Hong Kong Institute of Vocational Education (IVE), a member of the Vocational Training Council, are offered scholarships and 300 hours of invaluable internship opportunities every year. Participants in the programme are assigned with different work duties so that they will be able to gain a thorough understanding of the complex hotel operations and practical experience in different departments. It is believed the internship scheme can pave the way for their early success in the industry.



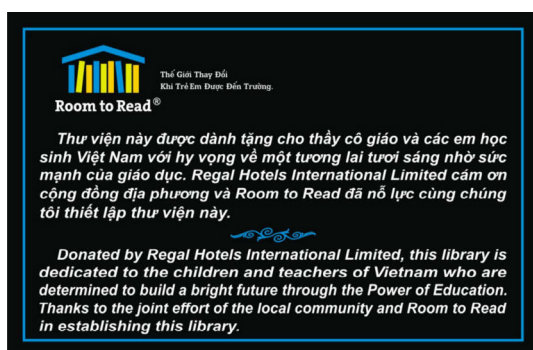
Hotel Tours

With Tourism and Hospitality Studies now an elective subject in the Hong Kong Diploma of Secondary Education Examination, the hospitality industry has become increasingly popular in recent years. Responding to this on-going trend, the Hotel Manager spares no effort to support education in the local community and enhance students' learning experiences.



Donating a Library

In 2019, the RHIHL Group donated HK\$78,000 to Room to Read in support of the literacy programme in Vietnam where a child friendly and safe library was established at Ca Mau Province of Vietnam. This programme aims to develop literacy skills and a habit of reading among primary school children in less underprivileged places, and support girls to complete secondary school with the relevant life skills to succeed in school and beyond.



Health Enhancement

The RHIHL Group believes that healthy living conditions of citizens are the prerequisite in achieving a positive and prosperous society. To this end, the Hotel Manager has been actively promoting healthy lifestyles through its hotel operations and delivering financial support and other in-kind support to those in need of medical resources through its community work.

Supporting “EatSmart Restaurant+” Campaign

Advocating for healthy dietary habits, the Hotel Manager decides to lead by example and provide healthier dishes to serve its customers at some hotels. In 2019, three restaurants including Regal Court, Café Allegro and Mezzo, were awarded the titles of “2-star EatSmart Restaurant” under a star-grading scheme launched by the Department of Health in recognising restaurant efforts to embrace healthy eating trends.



Mooncake Charity Sales 2019 for Medecins Sans Frontieres

In September 2019, the Hotel Manager partnered with charity organisation Bodhi Love Foundation to organise a Mooncake Charity Sales event, where 50% of the sale proceeds were donated to fund Medecins Sans Frontieres (MSF) medical programmes in more than 70 countries worldwide.



Pink Dessert Charity Sales for Hong Kong Hereditary Breast Cancer Family Registry

In 2019, the Hotel Manager hosted the 8th “Pink Dessert Charity Sales” event at Regal Kowloon Hotel. The event hopes to raise the awareness of Hereditary Breast Cancer and help provide financial support to patients by donating the full sale proceeds to the Hong Kong Hereditary Breast Cancer Family Registry.



Child's Vision 7th Anniversary Celebration Party

In May 2019, the Hotel Manager supported the Children's Cancer Foundation to host a celebration party on their 7th Anniversary of Child's Vision, an initiative set up by family members of children patients with Retinoblastoma to support each other.



Christmas Log Cake DIY Workshop

On 20 December 2019, the hotel chef taught children how to make cookies and log cakes. Moreover, to celebrate a heart-warming Christmas, the General Manager at the hotel dressed up in a Santa Claus costume and provided gifts to the kids.



Social Inclusion

The RHIHL Group believes the success of a society can only be achieved through the creation of an inclusive community. Every individual, regardless of their background and capability, should be treated equally and respected. To engage the underprivileged in society, the Hotel Manager organised different social activities to add colour to people's social lives, improve social cohesion and prevent social segregation.

Caring for the Elderly

To provide love and care for the elderly, the Hotel Manager organised different home and elderly centre visits regularly. During the year, the Hotel Manager organised the following events:

- Home Visits to elderlies in Tung Chung – Tung Chung Safe and Healthy City (20 March 2019), organised by Regal Airport Hotel, visited around 25 households.



- Elderly Home Visits – Women's Welfare Club Western District (13 September 2019), organised by Regal Hongkong Hotel.



- Elderly Home Visits - The Hong Kong Society for the Aged (26 July 2019), organised by Regal Riverside Hotel.



- Elderly Home Visits – Methodist Centre (23 February 2019) organised by iclub Hotels.



- Elderly Home Visits – Pak Oi Hospital (29 June 2019) organised by iclub Hotels.



Joy Charity Walk

On 13 October 2019, the Hotel Manager supported the Joy Charity Walk to raise funds for the Hong Kong Federation of Handicapped Youth and was awarded the Silver Prize for its fund raising.





ECONOMIC RESPONSIBILITY

The Hotel Manager has made every effort to create additional value to stakeholders. With this commitment, it is dedicated to providing quality products and services to guests, offering employees with a fair and equal workplace and promising career development opportunities, and achieving good supply chain management. The RHIHL Group believes that these efforts can drive business growth and strengthen brand reputation.

The economic responsibility of the RHIHL Group focuses on three aspects: employment, customer relations and operational practices. Employees are considered as the fundamental and essential part of its hotel operations. In view of this, the Hotel Manager strives to offer well-structured training programmes, competitive compensation and welfare packages, and well-developed employment policies and initiatives to attract, nurture and retain talent. In order to develop and maintain good relationships with guests, quality and exceptional hotel experiences are offered, and the guests are engaged through consistent communications and loyalty programs. The Hotel Manager is dedicated to driving positive impact among stakeholders, including unitholders, customers and the community through upholding ethical business operation principles and rigorous supply chain management.

Caring For Employees

The REIT Manager does not participate directly in the daily operations of the hotels under Regal REIT. The REIT Manager monitors and oversees how the Hotel Manager treats its employees. Employees are considered as the integral part of the hotel operations and hence, the RHIHL Group believes that recruiting and retaining passionate talent is necessary to achieve its business growth. Being an equal opportunity employer, it abides by the guidelines and regulations set by the Equal Opportunities Commission and formulated human resources policies in alignment with the guidelines. Through upholding the principles of fairness and non-discrimination in the Hotel Manager's recruitment and promotion processes, all employees are treated fairly, regardless of their gender, age, ethnicity, family status, sexual orientation, disability, race and religion, and are protected from any discrimination in the workplace.

The RHIHL Group believes that well-organised human resources management is important to attract and retain talent, and to create a positive workplace. A comprehensive framework together with detailed human resources management policies are included in the Hotel Manager's Staff Handbook. The Handbook provides information and guidelines in relation to employee compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, and other benefits and welfare. In addition, the culture of work-life balance is encouraged and promoted across all hotels. Hence, the work schedules for five-day work weeks were introduced to its office employees, allowing more holidays for employees to pursue their personal interests. The Hotel Manager's Human Resources Department works closely with management in these areas for continuous improvements.

During the reporting period, there were no non-compliances with relevant laws and regulations² that had a significant impact on the RHIHL Group in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, and other benefits and welfare. The Hotel Manager also provided a safe working environment and protected employees from occupational hazards and avoided use of child and forced labour.

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

Learning and Career Development

The Hotel Manager provides its employees with a wide range of internal and external training to equip them with the necessary knowledge and skills to handle daily tasks and achieve their career development goals in the hotel business. Standard training courses are offered to provide holistic training to its employees and enhance their awareness of the RHIHL Group's corporate values and code of conduct. For instance, compulsory orientation programmes are organised for all new recruits to raise their understanding of hotel operations and the working environment. The training programmes also cover topics encompassing occupational health and safety, anti-corruption, guest services and environmental management.

The RHIHL Group realises that general training is far from enough to satisfy the diverse training needs of its employees because of the differences in job natures and career ambitions. In light of this, the Hotel Manager is committed to catering to the needs of employees at different career levels by offering a wide range of tailor-made learning and training programmes, where different departments organise role-based courses in accordance with their operational needs. The annual conference on hospitality market trends that is organised for all sales and marketing personnel, is a case in point. To advocate flexibility on learning in hotels, employees are encouraged to attend external training programmes, and are eligible to apply for subsidies. In the future, the Hotel Manager aims to continue to diversify its training programmes and online training courses so as to further enhance its employees capabilities and performances at work, as well as grow their own expertise.

Besides offering comprehensive training, the Hotel Manager also provides a clear career path for each employee, where they can be promoted from rank and file to departmental heads depending on their job performance. In addition, two additional programmes with continuous career guidance are provided, namely, the Management Trainee Program and Executive Trainee Program.

Employee Engagement

With the commitment of fostering a culture of work-life balance in the workplace, the Hotel Manager arranges leisure activities for its employees on a regular basis, including sports competitions and annual parties. It also organises employee engaging activities and programmes every year to enrich its employee's workplace experiences. Employees with significant contributions at work are awarded Year-of-service Awards in recognition of their hard work and loyalty.

Communications are one of the RHIHL Group's core values. Through setting up both offline and online communication channels, the Hotel Manager welcomes and encourages ideas from employees to enhance the services and facilities of the hotels. These channels include employee meetings with the hotel general managers, suggestion boxes, annual surveys and its Facebook page. Apart from formal suggestions, a grievance mechanism is also developed to allow employees to voice concerns to immediate supervisors or management of the Hotel Manager. All concerns are carefully handled, and it is mandatory for them to respond to enquiries within a given timeframe.

In 2019, an enhancement program for staff areas and facilities was introduced, aiming to provide a more comfortable rest place for employees of the Hotel Manager. With the purpose of promoting work-life and work-family balance, employees and their family members were invited to participate in certain enhancement activities.





Workplace Health and Safety

The RHIHL Group recognises the importance of a safe and healthy work environment and strives to provide a healthy and safe working environment for all employees. Through the establishment of the Safety Committee, the Hotel Manager administers its safety management systems to ensure compliance with all relevant laws and regulations. To enhance employee awareness and understanding of 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.

At the operational level of all hotels, the workplace health and safety measures undertaken during the reporting period are summarised in the following key areas:

- **Dedicated Team:** The Hotel Manager has established a dedicated team comprised of experienced Safety and Security Officers who are responsible for identifying potential hazards, and developing prevention and improvement measures.
- **Internal Rules and Procedures:** The Hotel Manager has also formulated a Safety Manual, covering the management, control and coordination of its safety objectives. The Safety Manual is well communicated to the employees to ensure solid implementation and to mitigate the potential occupational safety hazards throughout all stages of the hotel operations, from room cleaning and catering to engineering and renovation work. By means of implementation of safety management systems and prevention measures for accidents, regular reviews, job hazard analyses, monitoring and safety audits, the Hotel Manager strives to minimise workplace health and safety risks. Employees who fail to comply with the safety rules and procedures might be subject to penalties. Moreover, adequate personal protective equipment and first aid materials are available in all hotels.
- **Training:** Training regarding occupational health and safety risks are arranged for all employees and external parties also invited to provide training to the supervisors and management of the Hotel Manager. The training focuses on how to incorporate safety concerns into hotel daily operations. Contingency plans for emergencies have also been formulated where selected employees are provided with related training and clear instructions on the use of fire-fighting equipment, provision of first aid and rescue techniques to ensure sufficient trained employees are in place to cope with any incidents. In addition, the Safety and Security Officers of the Hotel Manager organise emergency drills for all emergency and rescue teams on a regular basis to enhance its emergency preparedness.
- **Communications:** To enhance the awareness of all employees on health and safety, the Hotel Manager also distributes health and safety information sheets, newsletters and bulletins to its employees to communicate the latest health and safety measures. Relevant warning signs, emergency and rescue procedures, notices and placards are also posted in hotel's offices, workshops and welfare facilities to keep employees alert to potential occupational hazards. To advocate the culture of working safely across the hotels, Safety Awards are given to employees that demonstrate best health and safety practices at work.
- **Review and Monitoring:** Safety and Security Officers of the Hotel Manager 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 manager's endorsement. A health assurance programme is also in place to arrange pre-job and regular medical examinations for employees who are exposed to hazardous waste and materials to ensure their physical well-being.

In 2019, Regal Kowloon Hotel partnered with the Hong Kong Fire Services Department to jointly organise an annual fire evacuation drill, a practical evacuation training session which reinforces employees' knowledge and ability to handle emergencies.



Caring For Guests

The RHIHL Group is committed to providing guests with premium services and amenities. Its long-standing commitment to safety, quality and attention to detail have enabled the Hotel Manager to drive "Regal" and "iclub by Regal" as two of Asia's pre-eminent hotel brands. To continue to strengthen its branding and stand out in the rapidly changing hospitality industry, the Hotel Manager seeks every solid opportunity to improve the quality of services. Guests' feedback and opinions are valuable for accessing and improving the hotel operations and, hence, the Hotel Manager is well prepared to listen and respond to guests' needs and wants. It proactively engages and communicates with guests through diverse channels, including the Regal Rewards and 925 Club, to collect their opinions on services. The Hotel Manager also protects customers' privacy throughout hotel operations while providing reliable services to guests.

Guest Health and Safety

The Hotel Manager provides a wide range of hospitality services to guests and taking care of their health and safety has always been a top priority. As stated in the RHIHL Group's Food Safety Policy Statement, food suppliers are required to provide a full list of ingredients with supporting documents for their delivery of ready-made food products, ensuring the food quality from food suppliers and their compliance with government regulations. Employees are also required to strictly follow the receiving guidelines and all ingredients delivered without supporting documents are not accepted to ensure food safety. 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).

To ensure food safety, rigorous standards are established and adopted, four of our hotels, namely, Regal Airport Hotel, Regal Hongkong Hotel, Regal Kowloon Hotel and Regal Riverside Hotel have implemented management systems in accordance with the ISO 22000:2005 Food Safety Management System, in which "traceability" is a core requirement. Safety checks are conducted on all incoming raw materials from suppliers to the Hotel Manager. To prevent risks of cross-contamination, all food products are categorised and stored separately by category. In addition, selected supplier products and/or process controls are audited on-site during plant visits to ensure the safety of food supply. In 2019, the Group Hygiene Manager of the Hotel Manager conducted 9 site visits, and no cases of major faults were detected.



Customer Privacy

The RHIHL Group recognises the importance of protecting customer privacy. The Hotel Manager strictly complies with all laws and regulations on personal data privacy in its operating jurisdictions. The RHIHL Group has formulated the Privacy Policy, emphasising that all personal data collected must be handled by the Hotel Manager with strict confidentiality. In addition, employees are given different levels of personal data access rights according to their positions and job duties, ensuring that only authorised employees are given permission to get access to customer personal information. Personal information collected will only be used for the purposes of membership management and marketing with customer consents. As the Hotel Manager serves guests from around the world, besides observing local data protection policies, it also seeks compliance with the European Union General Data Protection Regulation. To align the practices with the regulations, guests are notified on how their personal data will be collected, stored and used, and their personal information will be used only with their permission. During the reporting period, there were no non-compliance cases against Personal Data (Privacy) Ordinance (Cap. 486 of the laws of Hong Kong).

Connecting with Guests

The Hotel Manager provides a wide range of customer-oriented services, and regularly engages with guests to understand their needs and catch up with the latest market trends. In addition, innovative technologies are progressively incorporated into hotel operations to create a connected hotel environment, facilitating guest travel planning and bringing them valuable and satisfying hotel experiences.

To maintain connection with guests, the Hotel Manager offers a series of rewards programmes, with the purpose of offering refined and tailor-made services to frequent travellers and loyal customers. Currently, five major programmes have been launched in total, namely, the Regal Rewards, 925 Club, Regal Card, Regal Kids Club and Airline Rewards, satisfying the needs of different guest groups. This year, the Hotel Manager provided various member exclusive offers and discounts to the reward programme members, including booking discounts, shopping coupons, and special day trip arrangements.

It is believed that guest feedback and opinions can drive our hotels to achieve the goal of providing customer-oriented services. In order to collect guests' feedback effectively, the Hotel Manager has set up diverse channels for guests to express their opinions, including verbal communications, guest questionnaires and websites. All collected feedback is categorised and distributed to relevant business units of the Hotel Manager to follow-up. Guest Comments Reply Standards have been formulated and adopted in all hotels, requiring employees to put every guest comment as a top priority. The business units are also required to contact the guests in person or by writing within 48 hours after they have received their feedback. Further follow-up actions are taken whenever necessary.

Supply Chain Management

Our hotels have an extensive and complex supply chain, which consists of a vast network of vendors to provide a wide variety of products and services including food and beverages, hotel cleaning and laundry services, guestroom supplies, and all sorts of hotel amenities. To better manage overall procurement cost and the services quality, the Hotel Manager carefully selects accredited partners that satisfy the specific procurement terms and guidance on listed criteria to control and balance the quality and cost of procured materials. Moreover, the Hotel Manager understands that its purchasing decisions might have profound impacts on the community and environment and, hence, it advocates green and local purchases in its procurement processes.

The Group Purchasing Department of the Hotel Manager is wholly responsible for managing procurement of products and services relating to hotel daily operations. In addition, the Hotel Manager has developed a well-structured mechanism to monitor suppliers and ensure their compliance with relevant laws, regulations and standards and, thereby, minimise any negative environmental and social impacts that may otherwise arise from the procurement processes.

Responsible Sourcing

The RHIHL Group understands good supply chain management is vital to product safety and quality. The Group Purchasing Department of the Hotel Manager is responsible for monitoring the quality of products regularly and ensuring the suppliers' compliance with the Supplier Code of Conduct. When extending or expanding the partnership with suppliers, their compliance with the Supplier Code of Conduct is regarded as one of the standard requirements. Suppliers and vendors are prudently selected by the Hotel Manager to ensure that all matters related to the hotel operations comply with all relevant regulations.

To be qualified as one of our hotels suppliers, during the pre-qualification period, the Hotel Manager requests tenders to provide necessary samples and catalogues for rigorous testing and examination. In addition, an On-site Evaluation Checklist has been formulated to evaluate the quality of all types of purchases, from engineering-related equipment to food and beverage items. By virtue of the checklist, all risks that might occur during slaughtering or harvesting, storage, distribution and transportation of products can be mitigated. This evaluation process is conducted before selection of suppliers, and regular reviews are carried out to ensure supplier compliance throughout the term of our business relationship. In addition, priority is given to contractors that are certified with ISO 9001 whenever possible. Moreover, a dual-track measure has been implemented to ensure that no infected pork meat would be supplied to the hotels. Also, all suppliers are requested to submit certificates of origin and national inspection for all imported food products such as beef, chicken, salmon, etc.

Besides setting stringent requirements on product quality and safety, the Hotel Manager also incorporates environmental and social responsibility considerations into its supply chain management. Being a member of the Green Council since 2012, the Hotel Manager has developed policies and reviewing mechanisms to screen and select suppliers with preference given to suppliers that share the same commitment to create an environmentally and socially responsible supply chain. In accordance with the Green Purchasing Policy, the Group Purchasing Manager and Group Hygiene Manager of the Hotel Manager evaluate potential contractors using an On-site Evaluation Checklist to ensure they adopt environmentally friendly techniques in processing products. Also, according to the policies, preference is given to recycled and other environmentally preferable products whenever they meet performance requirements and are economically viable.

The Hotel Manager is committed to implementing sustainable procurement practices whenever practicable. It procures products and materials that have minimal impacts on the environment and human health, such as LED lighting, biodegradable shopping bags and recycled-paper packages. It also prohibits the use of disposable cutlery and purchases vegetables and fruit from local farmers whenever possible. Additionally, the Hotel Manager only purchases hazardous chemicals and cleaning products with eco-certificates or labels. It is believed that a solid implementation of sustainable procurement practices relies on collaborative work with all parties across the whole value chain and, hence, the Hotel Manager continues to work hand-in-hand with its suppliers, employees and customers to maintain sustainability in the supply chain and build a solid foundation for sustainable development.



Anti-corruption

The RHIHL Group upholds the highest standard regarding business integrity and fair competition, and requires all employees to share the same commitment. The Hotel Manager strives to prevent any bribery and corruption occurring in the hotel operations. Employees and suppliers are required to comply with the Supplier Code of Conduct, which is included in the Supplier/Distributor Registration Application Form. The Form is a prerequisite for any cooperation with the hotels and provides guidelines on how to manage corruption and bribery incidents in a proper manner. Any forms of gift giving among its employees and business partners are strictly prohibited, as it harms fair and honest co-operative partnerships. To enhance transparency and overall ethical standards, employees who request or receive gifts from a supplier, in money or any other form, during business dealings may be subject to dismissal.

To enhance its employees' understanding and awareness of the requirements and standards on anti-corruption, anti-corruption measures and controls are outlined in the Employee Handbook of the Hotel Manager. The Handbook provides definitions and scenario descriptions, such as gifts and gratuities, instructing its employees how to prevent corruption in hotel daily operations. Any employee who is found to be involved in corruption or bribery is subject to disciplinary action or immediate termination. Similarly, the Hotel Manager expects parties related to its business operations to avoid any forms of conflict of interest situations. Employees who are affiliated with other business dealings with the RHIHL Group are required to disclose such information to the RHIHL Group. Otherwise, disciplinary action or immediate termination may apply.

Seeing anti-bribery and anti-corruption work as a continuous effort, the Hotel Manager arranges regular ICAC talks and anti-corruption training for its employees to enhance their understanding on anti-corruption and remind them of the importance of business integrity. Taken all together, the Hotel Manager has implemented various measures to safeguard the interests of the hotels and create a clean and well-functioning working environment. During the reporting period, the Hotel Manager complied with the Prevention of Bribery Ordinance (Cap. 201 of the laws of Hong Kong). No legal cases regarding corrupt practices brought against the Hotel Manager or its employees were recorded in 2019.

Fair Competition

The Hotel Manager strives to maintain healthy competition among its suppliers to achieve fair practices. In order to eliminate any anti-competitive behaviour, the Hotel Manager's tendering documents request its suppliers to declare an anti-collusion confirmation. Adequate training sessions are also arranged for all its employees regarding anti-competitive conduct and all relevant laws and regulations to ensure they have sufficient awareness and 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 the 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 The Hong Kong Polytechnic University
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 Certificate	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	The Hong Kong Council of Social Service
Top 10 Best Marketing Campaigns 2019	Emarsys Evolution Hong Kong 2019

Regal Airport Hotel

Awards and Recognitions	Organisations
Best Airport Hotel Asia-Pacific	Travel Weekly Asia
Certificate of Excellence 2019	TripAdvisor
Travel Hall of Fame and the Best Airport Hotel	TTG Asia-Pacific Awards
World's Best Airport Hotel	Business traveller UK

Regal Hongkong Hotel

Awards and Recognitions	Organisations
2019 Best Business Hotel	Ctrip.com
Certificate of Excellence 2019	TripAdvisor
Certified restaurant 2019 by Italian Hospitality Seal – Alto 88	Ospitalità Italiana
10 Years + Caring Company	The Hong Kong Council of Social Service

Regal Kowloon Hotel

Awards and Recognitions	Organisations
CLP Smart Energy Award 2019 – Merit Certification	CLP Power Hong Kong Limited
Certificate of Excellence 2019	TripAdvisor
Hong Kong International Culinary Classic 2019 – Bronze Medals	HOFEX
MASTERCHEF Recommendation Restaurant 2019 – Regal Court	Asian Art of Cuisine Society
Outstanding QTS Merchant Merit Award – Mezzo	Hong Kong Tourism Board
Partner Employer Award 2018/19	The Hong Kong Chamber of Small and Medium Business
Favorite Food Awards 2019 – Reader's Choice Café Allegro	U Magazine
Caring Company 2018/19	The Hong Kong Council of Social Service
10-year QTS Merchant Recognition – Café Allegro	Hong Kong Tourism Board
2-star EatSmart Restaurant – Regal Court – Mezzo – Café Allegro	Department of Health

Regal Oriental Hotel

Awards and Recognitions	Organisations
Good Employer Charter Certificate	Labour Department
Muslim Friendly Restaurant Certification – Serves Halal menu of Chicken & Lamb	The Incorporated Trustees of The Islamic Community Fund of Hong Kong
Halal Certification	The Incorporated Trustees of The Islamic Community Fund of Hong Kong
A Quality Restaurant Certification – Cafe Neo – China Coast Pub + Restaurant	Hong Kong Tourism Board
5 Years + Caring Company	The Hong Kong Council of Social Service

Regal Riverside Hotel

Awards and Recognitions	Organisations
Christian Action Training Services – Certificate of Appointment	Christian Action Training Services
CLP Smart Energy Award 2019 – Merit Certification	CLP Power Hong Kong Limited
CLP Peak Demand Management Programme 2019 – Appreciation Certificate	CLP Power Hong Kong Limited
Joyful@Healthy Workplace Charter Certificate	Occupational Safety & Health Council
“No Air Con Night 2019” – Certificate of Appreciation	Green Sense
Squarefoot Serviced Apartment Awards 2019 – Best Guest Experience	Squarefoot

iclub Fortress Hill Hotel

Award and Recognition	Organisation
Certificate of Excellence 2019	TripAdvisor

iclub Sheung Wan Hotel

Award and Recognition	Organisation
Certificate of Excellence 2019	TripAdvisor

iclub Wan Chai Hotel

Award and Recognition	Organisation
Certificate of Excellence 2019	TripAdvisor

QUALIFICATIONS

- **EarthCheck (Gold)**

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

- **EarthCheck (Silver)**

iclub Fortress Hill Hotel, iclub Wan Chai Hotel, iclub Sheung Wan Hotel and iclub Ma Tau Wai 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, three Initial Hotels achieved the “Gold” level:

- o Regal Kowloon Hotel
- o Regal Oriental Hotel
- o Regal Riverside Hotel

- **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:**

- o All five Initial Hotels achieved Carbon Reduction Certificates and Hong Kong Green Organisation Certification issued by Environmental Campaign Committee.

Membership

The Hotel Manager has been an Established Member of the Sustainable Procurement Charter of the Green Council since 2012, advocating green and local purchases.

APPENDIX II – PERFORMANCE TABLE

Environmental Responsibility Performance³

	Units	Performance in 2018	Performance in 2019	Change rate
Air Emissions				
Nitrogen Oxide (NOx)	kg	2,125 ⁴	2,769	30.31%
Sulphur Oxide (SOx)	kg	7.87	6.87	-12.71%
Particulate Matters (PM)	kg	99	129	30.30%
Greenhouse gas (GHG) emissions				
Total GHG emissions	tonnes of CO ₂ equivalent (tonnes CO ₂ e)	53,779	54,303	0.97%
Direct GHG emissions (Scope 1) ⁵	tonnes CO ₂ e	8,780	8,096	-7.79%
Indirect GHG emissions (Scope 2) ⁶	tonnes CO ₂ e	44,999	46,207	2.68%
GHG emission intensity ⁹	kg CO ₂ e/equivalent guest night ⁷	14.59	17.29	18.51%
Energy consumption				
Total energy consumption	GJ	372,512	371,057	-0.39%
Electricity	kWh	66,147,823	65,828,685	-0.48%
Towngas	GJ	116,926	118,830	1.63%
Fuel ⁹	GJ	17,454	15,243	-12.67%
Steam	GJ	0	0	N/A
Energy intensity ⁹	GJ/equivalent guest night ⁷	0.10	0.12	20.00%
Water consumption⁹				
Total water consumption	m ³	844,230	767,683	-9.07%
Water intensity	m ³ /equivalent guest night ⁷	0.23	0.24	4.35%
Waste disposal				
General waste disposed ⁸	tonnes	4,428	2,500	-43.54%

³ The performance data only covers hotel management operations, 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 2019. In addition, data calculation formula and conversion factors used for calculating air emissions and energy consumption are in line with the HKEx ESG Reporting Guide – Appendix 2: Reporting Guidance on Environmental KPIs.

⁴ The data was revised to reflect the actual situation.

⁵ Direct GHG emission generated from fuel consumption and leaked refrigerant/CO₂e from equipment.

⁶ Indirect GHG emissions generated from electricity and towngas consumption.

⁷ Equivalent guest night includes the total number of guests staying overnight in hotels and one third of the total number of guest patrons in restaurants and banquet/function rooms.

⁸ Significant changes of waste disposed and recycled between 2018 and 2019 were caused by our adoption of green business practices and changing socio-economic situations, such as the replacement of meal menu, the switch to semi-buffet dining, as well as the variation of hotel visitor numbers and their gender mix.

⁹ These figures were affected as the number of equivalent guest nights decreased.



	Units	Performance in 2018	Performance in 2019	Change rate
Waste recycled^a				
Used cooking oil	Litre	19,576	5,168	-73.60%
Aluminium cans	kg	569	168	-70.47%
Plastic bottles	kg	11,511	10,243	-11.02%
Paper	kg	116,210	85,782	-26.18%
Food waste and donations	kg	169,889	472	-99.72%
Glass bottles	kg	16,869	9,944	-41.05%
Soap	kg	1,836	734	-60.02%
Hazardous Waste Disposed				
Retired Light Fitting	piece	N/A	1,600	N/A
Battery	piece	N/A	480	N/A

APPENDIX III – THE STOCK EXCHANGE OF HONG KONG LIMITED'S ESG REPORTING GUIDE CONTENT INDEX

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

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

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

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

The image features a white background framed by a thick blue border. Large green leaves are positioned in the top-right and bottom-left corners. A trail of smaller green leaves starts from the bottom-left and curves upwards towards the center-right of the page.

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