



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)

Managed by



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

2024

SUSTAINABILITY REPORT



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About This Report



Reporting Standard

This report has been prepared in accordance with the Environmental, Social and Governance Reporting Code (the “ESG Reporting Code”, formerly named as the Environmental, Social and Governance Reporting Guide) in Appendix C2 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Reporting Principles

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

- ❖ **Materiality:** Environmental, social and governance (“ESG”) issues that are significant to Regal Real Estate Investment Trust (“Regal REIT”) and our stakeholders were identified through stakeholder engagement and materiality assessment. 14 material ESG topics were identified, which form the focus of this report.
- ❖ **Quantitative:** Environmental and social data were collected and reviewed to evaluate the effectiveness of environmental and social initiatives.
- ❖ **Balance:** All achievements and improvement plans were disclosed in this report in a transparent and balanced manner to provide an unbiased view on ESG performance.
- ❖ **Consistency:** Consistent reporting methodologies are adopted to present an effective year-on-year performance comparison. Any changes in the methodologies and reporting scope are explained in remarks for stakeholders’ reference.



Reporting Scope and Boundary

This is the ninth annual standalone Sustainability 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 Regal REIT’s hotel properties in Hong Kong on material ESG issues for the period from 1 January 2024 to 31 December 2024 (referred to as the “reporting period”).

Accessibility of the Report and Feedback

An electronic copy of this report can be accessed on Regal REIT’s website at www.regalreit.com/investor-relations/report. 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 22 April 2025.



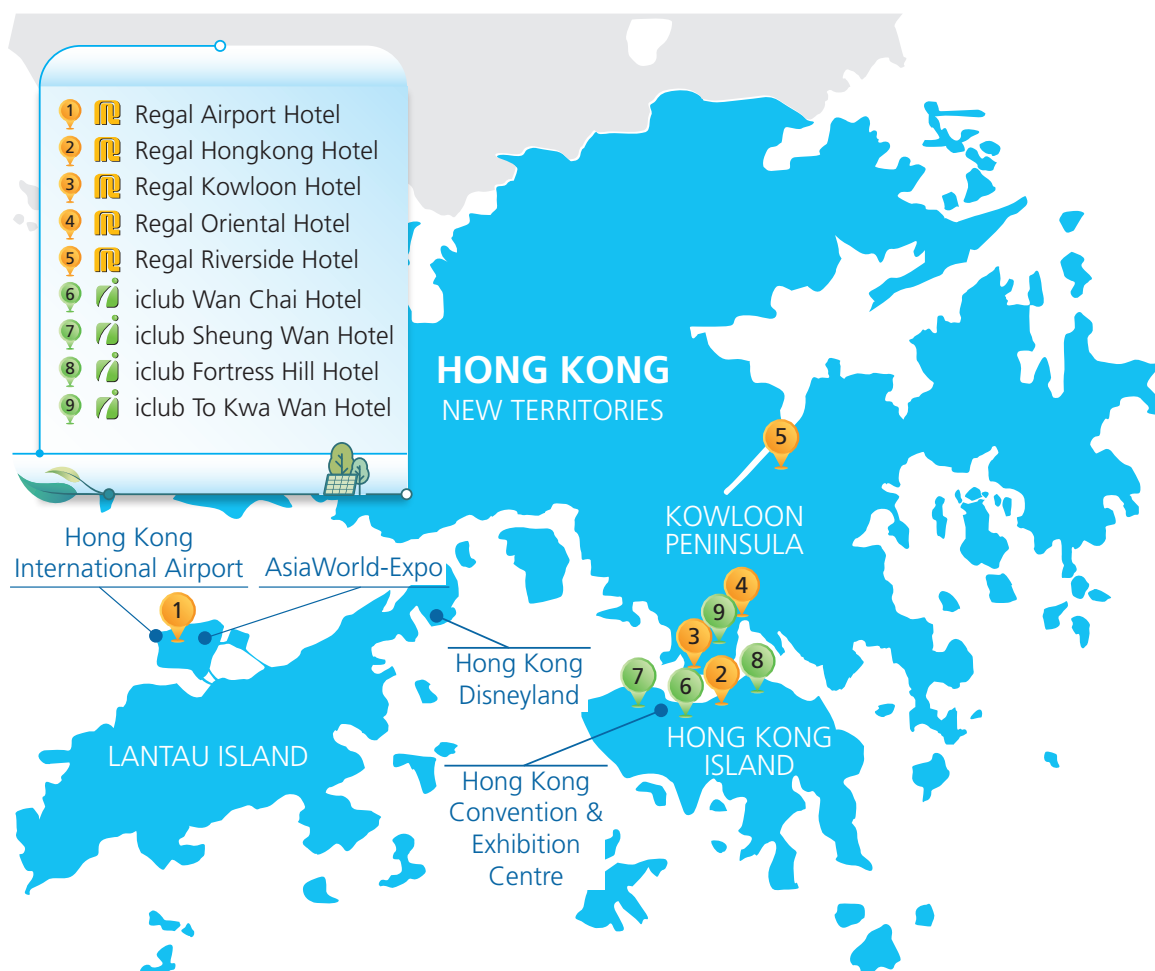
About Regal REIT

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 since 2007, Regal REIT is the only listed hospitality real estate investment trust ("REIT") with market concentration in Hong Kong.

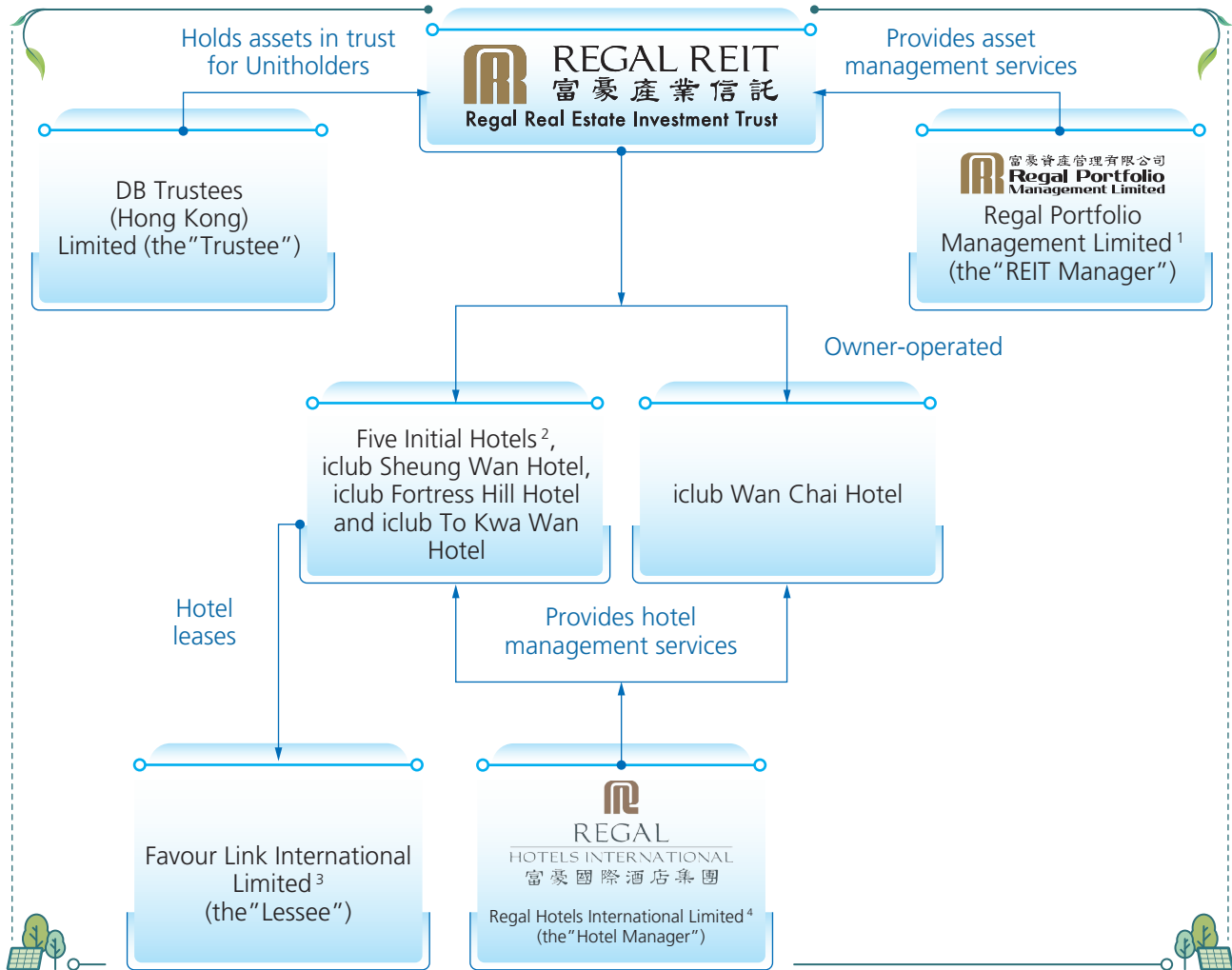
Property Portfolio

As of 31 December 2024, Regal REIT owned a total of nine hotel properties that are strategically located in different districts in Hong Kong. Regal REIT's hotel portfolio consists of 4,918 guestrooms and suites, offering all-rounded hotel services. The diverse portfolio is comprised of two hotel types, namely, full-service hotels, which offer a wide range of services including food and beverage ("F&B") outlets and other facilities, and select-service hotels, which offer contemporary design and are equipped with tech-savvy facilities, catering to different types of demand from business travellers and leisure-seeking customers, both locally and from abroad.

The name and location of our hotel properties are shown in the map as below:

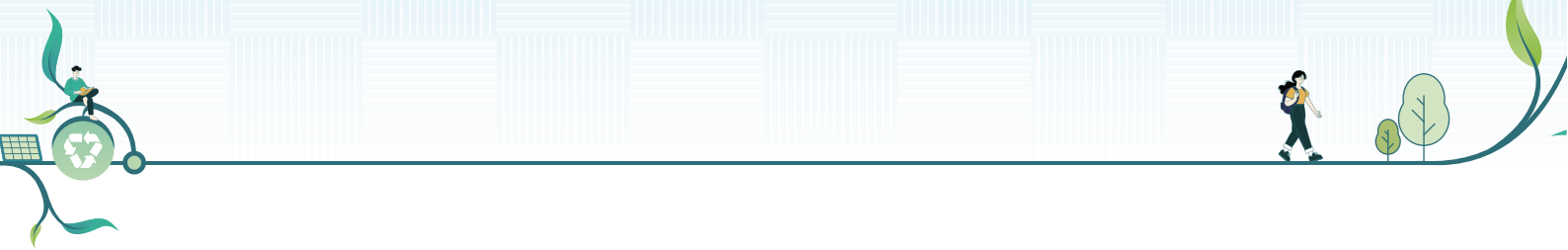


Organisation and Structure



^{1,3,4} RHIHL Group companies.

² Namely, Regal Airport Hotel, Regal Hongkong Hotel, Regal Kowloon Hotel, Regal Oriental Hotel and Regal Riverside Hotel.



Regal REIT is managed by the REIT Manager and does not employ any employees directly. The respective property companies of Regal REIT entrust the Hotel Manager to manage the daily operations of the 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 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 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 for Regal REIT's property portfolio. 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. Through the Hotel Manager, Regal REIT's property portfolio meets high standards in relation to compliance with the relevant regulations and guidelines, including environmental, employment, procurement and anti-corruption aspects, 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 business operations 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", respectively.

In collaboration with the REIT Manager, the Hotel Manager adopts sustainable practices in the hospitality industry and implements different sustainability targets in hotel operations, with the aim to provide quality services to guests and customers, which could help to enhance the value of the hotel assets in the long term.



Our ESG Strategy

Regal REIT aims for sustainable operations and growth for the Unitholders. In its current operational structure, the Hotel Manager oversees the daily operations of the hotels held by Regal REIT.

The Hotel Manager, a globally recognised hotel group committed to sustainable progress, adheres to the 5P Framework consisting of five pillars – Planet, People, Partnerships, Prosperity, and Peace. These pillars support the Hotel Manager’s holistic approach to value creation, integrating sustainability across all aspects of its business operations.

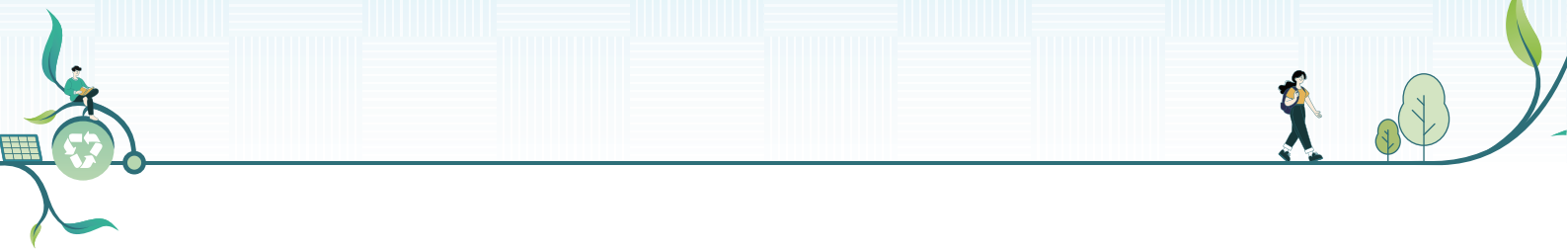
Moreover, the Hotel Manager has included the United Nations Sustainable Development Goals (“UNSDGs”) in its 5P Framework to demonstrate its commitment to sustainability.

- **Planet — Embracing a harmonious relationship with the Earth**

Our Planet is a magnificent home to countless species and awe-inspiring wonders. The interconnectedness of life is fundamental to the vibrant and diverse ecosystem we habituate in. Bestowed with invaluable natural assets, we seek to manage our resources with wisdom and care and take incremental steps to mitigate our planetary impacts for a sustainable future.

- **People — Engaging with individuals and communities we serve**

People are at the heart of our business and are the building blocks of a flourishing community. We are committed to promoting human capital development of individuals and collectives. On top of creating a safe and empowering work environment for our employees, we strive to safeguard people’s data privacy rights and cybersecurity and equip talents with skills and knowledge to excel in their roles.



- **Partnerships — Fostering meaningful and innovative collaborations**

From accelerating net-zero transitions to advancing social equity and development, challenges in this day and age require collaborative efforts across sectors and borders to address. The interdependency of stakeholders and issues places us in a position to come together and build conversations for a set of common goals. We are keen to connect with partners to unearth opportunities and solutions for profound impact.

- **Prosperity — Creating sustainable business growth**

With the advent of emerging technologies, more businesses today are driven by new value creation models. As we adopt operation practices in support of a more regenerative economy, we remain committed to delivering sustainable returns and upholding business integrity and safety. To amplify our impact, we also channel catalytic capital to solutions that enable a more sustainable world.

- **Peace — Promoting well-being and inclusion**

Echoing our belief that harnessing awareness of the present is central to individual well-being, we encourage people to reflect upon their connections with themselves and the world. From becoming aware to developing acceptance, we can find inner peace and embrace the diversity of life around us. We believe by fostering respectful and caring workplaces and supporting equitable opportunities we help create more inclusive and participative environments for all.



Sustainability Vision

The Hotel Manager is responsible for closely monitoring the progress on the targets and drive continuous improvement in hotels' sustainability performance. In 2023, the RHIHL Group has introduced a comprehensive set of ESG targets for the 12 hotels in Hong Kong it managed (including the 9 hotels owned by Regal REIT), which are presented below. The REIT Manager will work together with the Hotel Manager to develop action plans with an objective to achieve the targets over the short, medium to the long term for the 9 hotels in its property portfolio.

PLANET



Greenhouse Gas Emissions

1 2030 Target

Reduce scope 1 and 2 greenhouse gas ("GHG") emissions intensity by at least 20% with 2023 as a baseline.

Green Building

2 2025 Target

Achieve BEAM Plus Existing Building certifications for at least 30% of its hotel properties in Hong Kong.

Waste Management

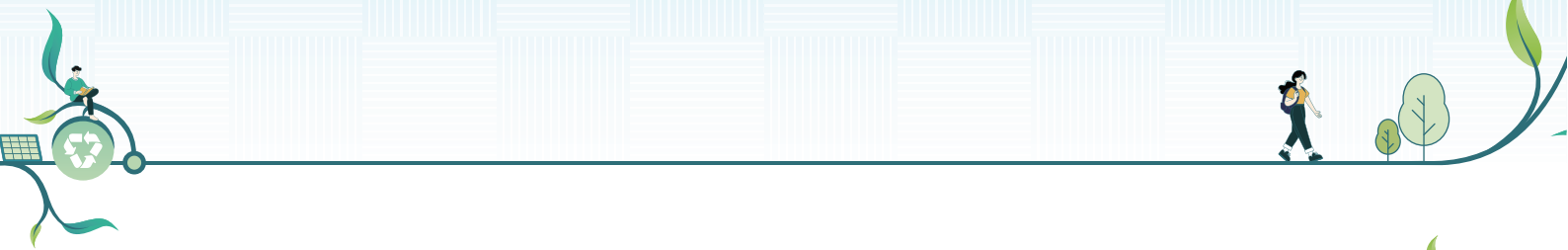
3 2030 Target

Enhance waste diversion rate by at least double from 2023 baseline.

Water Management

4 2030 Target

Reduce water intensity by at least 10% with 2023 as a baseline.



PEOPLE



Talent Development

5 2030 Target

Increase average training and development hours per employee by double with 2023 as a baseline.

6 Provide educational and upskilling opportunities to youth and community members.

Occupational Health and Safety

7 Maintain zero work-related fatalities.

Community Engagement

8 Engage and collaborate with stakeholders, including but not limited to business and media partners, Non-Governmental Organizations (NGOs) and government agencies, to facilitate environmental, social and economic development of communities in which the business operates.

Data Privacy and Cybersecurity

9 Provide data privacy and cybersecurity learning and development opportunities to employees.

PARTNERSHIPS



Sustainable Procurement

- 10 **2025 Target**
Communicate the Green Procurement Policy to all suppliers.
- 11 **2025 Target**
Conduct sustainable supplier assessment to evaluate the RHIHL Group's value chain.

Technology and Innovation

- 12 Foster a culture of innovation that enables employees and community innovators to pilot new ideas and technologies in business operations.

PROSPERITY

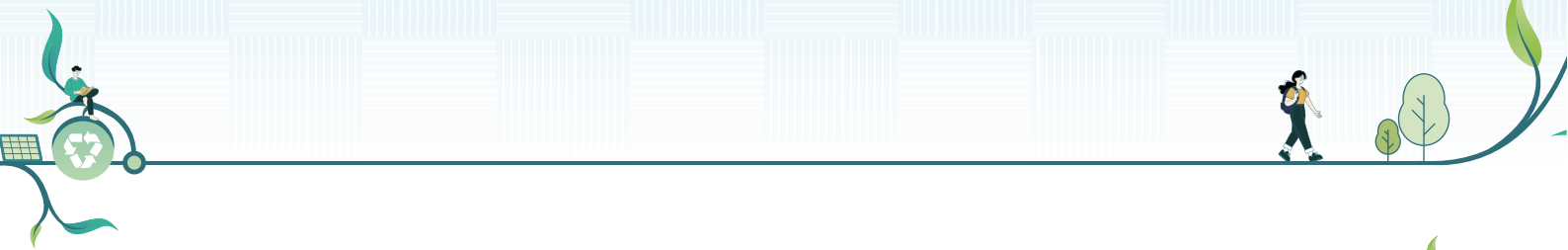


Anti-Corruption

- 13 **2025 Target**
All new employees receive anti-corruption training within 12 months of onboarding.

Sustainable Finance and Investment

- 14 Consider sustainable financial instruments for corporate and project financing.
- 15 Invest in innovative solutions that tackle environmental, social and economic challenges.



PEACE



Wellness

16 Improve well-being of guests and employees in areas relating to work and family life, physical and mental health.

Ecosystem Building

17 Facilitate capacity-building and knowledge exchange to accelerate transition to a more sustainable economy.

Governance

Corporate Governance

Regal REIT considers corporate governance essential for its sustainable growth. Being an SFC-authorised REIT, Regal REIT adheres to the Code on Real Estate Investment Trusts and the Listing Rules, as applicable to Regal REIT and its operations. The REIT Manager has implemented a detailed compliance manual, a customary requirement for all REITs in Hong Kong that outlines guidelines for key processes, systems, policies and procedures applicable to Regal REIT's business and operations. The compliance manual not only establishes the structure for corporate governance but is also vital to managing and running Regal REIT's business effectively.

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 the operational and financial 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 Regal REIT's 2024 Annual Report.

Sustainability Governance and Policies

The Board of the REIT Manager oversees the ESG matters of Regal REIT. The executive management of the REIT Manager is tasked by the Board to guide and develop ESG values, approaches, strategies and policies for Regal REIT, as well as to review the identification, evaluation and management of ESG-related matters (including ESG risks) and ESG targets regularly.

The REIT Manager recognises the significant risks that climate change poses to the hotel business. Following the SFC's 'Circular to Licensed Corporations - Management and Disclosure of Climate-related Risks by Fund Managers' dated 20 August 2021 (the "SFC's Circular"), the Board, supported by the REIT Manager's management team, will oversee climate-related risks and regularly assess climate-related goals and management policies.

In addition to the identification, evaluation and management of ESG-related matters, the RHIHL Group's Sustainability and Business Transformation Taskforce (the "Taskforce") helped to develop the 5P Framework. It worked closely with various functional and operation teams to track progress on sustainability goals and targets and ensure ESG information disclosure complies with all applicable Listing Rules. During the reporting period, the Taskforce also supported various group-wide initiatives in sustainable finance, waste management, innovation, and other related areas.

Regal REIT aims to build and uphold relationships with its stakeholders based on mutual trust, collaborating with various stakeholder groups, including Unitholders, customers, investors, business and community partners, and suppliers to advance sustainable development efforts.

Regal REIT's Policies

Anti-Corruption Policy

Climate-related Risks Management and Disclosure

Unitholders Communication Policy

Whistleblowing Policy

Stakeholder Engagement

To understand the perspectives and requirements of different stakeholder groups, several transparent and regular communication channels have been set up. The REIT Manager and the Hotel Manager prioritise stakeholders' input and ensure efficient collection of their feedback. In enhancing communications with the Unitholders, Regal REIT's Unitholders Communication Policy illustrates the strategies and principles upheld. The policy advocates the adoption of appropriate principles, e.g. use of plain languages and encouragement of participation, in the REIT Manager's corporate communications procedures to facilitate effective information sharing with key stakeholders. The major communication channels for each stakeholder 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 • Regal REIT's website and email
Investors	<ul style="list-style-type: none"> • Analyst briefings • Investor meetings • Annual and interim reports • Announcements and circulars • Regal REIT's website and email
Hotel Manager	<ul style="list-style-type: none"> • Express concerns through letters, conference calls • Meet with the senior management of the Hotel Manager • Monthly report from the Hotel Manager • Collective engagement
Community	<ul style="list-style-type: none"> • Media conferences • Face-to-face meetings
Engaged by the Hotel Manager	
Hotel Management	<ul style="list-style-type: none"> • Regular meetings • Ongoing engagement
General Employees	<ul style="list-style-type: none"> • Employee satisfaction questionnaires • Regular meetings • Orientation activities • Notice boards • Annual appraisal meetings • Employee engagement activities
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
Suppliers/Contractors	<ul style="list-style-type: none"> • Regular meetings • Supply chain related activities
Community	<ul style="list-style-type: none"> • Media conferences • Face-to-face meetings • Volunteer activities

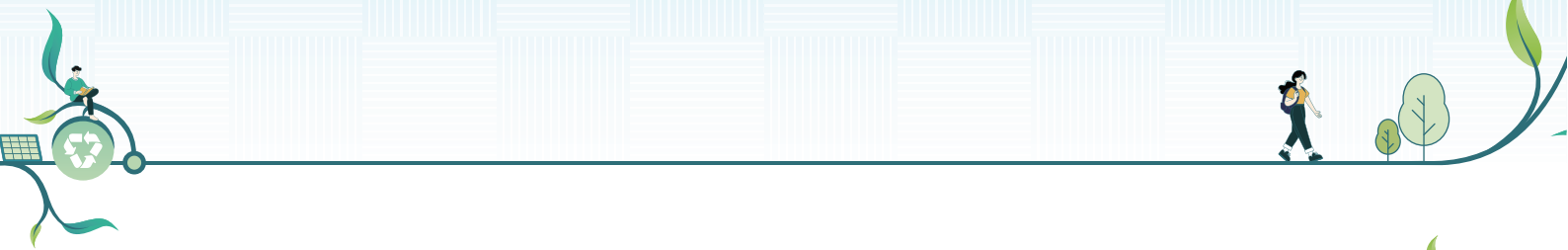
Materiality Assessment

The REIT Manager reviews the material ESG topics related to its business operation regularly. The outcome of the stakeholder engagement exercise is utilised as the basis for the materiality assessment. The prioritisation of the material topics follows the principles defined in the ESG Reporting Code, and the steps are summarised as follows:



The Hotel Manager undertook measures to align ESG reporting practice with international standards and bolster sustainability strategies and outcomes. This involved conducting online surveys and a focus group to gain a more holistic understanding of stakeholders' perceptions and expectations. A total of 224 internal and external stakeholders participated in the online survey to rate significant ESG topics. 6 functional team heads were invited to a focus group and discussed topics about climate change, talent retention, sustainability governance and other sustainability matters.

Based on the results from the materiality assessment, the following 14 material ESG topics which are considered to be relevant to Regal REIT's business and operations were identified. During the reporting period, the Hotel Manager engaged a third-party consultant to review material ESG topics identified in 2023's group-wide materiality assessment. They will be addressed in detail throughout this report. Other ESG matters such as employee related matters are not considered to be directly relevant to Regal REIT's business and operations and, therefore, are not covered in this report, as Regal REIT does not have any employees.



Topics	Categorisation
Product and Service Quality	Priority Topics
Health, Safety and Well-being	Priority Topics
Cybersecurity and Privacy	Priority Topics
Waste Management	Priority Topics
Ethical and Transparent Business	Priority Topics
Engagement and Partnerships	Priority Topics
Energy Consumption and Efficiency	Priority Topics
Green Building	Priority Topics
Greenhouse Gases Emissions	Relevant Topics
Climate Change Adaptation and Mitigation	Relevant Topics
Responsible Investment and Financial Performance	Emerging Topics
Water and Effluent Management	Emerging Topics
Supply Chain and Sourcing Management	Emerging Topics
Sponsorships and Philanthropy	Emerging Topics



Environmental Responsibility

Regal REIT understands the paramount importance of protecting the environment for our planet's survival and the REIT Manager collaborates with the Hotel Manager to embrace the responsibilities essential to mitigate our environmental impact and contribute to the development of a resilient community. Referencing to the Environmental Protection Law of the People's Republic of China and other relevant environmental protection laws at national and regional levels, the Hotel Manager strictly adheres to energy conservation, land conservation, water conservation, material conservation and environmental protection regulations and design standards throughout the operation. Prompt actions will be taken once an environmental issue is spotted to minimise the negative impact.

During the reporting period, Regal REIT and the REIT Manager complied with all relevant laws and regulations⁵ relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

Environmental Management

Regal REIT strives to create a serene and pleasant environment for every individual through maintaining a highly environmentally conscious hospitality operation. To effectively monitor and manage our environmental impact, the REIT Manager works closely with the Hotel Manager to implement a comprehensive environmental management strategy. The Hotel Manager ensures its hotels strictly comply with all environment-related laws and regulations.

Since the RHIHL Group's first sustainability campaign, "We Love Our Planet" launched in 2012, the Hotel Manager has been supporting the concept of a green workplace. The Hotel Manager is dedicated to embedding environmental considerations into every facet of its operations. This commitment encompasses energy efficiency, reducing emissions, preventing and controlling pollution, managing resources responsibly and protecting biodiversity. Under this initiative, the Hotel Manager actively promotes environmental awareness in both the workplace and daily life. To achieve more sustainable and efficient operations, the Hotel Manager engages employees and the public in environmental protection education and publicity. The Hotel Manager also promotes the use of environmental friendly materials and encourages efficient office space utilisation to save costs and energy while fulfilling operational needs.

⁵ The environmental laws and regulations that might be significant to Regal REIT 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 Ordinance (Cap. 358 of the Laws of Hong Kong) and Noise Control Ordinance (Cap. 400 of the Laws of Hong Kong).

Harmonising Commercial Success with Environmental Responsibility

On the 2024 World Sustainability Day, the RHIHL Group announced a pivotal step in its sustainability journey - the launch of Green Meetings, powered by the Institute of Sustainability and Technology ("IST") in Hong Kong. This innovative business solution demonstrates the RHIHL Group's commitment in harmonising commercial success with environmental responsibility, and empowers event organisers to reduce environmental impact through sustainable practices and carbon accounting. Within the RHIHL Group's Green Meetings package, it prioritises eco-conscious practices, including:

- Carbon Accounting Report, that offers a comprehensive analysis of emissions generated by events at its properties, offering insights into emissions, environmental performance, and reduction recommendations based on the RHIHL Group's carbon accounting methodology;
- Carbon Emissions Offset, that offers the opportunity to manage events' environmental impact in the form of carbon credit from certified climate action projects. Each credit represents the removal or avoidance of one tonne of carbon dioxide or greenhouse gas equivalent. Event organisers will receive a carbon credit retirement certificate, officially recognising their efforts to balance their carbon footprint; and
- Low-Carbon Catering and Cooking that emphasises sustainable cuisine for meeting, incentive, conference and exhibition ("MICE") events. It utilises low-carbon cooking techniques and locally sourced, plant-based ingredients that is 10-25 times lower in emissions compared to animal-based choices.



ESBN Green Deal Badge



Since 2023, the Hotel Manager has been awarded the ESCAP Sustainable Business Network (“ESBN”) Green Deal Badge – Green. As a joint effort by the United Nations’ Economic and Social Commission for Asia and the Pacific and Hashstacs Pte Ltd, the badge goes to businesses that have pledged to support sustainability by completing a self-assessment and disclosing data on emissions, resources consumption and management. The Hotel Manager is proud to be part of a broader effort to commit to sustainability and encourage businesses in the Asia-Pacific region to align operational strategies with ESG principles for sustainable development.

EarthCheck Certification

For the Hotel Manager’s hotel operations in Hong Kong, it adopts a systematic approach and align its hotels with EarthCheck Certification standards, the world’s leading sustainability benchmarking and certification service in the travel and tourism industry.

The EarthCheck standards align with global frameworks including the Intergovernmental Panel on Climate Change Guidelines for National GHG Inventories, the World Business Council for Sustainable Development, Greenhouse Gas Protocol and a range of standards under the International Organization for Standardization (“ISO”).



EARTHCHECK

As one of the indicators of its hotels’ environmental management processes, it places great emphasis on its performance in this area, and has engaged the Global Tourism Advisory Group for independent third-party verification. This collaboration has led to the implementation of a systematic, process-driven approach aimed at continually enhancing performance across all criteria evaluated by EarthCheck. In acknowledgment of the environmental efforts, Regal REIT’s hotels in Hong Kong have received multiple noticeable awards and certifications. For further details, please refer to the “Appendix I” of this report.

In the long run, the Hotel Manager is committed to minimising negative environmental impacts and creating positive social impacts to its stakeholders. The targeted “Platinum” certification for all five Initial Hotels have been achieved in 2024, and as the next step, the “Master” rating for all five Initial Hotels is targeted to be achieved by 2038.



List of EarthCheck certifications:

Earned awards and certifications	Hotel
EarthCheck Platinum Certification	Regal Airport Hotel
	Regal Hongkong Hotel
	Regal Kowloon Hotel
	Regal Oriental Hotel
	Regal Riverside Hotel
EarthCheck Gold Certification	iclub Fortress Hill Hotel
	iclub Sheung Wan Hotel
	iclub Wan Chai Hotel
EarthCheck Silver Certification	iclub To Kwa Wan Hotel

Food Wise Campaign

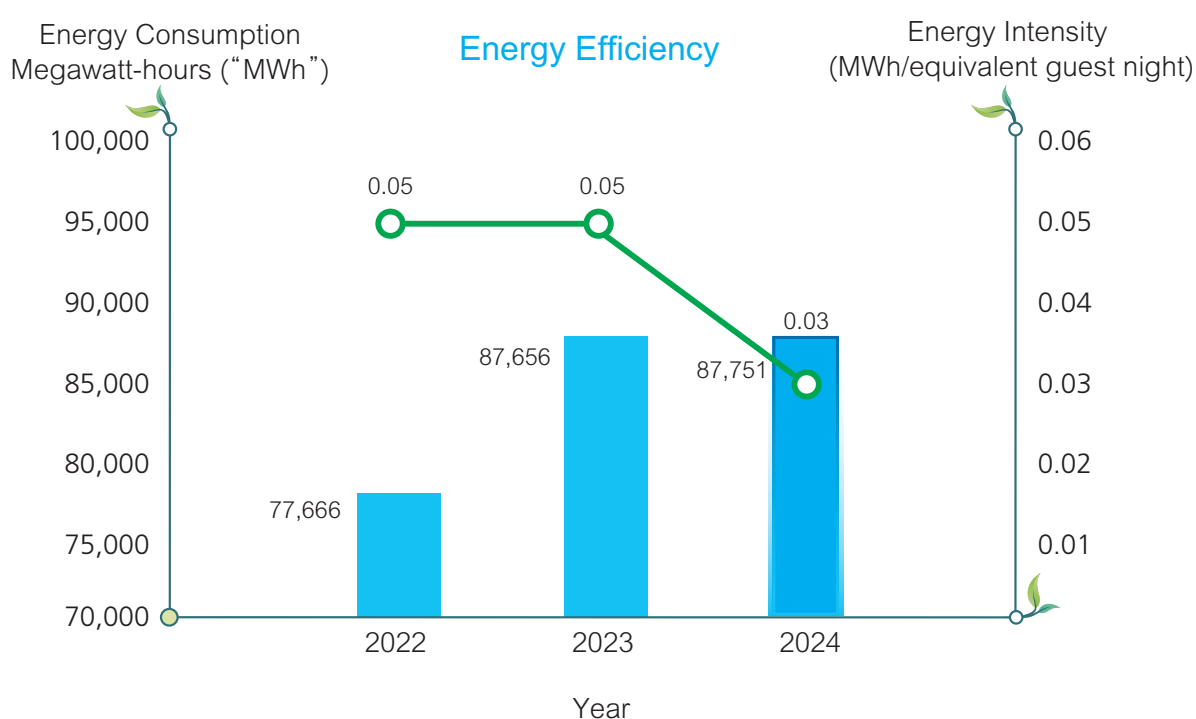
During the reporting period, Regal Airport Hotel and Regal Riverside Hotel participated in the Food Wise Hong Kong Campaign, launched by the former Environment Bureau, which became a signatory to the Food Wise Charter. The Charter highlights our hotels’ efforts in promoting best practices and behaviour changes to reduce food waste generation.

Energy Management

Energy Consumption and Efficiency⁶

As the major indicators of Regal REIT's scope 1 and scope 2 carbon emissions and energy consumption and intensity, they reflect little fluctuations which are mainly related to the varying hotel occupancy.

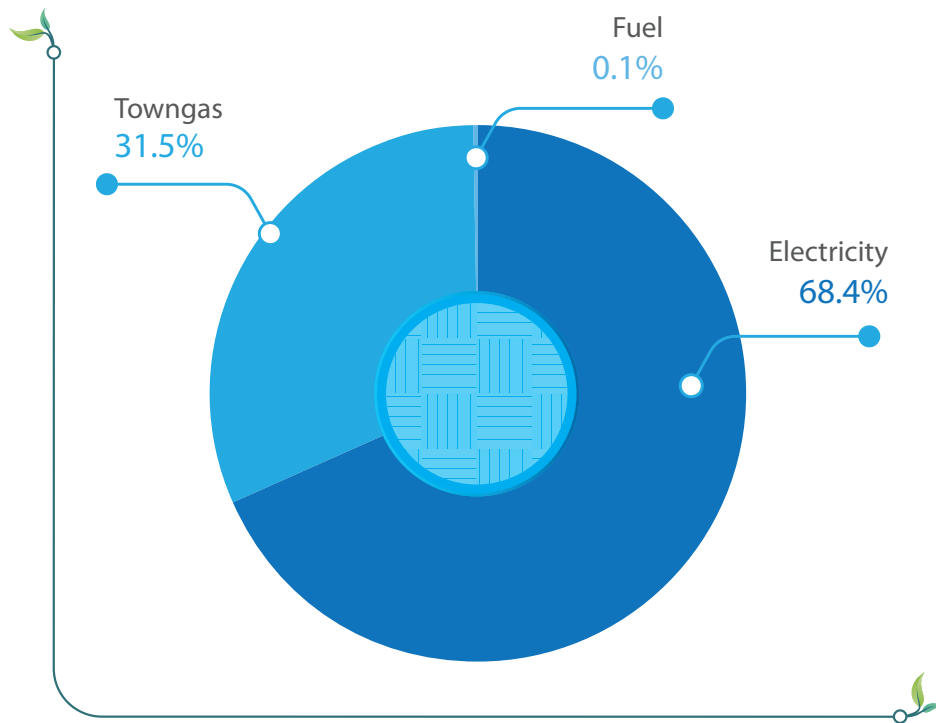
Regal REIT's Energy Consumption



		2022	2023	2024
Energy Intensity	MWh/equivalent guest night	0.05	0.05	0.03
Energy Consumption	MWh	77,666	87,656	87,751

⁶ Data in this section reflects energy consumption and efficiency of Regal REIT's hotels in Hong Kong.

Regal REIT's Energy Mix



Electricity is the major source of energy consumption in Regal REIT's hotel operations, supporting much of the daily lighting, ventilation and cooling. Coming second is towngas, with consumption from the use of boilers and stoves in our F&B businesses. Fuel takes up the smallest portion of our total energy consumption, representing energy consumed by vehicles and generator sets.

Greenhouse Gas Management

Carbon Emissions

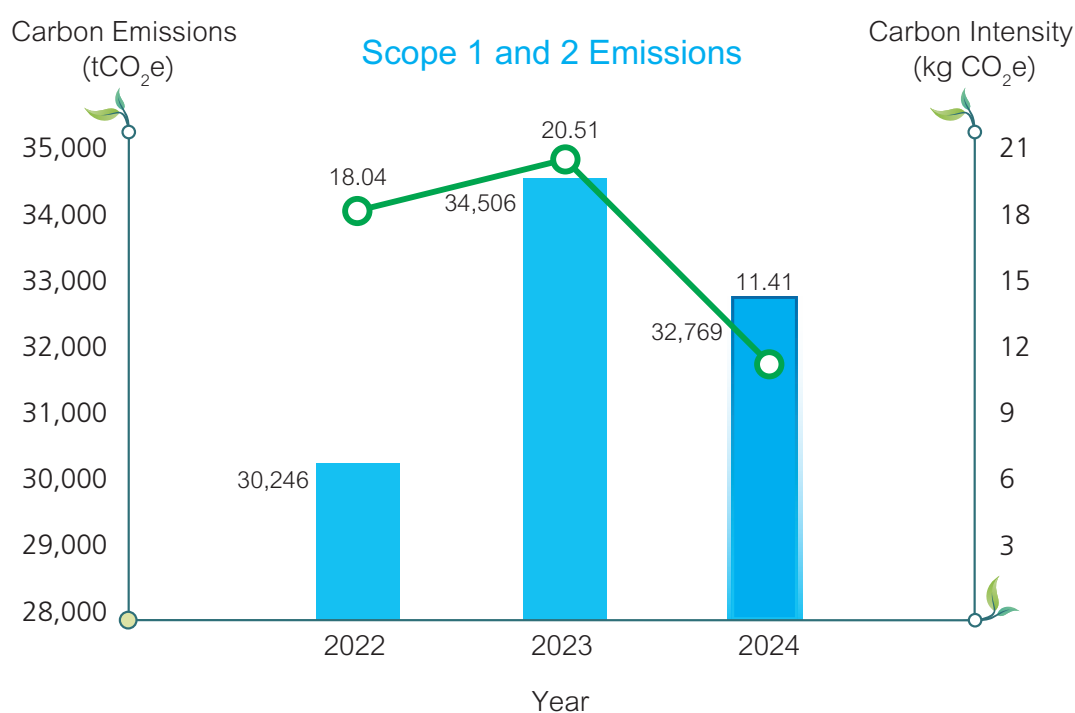
On top of tracking Regal REIT's scope 1 and scope 2 emissions, to gain a more holistic understanding of Regal REIT's emissions, and how Regal REIT might mitigate negative environmental impacts, the Hotel Manager has engaged an independent consultant to provide observation and high-level recommendations on our hotels' scope 1, 2 and 3 carbon emissions in 2023, to identify emissions reduction opportunities and accelerate our transition to net zero.

Performance in 2024

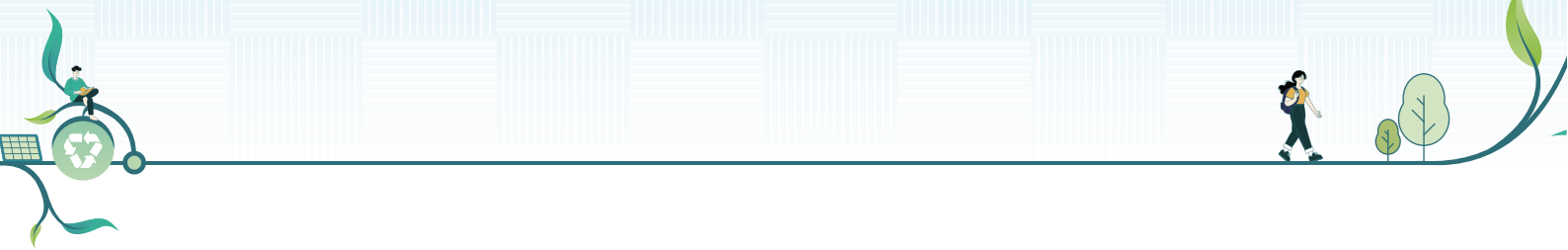
Total: 32,769 tonnes of CO₂ equivalent (tCO₂e)

Scope 1: 5,318 tCO₂e

Scope 2: 27,451 tCO₂e



		2022	2023	2024
Carbon Intensity (Scope 1 and 2)	kg CO ₂ e/equivalent guest night	18.04	20.51	11.41
Carbon Emissions (Scope 1 and 2)	tCO ₂ e	30,246	34,506	32,769



Climate and Environmental Resilience

The REIT Manager recognised the impact of potential climate-related risks on hotel operations and is committed to implementing comprehensive management approaches with reference to recommendations from Part D of the ESG Reporting Code to strengthen the resilience against climate change.

Governance

To navigate new challenges, enhance business resilience, and better communicate Regal REIT's long-standing efforts in sustainability to stakeholders, a cross-functional Taskforce has been set up by the Hotel Manager in August 2023. The Taskforce works in close collaboration with different functional and operational teams, as well as the REIT Manager, on ESG data collection, management and reporting, sustainability goal setting and various sustainability initiatives.

Additionally, with the formulation of Regal REIT's Climate-related Risk Governance Policy and a Climate-related Investment and Risks Management Memorandum, Regal REIT ensures that climate considerations are integrated into decision-making in its investment strategies, risk management procedures and portfolio management processes. Through ongoing assessments and collaboration with stakeholders, the REIT Manager aims to mitigate adverse impacts of climate change on its properties and create long-term value for investors.

For more details on sustainability governance, please refer to the "Sustainability Governance and Policies" section of this report.

Strategy

Regal REIT is committed to mitigating climate change impacts to the business and the environment. This commitment is embedded within the Planet pillar of the Hotel Manager's 5P Framework, reflecting the Hotel Manager's proactive approach to sustainability and environmental stewardship.

To drive climate change awareness, the RHIHL Group has net zero targets, with supporting efforts highlighted in "Energy Management", "Greenhouse Gas Management", "Climate and Environmental Resilience", "Green Building", "Waste Management and Material Use", "Water Management" and "Education and Engagement" sections of this report. Through green hospitality offerings and building management initiatives, Regal REIT may leverage these opportunities to foster trust and credibility and strengthen stakeholder relationships. Further details on climate-related risk and our risk management strategies are outlined in the next section.

Risk Management

The Hotel Manager has identified climate-related risks and opportunities that could materially affect its business under the different scenarios, and they are outlined in this Risk Management section. The list of risks was built through reviewing publications of international research organisations and peer companies.



Impacts to Material Physical and Transition Risks

Physical Risk Drivers	Potential Impacts to Regal REIT
Flooding	<ul style="list-style-type: none"> Increased costs for repairs and maintenance Disrupted operations and impacted guest satisfaction
Extreme Heat	<ul style="list-style-type: none"> Increased wear and tear of hotel facilities Increased heat stress for staff and guests Increased energy consumption for cooling Higher operational costs for retrofitting or running cooling systems
Water Scarcity	<ul style="list-style-type: none"> Increased operational costs for water management Reduced demand for luxury services
Cyclones/Typhoons	<ul style="list-style-type: none"> Increased risks of structural damage such as broken windows and roof leaks Higher likelihood of damage to machinery and tools, and inventory of raw and finished products
Transition Risk Drivers	Potential Impacts to Regal REIT
Policy and Legal	<ul style="list-style-type: none"> Stricter building regulations and net-zero targets may increase retrofitting costs Alignment with Hong Kong's Climate Action Plan 2050 may require investments in sustainable technologies and infrastructure
Market	<ul style="list-style-type: none"> Volatility in energy prices due to low-carbon transitions may lead to higher costs for utilities, heating and cooling in buildings Shift in guest preferences for sustainable accommodations may affect competitiveness
Reputation	<ul style="list-style-type: none"> Increased drive to develop green buildings Higher expectations from guests may impact corporate image and loyalty



Climate-Related Scenario Analysis

Leveraging on findings from the climate-related risk management and disclosure in previous years, the Hotel Manager engaged a third-party consultant in 2024 to conduct a more in-depth assessment, including a climate-related scenario analysis to better understand the impacts of the climate risks and opportunities on its hotels and business operations.

To support the Hotel Manager in making informed decisions under different plausible climate futures and consider appropriate strategies to mitigate risks and leverage opportunities associated with climate change, two contrasting scenarios ("Turquoise Scenario" and "Brown Scenario") are constructed with reference to four publicly available pathways issued by the Intergovernmental Panel on Climate Change ("IPCC") and Network for Greening the Financial System ("NGFS"). The two contrasting scenarios are further adopted for climate scenario analysis across three time horizons. The table below illustrates the assessment framework and the four selected pathways:

Assessment Framework			
Scope of Properties:	9 hotels in Hong Kong		
Time Horizons:	Short Term: 2021-2040;	Medium Term: 2041-2070;	Long Term: 2071-2100
Climate Scenarios and Selected Pathways			
Turquoise Scenario:	A global mean temperature rise of 1.5°C to 2°C by 2100		
Brown Scenario:	A global mean temperature rise of above 3°C by 2100		
Physical Risk Pathways:	Shared Socio-Economic Pathway 1-2.6 ("SSP 1-2.6")		
	Shared Socio-Economic Pathway 5-8.5 ("SSP 5-8.5")		
Transitional Risk Pathways:	Net Zero 2050		
	Current Policies		

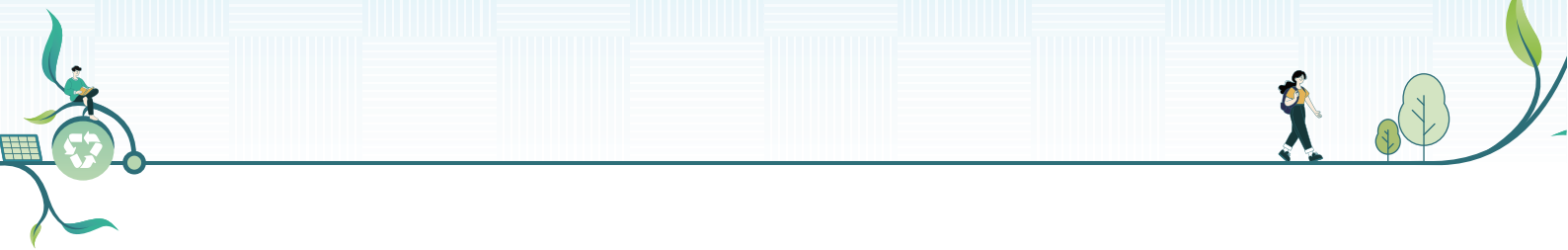


	Turquoise Scenario	Brown Scenario
Pathways associated with climate-related physical risks	SSP1-2.6⁷ A low-emissions pathway limiting warming to ~1.8°C by 2100. This scenario aligns with the Paris Agreement's 2°C target through rapid decarbonisation and sustainable development.	SSP5-8.5⁸ A very high-emissions pathway projecting 4.4°C warming by 2100. Considered a high-risk, fossil-fuel-intensive pathway, it exceeds Paris Agreement's goals and involves catastrophic impacts such as significant habitat loss and extreme weather.
Pathways associated with climate-related transition risks	Net Zero 2050⁹ This pathway limits global warming to 1.5°C through immediate, stringent climate policies and rapid technological innovation, achieving net-zero CO ₂ emissions by 2050. It requires sectoral transformations and carbon pricing to balance transition risks via coordinated decarbonisation.	Current Policies¹⁰ This pathway maintains climate measures that are currently implemented, leading to high emissions and 3°C+ warming. Transition risks escalate in the post-2030 period as delayed action forces abrupt policy shifts. Limited negative emissions result in higher long-term costs, contributing to instability in the financial system.

^{7,8} Pathways adopted are from IPCC's sixth assessment report.

^{9,10} Pathways adopted are from NGFS.





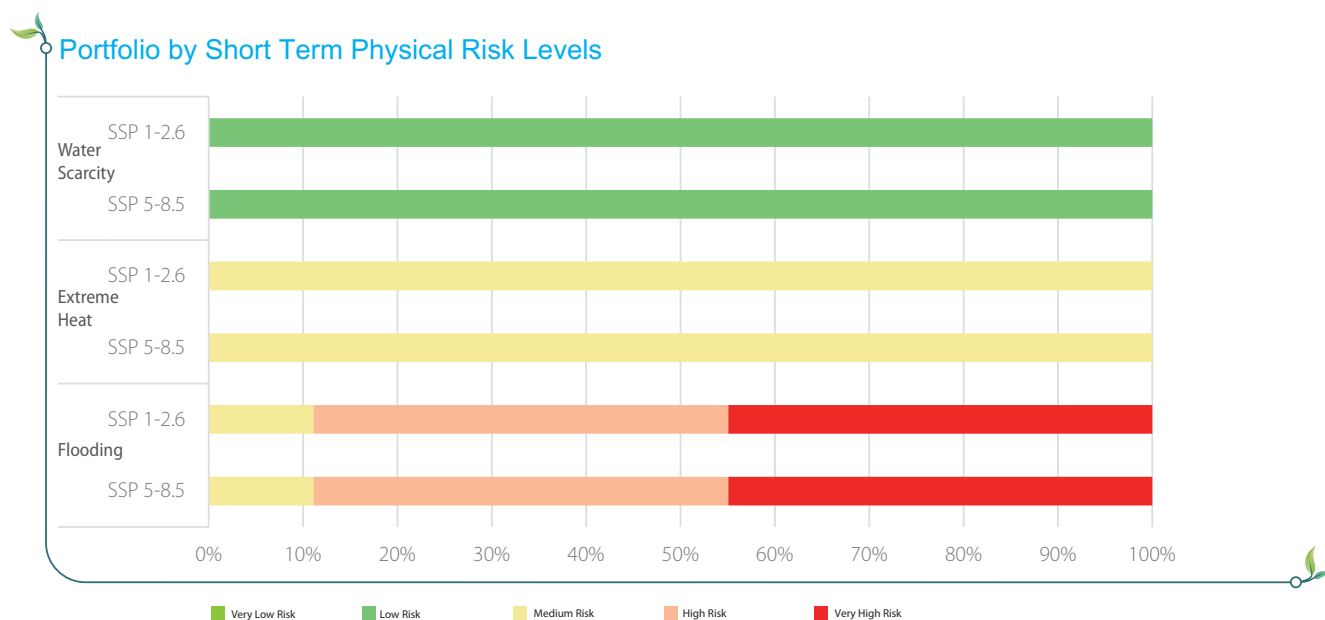
The Hotel Manager uses scenario analysis to better understand various physical and transition risks it may encounter under different global warming trajectories for selected assets across our portfolio. Exposure levels are ranked to determine which physical and transition risks will be selected for further analysis.

Physical risks

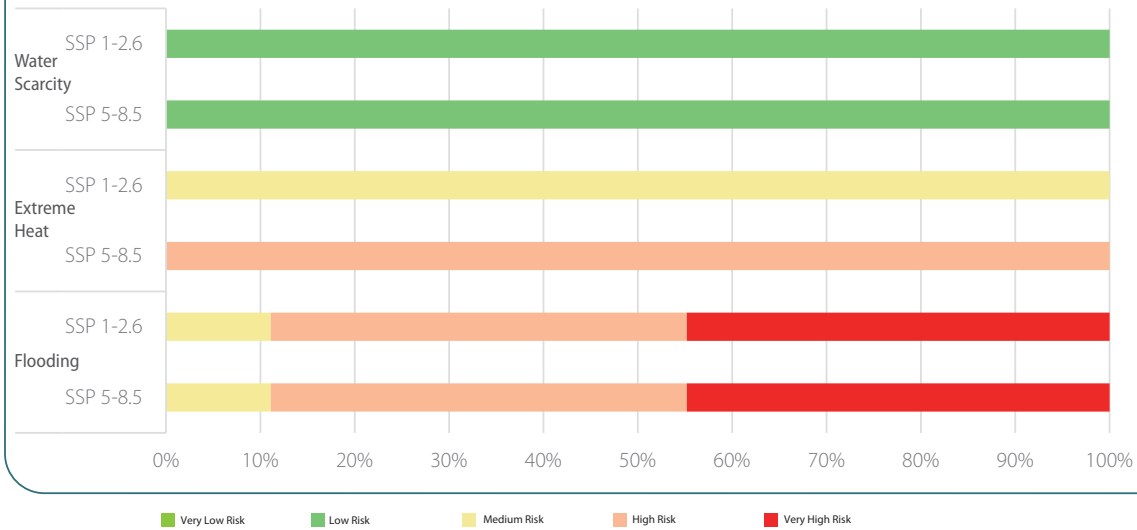
Asset-level modelling of the physical risks has been conducted. Historical data and projected climate variables, such as temperature and precipitation from suitable global climate models, and local meteorological data, were adopted to assess the potential implications to the hotel properties under different climate scenarios. The data has allowed the Hotel Manager to evaluate the exposure of specific assets and operations in the short, medium, and long term.

The project evaluates the 9 hotels in Hong Kong to ensure a holistic view of Regal REIT's exposure to climate-related risks. By mapping projected climate changes to asset locations, the Hotel Manager assessed overall risks by incorporating exposure to specific hazards, with charts illustrating the proportion of portfolio at different risk levels under contrasting scenarios below. Exposure is determined based on an indicative analysis in consideration of the severity and likelihood of the climate risks. More pertinent climate hazards identified in the assessment are flooding and extreme heat.

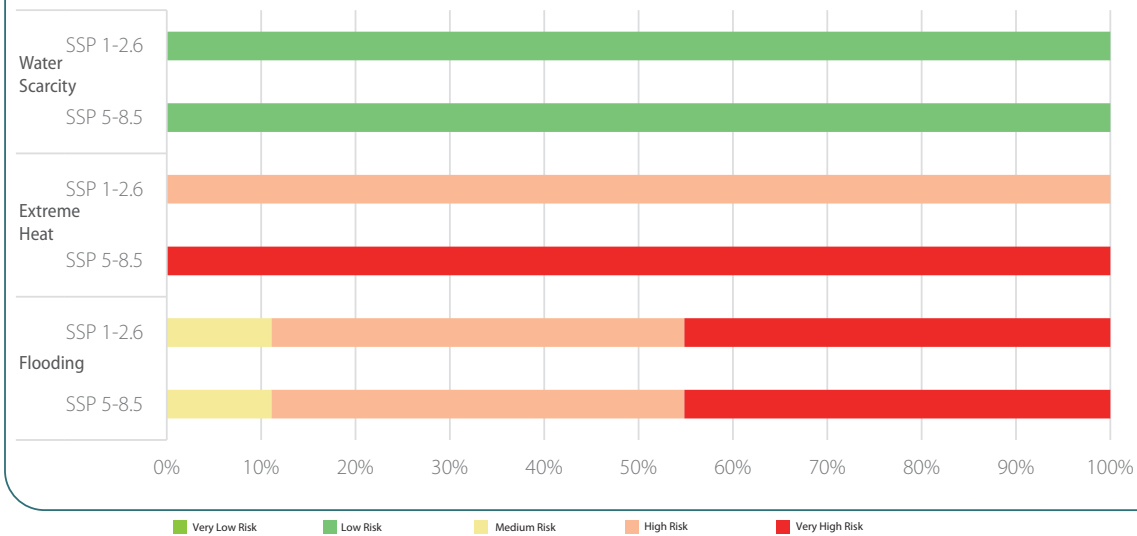
Water scarcity, extreme heat and flooding risks

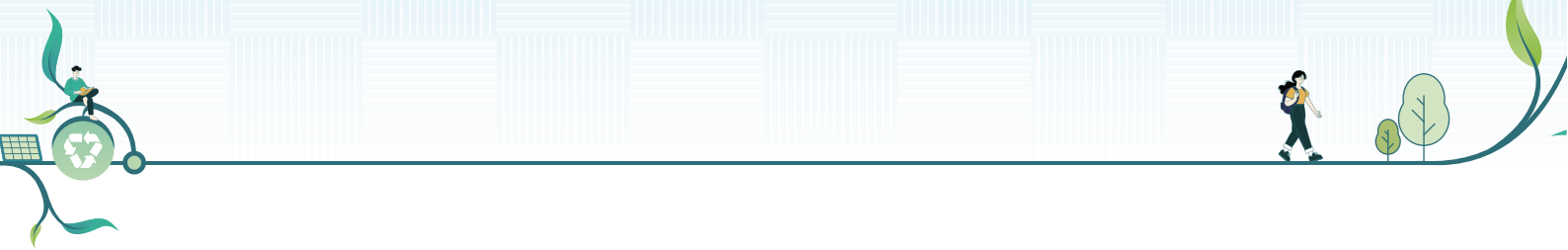


Portfolio by Medium Term Physical Risk Levels



Portfolio by Long Term Physical Risk Levels





Cyclone/Typhoon risk

The severity of typhoons is expected to intensify, with wind speed increasing. The frequency of these events may either decrease or remain constant under different projections from different models. It is noted that according to the IPCC, projections on typhoon risk is “inconclusive because of limited reliable simulations”, and the Hotel Manager will further explore the feasibility and reliability of conducting scenario analysis on typhoon risks based on the availability of relevant simulation models.

Transition risks

The transition risk scenarios incorporate policies, environmental, economic, social, and technology indicators and market trends. Regal REIT seeks to stress-test its business against several plausible future states. The scenarios cover the short, medium, and long term, and include both global and region-specific (Hong Kong) indicators.

	Change in carbon price ¹¹			Change in energy price ¹²		
	Short Term	Medium Term	Long Term	Short Term	Medium Term	Long Term
Net Zero 2050						
Current Policies						

Time horizon	Short Term: 2021-2040;		Medium Term: 2041-2070;		Long Term: 2071-2100
Level of Decrease	Very Low Risks	Low Risks	Medium Risks	High Risks	Very High Risks
Level of Increase	Very Low Risks	Low Risks	Medium Risks	High Risks	Very High Risks

Overall, it is anticipated that there will be an increase in financial impacts on Regal REIT’s portfolio stemming from the identified transition and physical climate risks. In light of this, Regal REIT has already developed a set of climate adaptation and mitigation strategies to tackle the impacts from climate risks.

^{11, 12} Changes are gauged against baseline year 2020.



Mitigation and Adaptation

For all hotel properties within the Regal REIT portfolio, the responsibility for implementing climate-related risk management strategies on daily operation has been delegated to the Hotel Manager. The REIT Manager serves as an active owner, overseeing the Hotel Manager's performance and regularly receiving updates on this matter. The REIT Manager consistently supports the upgrading of hotel facilities to high energy-efficient models to reduce carbon emissions.

Physical Risks

To mitigate the impacts of climate change, the Hotel Manager has begun the replacement of traditional lighting with light-emitting diode ("LED") lighting and diesel-powered equipment with natural gas or renewable energy sources since 2022. The Hotel Manager is also actively exploring innovative energy-saving solutions that enhance building energy efficiency. The Hotel Manager encourages the signing of performance-based contracts with specialist contractors to implement energy saving programmes in the hotels.

A series of climate adaptation plans and measures have been formulated in response to current and future climate change impacts.

Response plans covering events such as flooding, tropical cyclones and heavy downpours are communicated to employees to enhance their preparedness and awareness. The Hotel Manager's Engineering department also provides trainings to enhance Engineering staff in their capabilities in managing climate change events. Climate change adaptation devices have been installed to improve the adaptive capacity of the hotels. For instance, a flood gate is installed at Regal Airport Hotel to protect essential areas from flooding risks.



Flood Gate at Regal Airport Hotel



Transition Risks

Climate change is a global challenge with long-term implications. From the two inaugural International Financial Reporting Standards (“IFRS”) and Sustainability Disclosure Standards published by the International Sustainability Standards Board to the Stock Exchange’s consultation conclusion on climate-related disclosures, the Hotel Manager is aware of investors’ heightening expectations and regulatory requirements on climate-related disclosures, and the potential implications to its business.

The formation of the Taskforce is part of its efforts to mitigate and adapt to climate-related transition risks. Taking on sustainability reporting and other sustainability responsibilities, the Taskforce will update and advise senior management on climate-related regulatory changes, propose and facilitate operational changes, and sustainability performance to ensure good practices and minimise risks of non-compliance.

Metrics and Targets

The carbon footprint¹⁰ of Regal REIT’s hotel properties was calculated in accordance with item 19 of the SFC’s Circular by considering all scope 1 and scope 2 emissions.

Portfolio carbon footprint ¹³	Unit	2024
Total Scope 1 & 2 Emissions	tCO ₂ e	32,769
Total Value of Properties	HK\$ Million	23,493
Ownership of Properties on Value Basis	%	100
Portfolio Carbon Footprint	tCO ₂ e/HK\$ Million	1.39

RHIHL Group has reviewed and introduced a set of comprehensive ESG targets during the reporting period. For more details on the targets, please refer to “Sustainability Vision” section of this report.

¹³ Portfolio carbon footprint is a representation of carbon emissions normalised by the portfolio’s market value and expressed in tonnes of carbon dioxide equivalent emissions (CO₂e) per million dollars invested with reference to Partnership for Carbon Accounting Financials.



Green Building

Regal REIT is committed to reducing embodied and operational carbon through design, construction and operation of greener buildings. To improve the infrastructure and operating model of its hotels, Regal REIT makes progress on green building through referencing recognised standards on green building and bringing in green building features with the Hotel Manager.

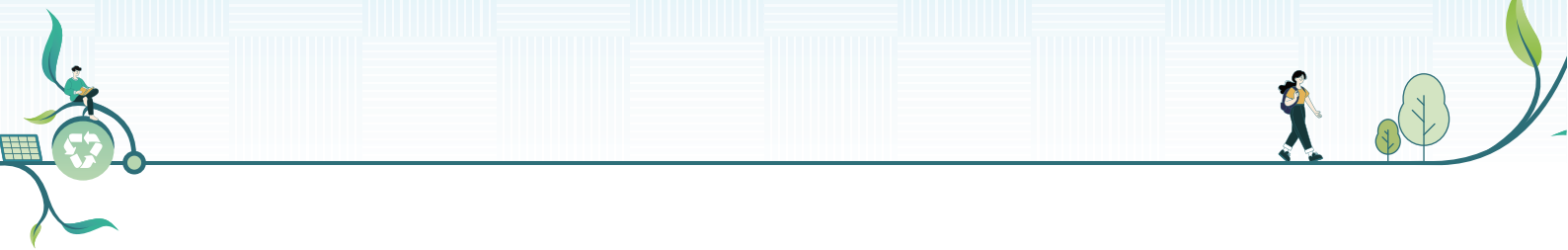
BEAM+ Selective Scheme

The BEAM Plus Existing Buildings is a green building assessment scheme in Hong Kong that measures the sustainability performance of a building and evaluates its facility management practices. The Hotel Manager is currently evaluating the feasibility of aligning its hotel building management efforts with the BEAM Plus Existing Buildings V2.0 Scheme to strengthen its green building management expertise.

Integrated Energy and Carbon Management Approach

Reduction

- Participate in Automatic Demand Response Programmes by electricity companies to minimise electricity consumption at critical peak-load periods
- Replace diesel-powered equipment with natural gas-powered equipment
- Phase out diesel-powered vehicles and replace with electric vehicles (“EVs”)
- Purchase Renewable Energy Certificates to reduce carbon emissions by 2035



Management

- Explore energy management opportunities by partnering with electricity companies to conduct energy audits
- Adjust chilled water supply temperature to the range of 8.5°C to 10°C to optimise energy use
- Encourage employees to turn off air conditioners in areas not occupied by guests to minimise unnecessary electricity consumption
- Implement Integrated Building Management System by 2030
- Three EV chargers are installed at Regal Airport Hotel's driveway to encourage customers to opt for EV over fuel-powered ones to reduce carbon emission
- Upgrade water heating equipment to more energy-efficient models when practicable
- Upgrade motors to high-efficiency models (IE3 or above) by 2030
- Retrofit all lighting fittings to more energy-efficient models with motion and daylight sensors by 2028
- Explore tech-driven energy-saving solutions with specialist contractors

Waste Management and Material Use

In recent years, waste has been redefined as a valuable resource given its potential to be recovered and reprocessed. Waste has therefore become one of the most material environmental concerns in the hospitality industry. All non-hazardous waste and hazardous waste are collected, stored, categorised and disposed in accordance with internal waste management procedures and relevant local laws and regulations. The waste collection process is supervised by designated personnel at each site. The RHIHL Group also seeks to divert waste from landfills and incineration facilities where possible with the 5R Principle. To support this aim, several initiatives have been implemented, as detailed below:

As a socially-responsible corporate, the Hotel Manager will continue to review its waste composition, and ensure both non-hazardous and hazardous waste are managed in a responsible and transparent manner. By keeping track of waste generation, it aims to gradually reduce unnecessary material disposal and be part of a circular economy where resources are fully utilised across its life cycle.

Reducing Single-Use Plastics

In light of Hong Kong Government's single-use plastic ban in 2023, the Hotel Manager reaffirms its commitment to sustainability and responsible waste management in its hotels. The following initiatives have been implemented to tackle plastic waste:



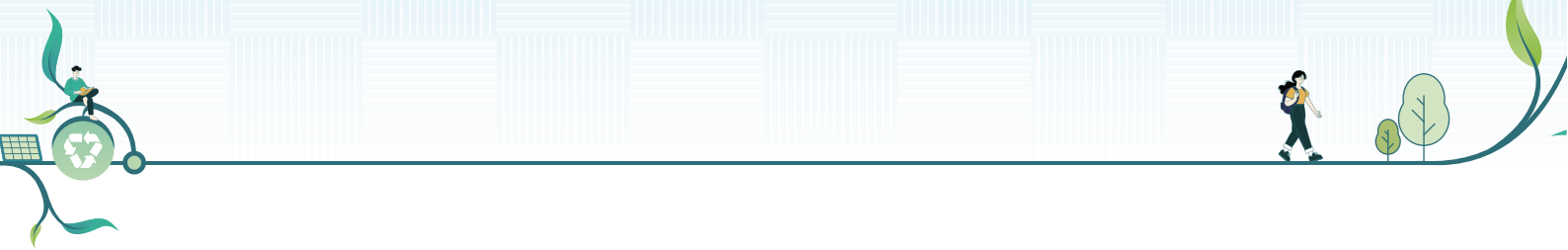
- **Water Bottles:** In-room plastic bottled water is no longer offered for free. Glass bottles are provided to guests with either water stations conveniently accessible on guest floor corridors, or drinkable water filters in guest rooms.



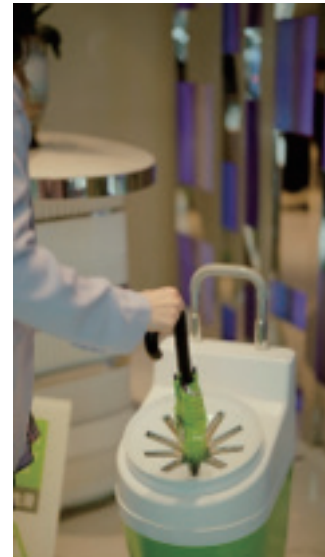
- **Personal Care Items:** Guests are encouraged to bring their personal care items and reduce the consumption of room amenities during their stay. Since 2020, the Hotel Manager has replaced all single-use shower amenities with dispensers to minimise the use of plastic bottles. Moreover, no disposable plastic toiletries are offered for free.



- **Coffee Capsule:** Coffee is a widely enjoyed beverage in hotels. As part of the Hotel Manager's commitment to waste reduction, it encourages its guests to select freshly brewed coffee over capsule coffee to reduce non-recyclable single-use capsules.



- **Umbrella Dryers:** During rainy days, dryers will be provided for convenient drying of umbrellas as an alternative to plastic umbrella bags.



Food Waste Management at Source

The Hotel Manager adopts a multi-faceted approach in reducing food waste at its source, implementing donation and recycling programmes, and ensuring strict procurement control procedures to avoid over procurement. Through regular evaluations and sales forecast, the Hotel Manager proactively aligns the operations with sustainable practices and minimising waste throughout the value chain.

Food Waste Recovery

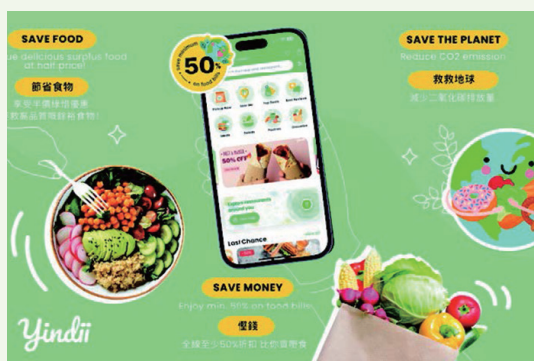
The Hotel Manager has been recycling food waste at O-Park, the organic resources recovery centre in Hong Kong:



Food Donation & Upcycling

The Hotel Manager is committed to sustainability through food donation and upcycling initiatives that minimise waste and support the community. By repurposing surplus food and ingredients, the Hotel Manager not only reduces the environmental impact but also contributes to social well-being. Below are some key initiatives that exemplify its dedication:

- Food Marketplace:** From late 2024 onwards, the Hotel Manager has joined hands with Yindii, a mobile app dedicated to reducing food waste, to promote sustainability by rescuing surplus food while saving money. The food surplus marketplace enables hotels and other F&B businesses to sell unsold food. By reselling surplus food in a “surprise box” on the food surplus marketplace, the Hotel Manager opens up a new market segment consisting of consumers who are keen to purchase unsold food. The arrangement not only curtails food waste but also improves gross margins. Consumers can now enjoy selected surplus food items, including Chinese soup, cakes, and lucky bags, from its hotels starting in the late afternoon.
- Mindful Banquet Practices:** The hotels started offering six-course Chinese banquets alongside traditional eight-course banquets as a way to engage their guests in sustainable living and to curb food waste. Guests can customise their menus based on seasonal ingredients and individual preferences.
- World Food Rescue Week:** The Hotel Manager joined hands with Food Angel to promote Hong Kong’s first-ever “World Food Rescue Week”, a campaign aimed at promoting the donation of surplus food. This effort not only helps to combat food waste but also provides essential support to those in need within its community.





Go Digital, Go Paperless

The Hotel Manager has progressively pushed forth a series of initiatives to reduce paper consumption in hotel operations.

- **Digitalisation and Cloud Migration:** Migrate business processes and data from paper to online systems and cloud.
- **Digital Marketing:** Reach out to its guests and stakeholders through different online channels, such as social media platforms, websites and various online direct marketing. Minimise the use of printed posters and utilise digital boards at the front desk area to promote new hotel offerings.
- **Digital Customer Relationship Management:** The issuance of digital coupons and adoption of online membership registration for “Regal Rewards”, the RHIHL Group’s customer loyalty program, enables it to reduce paper consumption from printed coupons and registration forms.
- **e-Menu:** Replace paper menus with digital versions in guestrooms and F&B outlets. Room service menus can be viewed through an in-room QR code, reducing the need for paper reprinting for menu updates.

Hazardous Waste Management

The hospitality operations generate minimal hazardous waste, primarily from cleaning chemicals, their containers, electronic appliances and retired lighting fittings. To prevent water and land contamination from improper disposal, the Hotel Manager established a protocol for handling hazardous materials, which provides employees with guidance on appropriate procedures and precautions. Hazardous waste, including cleaning chemicals and electronic items, is stored in a designated area and collected by a specialised team. Municipal waste, such as food scraps and used cooking oil from canteens, is handed over to authorised agents for treatment and recycling.

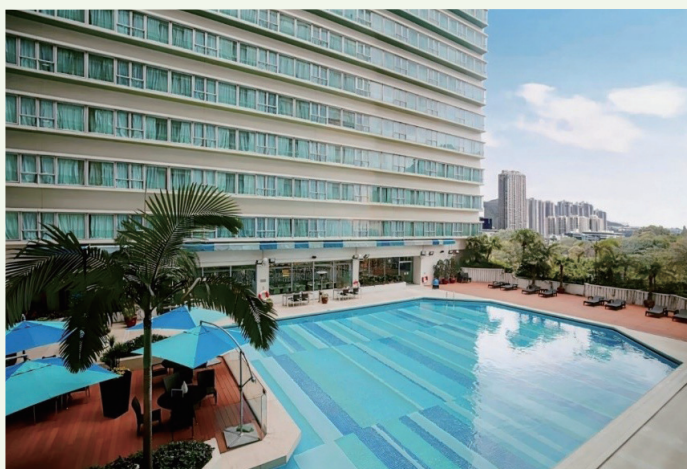
Throughout operations, hazardous waste are collected, stored, categorised and disposed in accordance with internal waste management procedures and relevant local laws and regulations. The waste collection process is supervised by designated personnel at each site. The Hotel Manager also seeks to divert waste from landfills and incineration facilities where possible with the 5R Principle.



Water Management

Water continues to be a crucial resource in the operation of the hotel business. The Hotel Manager implements operational and behavioural solutions aimed at enhancing water use efficiency in the management and maintenance of Regal REIT's hotel assets. In line with commitments to EarthCheck certification, various strategies to improve water use efficiency have already been put into practice, including:

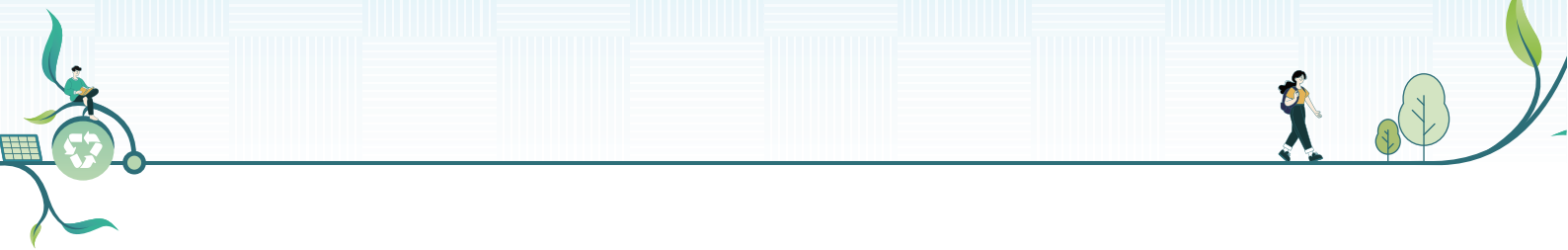
Facility Design	Operations and Maintenance
All new shower heads to fulfil Water Efficiency Grade 2 requirements set by Water Supplies Department	Linen and bath towel reuse programme to reduce water consumption from laundry services
Water tap flow controllers installed in all hotels to avoid excessive water use	Recycling and reusing air-condensing water
Installation of dual-flush toilets upon guestroom renovation to ensure appropriate water amount for flushing	Regular monitoring of water consumption and water meters to fix possible water leakage in a timely manner
Installation of automatic faucets and toilet flushers in hotel toilets	
Pool modifications to minimise water consumption	



Regal Riverside Hotel's Swimming Pool

Reducing Water Consumption

The Hotel Manager mainly uses municipal water for hotel operations, and no water supply issues have been identified at its hotels. Nevertheless, Regal REIT seeks to alleviate the potential strain on municipal water supplies by advocating water-saving in hotel operations. Regal REIT will continue to support local and regional initiatives to increase water conservation awareness, and propose community-wide solutions.



For instance, swimming pools are the most water-intensive among all hotel facilities. Hence, the Hotel Manager focuses its efforts on minimising water usage in pools through modification projects.

At Regal Airport Hotel and Regal Riverside Hotel, the Hotel Manager adopts quartz sand in boiler tanks for water filtration to reduce the frequency of pool water refill, enable water conservation, and enhance the water quality of the swimming pools.

Education and Engagement

One Earth Initiatives

During the reporting year, the RHIHL Group collaborated with the Institute of Sustainability and Technology (“IST”) and One Earth Alliance in hosting a series of events under the One Earth Initiatives as the service provider. Event highlights are as follow:

Nature-Positive Future for All - IST x IUCN Biodiversity Roundtable for One Earth



IST and the International Union For Conservation Of Nature (“IUCN”) hosted a discussion revolving around the topic “Nature-Positive Future for All: How Private-Public-Philanthropic-Partnerships (“PPPP”) Can Drive a Sustainable and Resilient World” at Regal Hongkong Hotel (“The Panel”). The Panel gathered professionals from science and business fields to recalibrate nature and biodiversity targets across the business landscape, highlighting a transition from merely reducing negative impacts to actively striving for net-zero results and nature-positive outcomes.



Fireside Chat with Professor Jeffrey Sachs

Professor Jeffrey Sachs, a world-renowned professor of economics, leader in sustainable development visited Regal Kowloon Hotel for a Fireside Chat hosted by One Earth Alliance and Asia Society. The conversation revolves around the future of sustainable finance and envision a world where profit and purpose coexist as pillars of success. Professor Jeffrey Sachs also highlighted Hong Kong's pivotal role in driving such global change in the financing trend.

Sustainability Transformation Journey by Dr. Jane Goodall – Sustainable Transformation Education Gala Dinner

Co-hosted by IST and IUCN in partnership with The Jane Goodall Institute, the Education Gala Dinner at Regal Hongkong Hotel invited the world-respected environmentalist and ethologist Dr. Jane Goodall to share her insights into the world's foremost environmental challenges over her decades-long career. The Dinner highlighted the critical need for integration of practical elements into sustainability education alongside theoretical frameworks.





富麗酒店承諾支持世界自然基金會地球一小時
REGAL HOTELS IS COMMITTED TO WWF'S EARTH HOUR

Earth Hour

Regal Oriental Hotel, Regal Riverside Hotel and Regal Airport Hotel supported Earth Hour, a global event initiated by the World Wide Fund for Nature ("WWF") to raise public awareness on climate change and energy conservation, by powering down non-essential and exterior lighting.

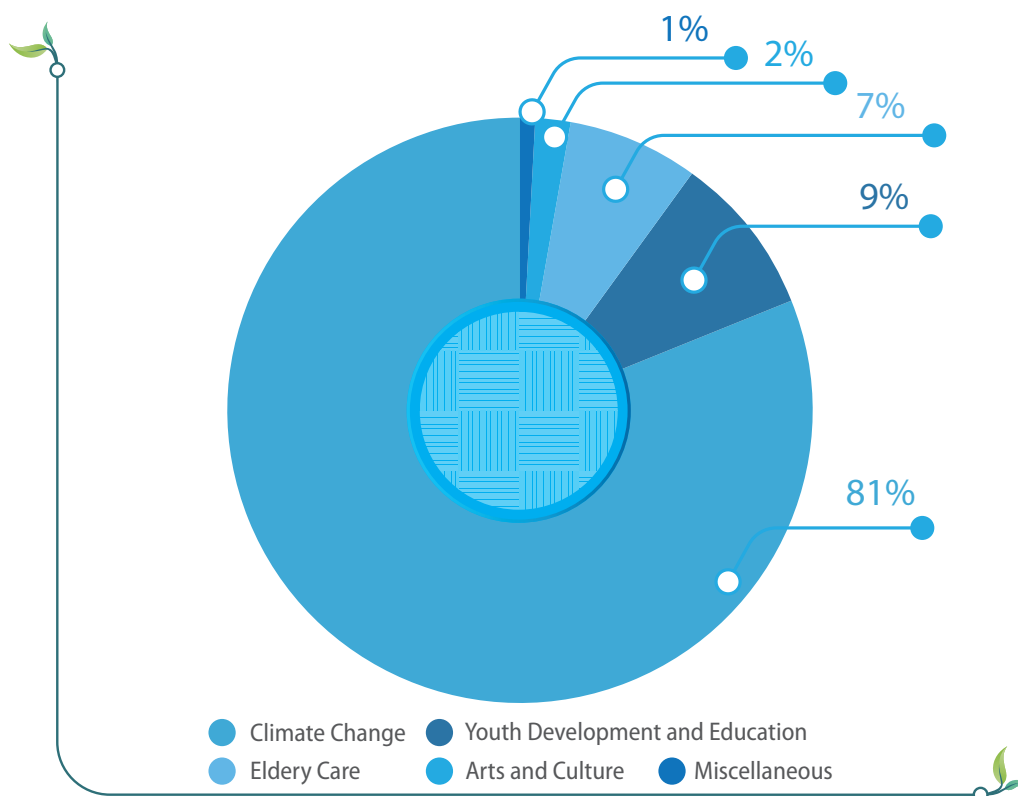
As the RHIHL Group continues to support initiatives like Earth Hour, it reinforces its dedication to raising awareness and driving meaningful change. Together, these efforts exemplify a collective vision for a nature-positive future, wherein sustainability is intricately integrated into business practices and community engagement.

Social Responsibility

Regal REIT acknowledges that its business operations revolve around people and is dedicated to fostering integrity, diversity, and effective communication. Regal REIT and the REIT Manager are dedicated to their social responsibilities, ensuring a committed and motivated workforce.

During the reporting year, the REIT Manager contributed approximately HK\$1,485,000¹⁴ in donations and sponsorships targeted at the vulnerable, elderly and community well-being.

Distribution of Donations and Sponsorship by Focus Area



¹⁴ The amount includes cash and in-kind donations.



Economic Responsibility



The REIT Manager is responsible for ensuring that Regal REIT's business operations comply with excellent operating standards, such as service quality, supply chain management and business ethics. The Hotel Manager is responsible for the operation of the hotel properties including the two key economic areas: employment and customer relations.

The Hotel Manager acknowledges the importance of career advancement of its employees as a corporate initiative. The Hotel Manager has formulated robust employment policies designed to offer competitive remuneration and benefit packages, as well as effective training programmes and employee initiatives to attract, develop and retain talent.

Aligned with Regal REIT's core values, the Hotel Manager strives to deliver high-quality hotel services and engage guests through a diverse range of communication channels and loyalty programmes to establish and nurture positive relationships with guests.

To uphold high ethical standards in operational practices and maintain an efficient supply chain, the REIT Manager and the Hotel Manager have collaborated to establish relevant operational procedures. The supply chain management approaches and strategies are anticipated to yield positive impacts throughout the value chain, such as the hotels, their customers and the community at large.

Business Ethics

In order to maintain high standards of business integrity and fair competition, the RHIHL Group forbids any forms of fraud, bribery and corruption in its business. In line with this commitment, the Code of Conduct have been implemented to uphold integrity, openness, probity and accountability. All employees and business partners are strictly prohibited from engaging in any form of bribery and corruption.

Anti-Corruption

To strengthen safeguards against ethical violations concerning fraud, bribery and corruption, the Anti-Corruption Policy applies to all business dealing of Regal REIT and all employees of the REIT Manager.

Any employees of the REIT Manager and the Hotel Manager who engage in corruption, bribery or fail to disclose external business connections, will face disciplinary measures or immediate termination. This policy also extends to third-party representatives and business partners to prevent conflicts of interest.



Whistleblowing

The Whistleblowing Policy establishes guidelines on reporting possible improprieties in matters of financial reporting, internal control or other matters and reassurance to whistle-blowers of the protection. This policy is overseen and reviewed by the Audit Committee of the REIT Manager where needed and appropriate.

The whistleblowing procedures involve the submission of reports in person, by email or by post to the Executive Directors of the REIT Manager. The reports should outline details of improprieties, with the reporter details being optional but encouraged for investigation purposes. The Audit Committee or the delegated parties will carry out investigations and may involve external auditors or regulatory bodies when required. The Executive Directors or the Chairman of the Audit Committee will promptly respond to the reporter, acknowledging receipt, providing updates on the investigation progress and any remedial or legal actions to be taken.

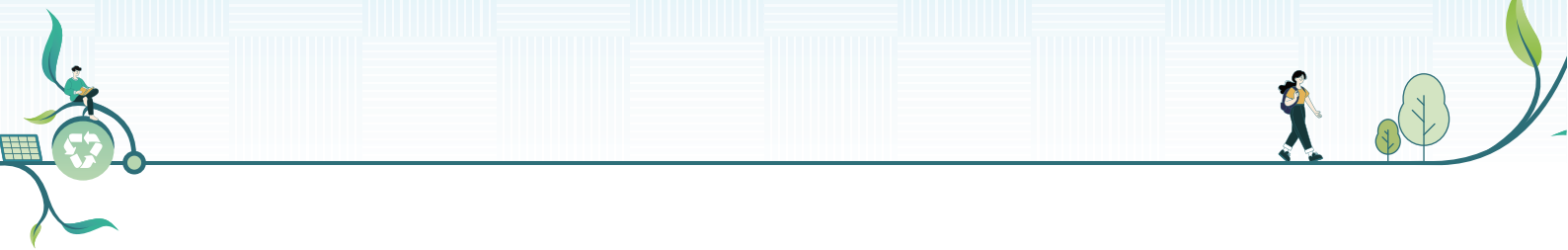
During the reporting period, Regal REIT and the REIT Manager complied with the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong) and the Competition Ordinance (Cap. 619 of the Laws of Hong Kong). No legal cases regarding corrupt practices were brought against Regal REIT or the REIT Manager during the reporting period.

Service Safety and Hospitality Standards

The hotels prioritise guest safety and well-being, aiming to provide a secure and comfortable environment for guests to relax and enjoy their stay with peace of mind. To ensure an exceptional guest experience, continuous efforts are made to enhance service quality. Maintaining a safe and secure environment is both a legal requirement and a core value of the Hotel Manager. Guest satisfaction is prioritised, and their feedback is valued for making enhancement and meeting evolving needs. The Hotel Manager's dedication to excellence is displayed through various certified hospitality and food & beverage awards, showcasing its commitment to exceptional service and high-quality standards across operations.

During the reporting period, Regal REIT and the REIT Manager complied with Public Health and Municipal Service Ordinance (Cap. 132 of the Laws of Hong Kong) and Food Safety Ordinance (Cap. 612 of the Laws of Hong Kong).





Guest Communication

The Hotel Manager aims to provide premium hotel services and amenities that prioritise safety, quality and attention to detail. Continuous efforts are made to enhance service quality and excel in the global environment and hospitality industry. Customer feedback and demand are highly valued and addressed through various communication channels, including verbal communication, guest questionnaires and websites.

The Hotel Manager's Guest Comments Reply Standards prioritise every comment and ensures a written response within 48 hours of receiving the feedback. Further follow-up actions are carried out by relevant business units when needed. Since Regal REIT does not directly operate of its hotel properties, there are no relevant figures available regarding the number of service complaints.

Health and Safety

Apart from hospitality services quality, guests' health and safety is another top concern. During the reporting period, Regal REIT's hotels have qualified for various food and safety certifications.

ISO22000: 2018 accreditations on food safety and management



Regal Riverside Hotel is qualified for ISO22000: 2018 accreditations on food safety and management. This certification ensures the robustness and effectiveness of the food safety management approach, where comprehensive measures are in place to identify potential hazards, and exercise control.

Hazard analysis and critical control points ("HACCP")



Regal Hongkong Hotel and Regal Kowloon Hotel are qualified for HACCP. The hotels adopt a systematic approach to identify and minimise potential biological, chemical, and physical hazards that could compromise food safety during production, processing, manufacturing and preparation processes. The integration of HACCP ensures the quality and hygiene of the food being offered.

Guest Experience

The Hotel Manager's team of dedicated hospitality professionals is committed to ensuring guests have exceptional experience throughout their stay. The Hotel Manager has thoughtfully selected every detail, from the warm ambiance of its common areas to the delectable dining options, to elevate the overall guest experience. The hotels of Regal REIT have been honoured with high recognition in both hospitality and F&B service, always striving for excellence in every aspect.

Regal Airport Hotel has been awarded the TTG China Travel Awards 2024, demonstrating the hotel's dedication to exceptional service and exceeding guest expectations. Moreover, four other hotels of Regal REIT have received awards from Trip.com, recognising their excellence and reinforcing their commitment to providing exceptional accommodation experiences.

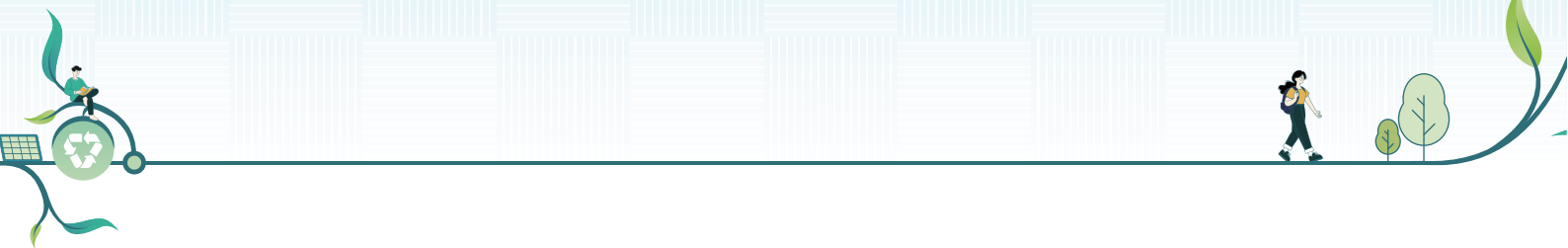
Award highlights on hospitality



TTG Travel Awards 2024
–
Travel Hall of Fame since 2015
Regal Airport Hotel



Trip.com
–
Strategic Partnership Excellence 2024
Regal Hongkong Hotel
Top Production Hotel 2024
iclub Fortress Hill Hotel
Emerging Star 2024
iclub Wan Chai Hotel and
iclub Sheung Wan Hotel



For F&B, the restaurants being operated in Regal REIT's hotels garnered significant acclamations from a variety of organisations, highlighting the excellence of Regal REIT's culinary offerings. These acclamations included the awards for **MASTERCHEF Recommendation Restaurant 2024**, a recognition reserved for some of the finest dining establishments in Hong Kong, accreditations under the Quality Tourism Services ("QTS") Scheme by the Hong Kong Tourism Board and the Quality Restaurant Certification (15 years+). Also, in support of diversity and inclusion, some of the restaurants offer cuisine that is prepared in accordance with Islamic Law and recognised with the Halal Certification. Details of these awards and accreditations are listed below:

Awards on F&B

 <p>MASTERCHEF Recommendation Restaurant 2024</p> <p>–</p> <p>Regal Airport Hotel Rouge</p> <p>Regal Hongkong Hotel Regal Palace</p> <p>Regal Kowloon Hotel Mezzo Regal Court</p> <p>Regal Riverside Hotel Dragon Inn Regal Terrace Vi</p>	 <p>Quality Tourism Services (QTS) Scheme</p> <p>–</p> <p>Regal Kowloon Hotel</p> <p>Regal Riverside Hotel</p>	 <p>QTS Scheme (15 years+)</p> <p>–</p> <p>Regal Airport Hotel</p> <p>Regal Hongkong Hotel</p> <p>Regal Kowloon Hotel</p> <p>Regal Oriental Hotel</p> <p>Regal Riverside Hotel</p>	 <p>Halal Certificate</p> <p>–</p> <p>Regal Airport Hotel Regala Café & Dessert Bar</p> <p>Regal Hongkong Hotel Regal Palace</p> <p>Regal Riverside Hotel L'Eau Restaurant</p>
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Data Privacy and Cybersecurity

Data Security and Privacy

The Hotel Manager's operations include the collection and handling of customers' private information and is committed to protecting the privacy of the personal data it holds, hence, users can make informed decisions and feel confident when providing their personal information. Access to customers' personal data is restricted to authorised employees, who are granted appropriate access based on their roles and responsibilities within the organisation.

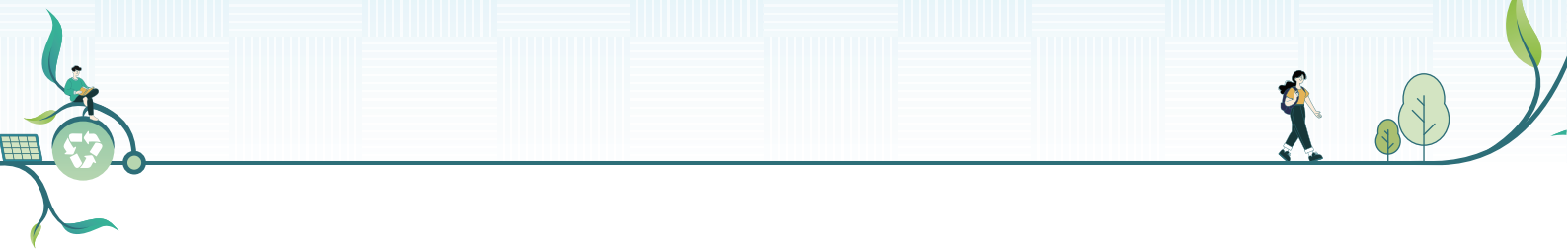
Customers' personal information is collected with their consent for membership management and marketing purposes. The Hotel Manager adheres to local and international data protection regulations, including the European Union General Data Protection Regulation as it serves guests worldwide. Throughout the data collection, storage and usage process, the Hotel Manager ensures compliance with the above regulations and obtain permission from the customers. Personal data is disclosed and transferred to third parties only when necessary and with customers' consent.

Intellectual Property Rights

To uphold and safeguard intellectual property rights, the RHIHL Group has implemented procedures for all its business units to adhere. Both the REIT Manager and the Hotel Manager exclusively use licensed software and technology to ensure legal compliance in their business operations. Moreover, the Hotel Manager ensures that only images and video assets with source and royalty agreements are used.

Furthermore, "Regal" and "iclub" brands and logos are core components of Regal REIT, and the safeguarding of the intellectual property rights is taken seriously. The RHIHL Group has registered the relevant trademarks and service marks in accordance with the applicable laws and regulations in different jurisdictions where it operates and have monitoring measures in place to prevent infringement. Also, the Hotel Manager clearly displays its privacy notice, cookie policy, and opt-in policy on its website, mini programme, and Regal Club mobile app, reinforcing its commitment to transparency and compliance.





Supply Chain Management

A robust network of vendors and suppliers plays a vital role in the hotels' operations. The Hotel Manager depends on the extended partnership network to offer a diverse array of products and services, such as F&B, hotel cleaning and laundry services, guestroom supplies and various amenities.

The RHIHL Group has established a Green Purchasing Policy for its Purchasing Manager and Group Hygiene Manager to evaluate potential suppliers. During the pre-qualification phase, vendors must provide samples and catalogues for testing. Regular Checklist reviews are conducted to help mitigate risks that arise during slaughtering or harvesting, storage, distribution and transportation phase of the Hotel Manager's products and to ensure that the suppliers are in compliance. Suppliers with ISO 9001 certification and have HACCP system in place are also prioritised.

The Purchasing, Receiving and F&B Departments of the Hotel Manager assess suppliers' product quality, timeliness in product delivery, acquired certifications, and more by requiring suppliers to complete the Supplier Annual Evaluation Form to confirm that suppliers have the appropriate policies and systems in place to comply with the Supplier Code of Conduct. This evaluation process applies to all 3,116 suppliers, covering 100% of the supplier base. Furthermore, the Hotel Manager undertakes suppliers site visits, requests that suppliers obtain independent certification in accordance with internationally recognised standards and submit environmental health and safety management plans for its review. By enhancing supply chain transparency within a growing global supply chain, the Hotel Manager ensures that customer-offered products and services adhere to the relevant regulations, while upholding ethical labour standards and environmental practices.

Furthermore, in the sustainable procurement practices, the Hotel Manager balances product cost and quality, and identifies and commits to best practices on supplier engagement. The Hotel Manager's procurement focuses on environmentally friendly and local products, striving to deliver positive impacts across the entire supply chain and minimising environmental and human impact. For example, cleaning chemicals are sourced with ISO 14001 certification, bulk-pack wet amenities bottles are in place to reduce the quantity of small plastic disposable bottles and a water filtration system has been installed in guestrooms to decrease the quantity of plastic bottled distilled water.

Being a member of the Green Council since 2012, the Hotel Manager considers more than just product safety and quality when selecting suppliers. The Hotel Manager aims to minimise negative environmental and social impacts that could result from its procurement processes. The selection of the Hotel Manager's suppliers involves a meticulous process. For example, suppliers are encouraged to source paper for printing and copying certified by the Forest Stewardship Council. The Hotel Manager promotes local sourcing in the procurement. Whenever feasible, the Hotel Manager purchases fruits and vegetables from local farmers. Sustainable procurement necessitates collaboration in the Hotel Manager's whole supply chain. During the reporting period, the Hotel Manager's continued efforts to collaborate with different stakeholders, including suppliers, employees and customers, to uphold sustainability within the supply chain and advance further on sustainability.



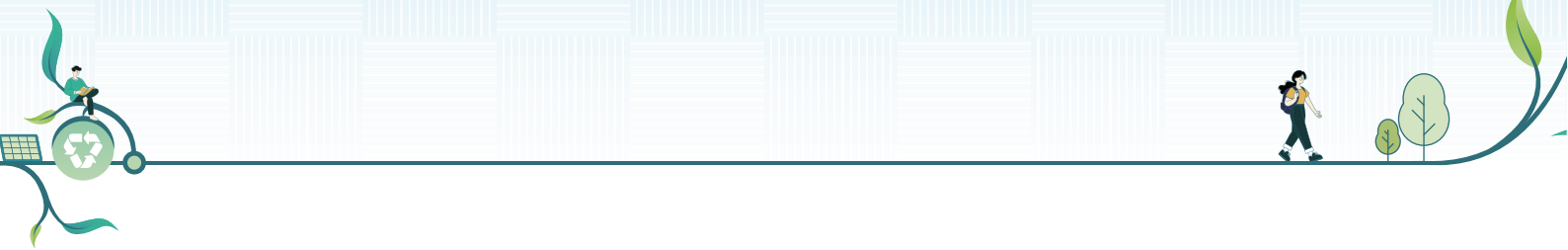
Appendix I – Awards, Recognitions, Qualifications and Membership

Regal Hotels International Limited (the Hotel Manager)

Awards and Recognitions	Organisations
Elite Hotel Group 2024	Trip.com
Excellent ESG Enterprise Award – Listed Company (Hotel)	Ming Pao Newspaper Limited
Good MPF Employer Award	Mandatory Provident Fund Schemes Authority
The Racial Diversity and Inclusion Charter for Employers	Equal Opportunities Commission

Regal Airport Hotel

Awards and Recognitions	Organisations
Business Traveller – Best Airport Hotel in Asia-Pacific	Business Traveller
EarthCheck Platinum Certification	EarthCheck
Foodwise Certified	Food Wise HK
Food Waste Eateries Scheme	Environmental Protection Department (EPD)
Halal Certificate	The Incorporated Trustees of The Islamic Community Fund of Hong Kong
MASTERCHEF Recommendation Restaurant 2024	Informa Markets
o Rouge	
QTS Scheme (15 years+)	Hong Kong Tourism Board
o Café Aficionado	
o Rouge	
o Regala Café & Dessert Bar	
o The China Coast Bar + Grill	
TTG Travel Awards 2024 – Travel Hall of Fame	TTG Travel Awards



Regal Hongkong Hotel

Awards and Recognitions	Organisations
EarthCheck Platinum Certification	EarthCheck
HACCP Certification	SGS Hong Kong
Halal Certificate	The Incorporated Trustees of The Islamic Community Fund of Hong Kong
MASTERCHEF Recommendation Restaurant 2024 <ul style="list-style-type: none"> o Regal Palace 	Informa Markets
Strategic Partnership Excellence 2024	Trip.com
QTS Scheme (15 years+) <ul style="list-style-type: none"> o Regal Palace 	Hong Kong Tourism Board

Regal Kowloon Hotel

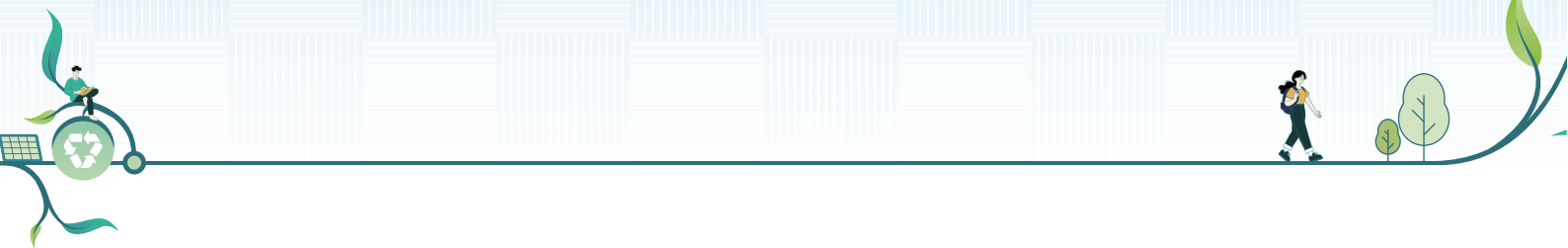
Awards and Recognitions	Organisations
CrescentRating of 3	CrescentRating
EarthCheck Platinum Certification	EarthCheck
HACCP Certification	SGS Hong Kong
MASTERCHEF Recommendation Restaurant 2024 <ul style="list-style-type: none"> o Mezzo o Regal Court 	Informa Markets
QTS Scheme (15 years+) <ul style="list-style-type: none"> o Mezzo 	Hong Kong Tourism Board
QTS Scheme <ul style="list-style-type: none"> o Regal Court o V bar & lounge 	

Regal Riverside Hotel

Awards and Recognitions	Organisations
CrescentRating of 3	CrescentRating
EarthCheck Platinum Certification	EarthCheck
Earth Hour Certificate 2024	WWF Hong Kong
Halal Certificate	The Incorporated Trustees of The Islamic Community Fund of Hong Kong
o L'Eau Restaurant	
ISO22000: 2018 Accreditation on Food Safety Management System	SGS Hong Kong
MASTERCHEF Recommendation Restaurant 2024	Informa Markets
o Dragon Inn	
o Regal Terrace	
o Vi	
QTS Scheme (15 years+)	Hong Kong Tourism Board
o Regal Court	
QTS Scheme	
o Avanti Pizzeria	
o Dragon Inn	
o L'Eau Restaurant	
o Regal Terrace	
o Vi	

Regal Oriental Hotel

Awards and Recognitions	Organisations
Earth Hour Certificate 2024	WWF Hong Kong
EarthCheck Platinum Certification	EarthCheck
QTS Scheme (15 years+)	Hong Kong Tourism Board
o The China Coast Pub + Restaurant	



iclub Fortress Hill Hotel

Awards and Recognitions	Organisations
EarthCheck Gold Certification	EarthCheck
Top Production Hotel 2024	Trip.com

iclub Sheung Wan Hotel

Awards and Recognitions	Organisations
EarthCheck Gold Certification	EarthCheck
Emerging Star 2024	Trip.com

iclub To Kwa Wan Hotel

Awards and Recognitions	Organisations
EarthCheck Silver Certification	EarthCheck

iclub Wan Chai Hotel

Awards and Recognitions	Organisations
EarthCheck Gold Certification	EarthCheck
Emerging Star 2024	Trip.com

Membership

The RHIHL Group is a member of Sustainable Procurement Charter of the Green Council, advocating green and local purchases.



Appendix II – Performance Table

Environmental Performance¹⁵

	Units	2023	2024
Air Emissions			
Nitrogen Oxides (NO _x)	kg	374.44	405.84
Sulphur Oxides (SO _x)	kg	5.49	2.09
Particulate Matters (PM)	kg	0.96	0.53
GHG emissions			
Total GHG emissions	(tCO ₂ e)	34,506	32,769
Direct GHG emissions (Scope 1) ¹⁶	(tCO ₂ e)	6,071	5,318
Indirect GHG emissions (Scope 2) ¹⁷	(tCO ₂ e)	28,435	27,451
GHG emission intensity	kg CO ₂ e/equivalent guest night ¹⁸	20.51	11.41
	kg CO ₂ e/m ²	153.03	145.33
Energy consumption			
Total energy consumption	MWh	87,656	87,750
Electricity	MWh	59,755	60,001
Towngas	MWh	25,238	27,682
Fuel	MWh	2,663	67 ¹⁹
Energy intensity	MWh/equivalent guest night ¹⁸	0.05	0.03
	MWh/m ²	0.39	0.39

¹⁵ The environmental 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 To Kwa Wan Hotel, iclub Sheung Wan Hotel and iclub Wan Chai Hotel).

¹⁶ Direct GHG emissions (Scope 1) are generated from fuel consumption, including diesel, petrol, liquefied petroleum gas (LPG) and towngas consumption.

¹⁷ Indirect GHG emissions (Scope 2) are generated from generation of purchased electricity and towngas.

¹⁸ Equivalent guest night includes the total number of guests stayed overnight in the hotels and one third on total number of guest patron in the restaurants and banquet/function rooms.

¹⁹ During the reporting period, Regal Hongkong Hotel's diesel boiler is no longer in use, which cause a significant decrease in stationary diesel consumption.



	Units	2023	2024
Water consumption			
Total water consumption	m ³	673,306	599,225
Water intensity	m ³ /equivalent guest night ¹⁸	0.40	0.21
Waste disposal			
General waste disposed	tonnes	5,173	3,322 ²⁰
Non-hazardous waste intensity	kg/equivalent guest night ¹⁸	3.08	1.16
Waste recycled			
Used cooking oil	Liter	7,856	14,164 ²⁰
Aluminium cans	kg	13	284 ²⁰
Plastic bottles	kg	1,908	2,633 ²⁰
Paper	kg	18,101	46,008 ²⁰
Food waste and donations	kg	75,923	153,758 ²⁰
Glass bottles	kg	236	8,144 ²⁰
Soap	kg	265	50
Hazardous waste disposal			
Retired lighting fitting	pieces	0	0
Electronic Appliances	pieces	0	0
Cleansing Chemicals	kg	0	0

²⁰ The majority of our hotels began and expanded waste recycling during the reporting period, which contributes to the significant decrease in waste disposed and increase in waste recycled. For more information, please refer to the "Waste Management and Material Use" section under "Environmental Responsibility" chapter.

Appendix III – The Stock Exchange of Hong Kong Limited's ESG Reporting Code 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 Responsibility
	KPI A1.1 The types of emissions and respective emissions data.	Environmental Performance
	KPI A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance
	KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance During the reporting period, Regal REIT has no complete record on the weight of hazardous waste. Therefore, there are no relevant disclosure on total hazardous waste (in tonnes) and intensity. The Hotel Manager has been investigating the issue and will strive to enhance future disclosure.
	KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance
	KPI A1.5 Description of emissions target(s) set and steps taken to achieve them.	Sustainability Vision; Energy Management
	KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Sustainability Vision; Waste Management and Material Use



Indicators	Section/Statement
A. Environmental	
Aspect A2: Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. Environmental Management; Energy Management; Water Management
	KPI A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). Environmental Performance
	KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility). Environmental Performance
	KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them. Sustainability Vision; Energy Management; Green Building
	KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them. Water Management Regal REIT does not suffer from any issues in sourcing water that is fit for purpose.
	KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. Not applicable to the core business of Regal REIT as hotel operations do not consume significant amount of packing materials.
Aspect A3: The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources. Environmental Management; Green Building
	KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. Environmental Management; EarthCheck Certification; Green Building
Aspect A4: Climate Change	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. Climate and Environmental Resilience
	KPI A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them. Climate and Environmental Resilience





Indicators	Section/Statement
B. Social	
Employment and Labour Practices	
Aspect B1: Employment	<p>General Disclosure Information on:</p> <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. <p>Regal REIT does not employ any staff in its own right. Employment and labour practices are not material to our business.</p> <p>Thus, there were no non-compliance incidents regarding employment and labour practices during the reporting period.</p>
	<p>KPI B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.</p> <p>Refer to remarks for Aspect B1 General disclosure.</p>
	<p>KPI B1.2 Employee turnover rate by gender, age group and geographical region.</p> <p>Refer to remarks for Aspect B1 General disclosure.</p>
Aspect B2: Health and Safety	<p>General Disclosure Information on:</p> <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. <p>Regal REIT does not employ any staff in its own right. Health and safety issues are not material to our business.</p> <p>Thus, there were no non-compliance incidents regarding health and safety practices during the reporting period.</p>
	<p>KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.</p> <p>Refer to remarks for Aspect B2 General disclosure.</p>
	<p>KPI B2.2 Lost days due to work injury.</p> <p>Refer to remarks for Aspect B2 General disclosure.</p>
	<p>KPI B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.</p> <p>Refer to remarks for Aspect B2 General disclosure.</p>





Indicators	Section/Statement
B. Social	
Employment and Labour Practices	
Aspect B3: Development and Training	<p>General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p> <p>Regal REIT does not employ any staff in its own right. Development and training issues are not material to our business.</p>
	<p>KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).</p> <p>Refer to remarks for Aspect B3 General disclosure.</p>
	<p>KPI B3.2 The average training hours completed per employee by gender and employee category.</p> <p>Refer to remarks for Aspect B3 General disclosure.</p>
Aspect B4: Labour Standards	<p>General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.</p> <p>Regal REIT does not employ any staff in its own right. Labour standards issues are not material to our business.</p> <p>Thus, there were no non-compliance incidents regarding child and forced labour during the reporting period.</p>
	<p>KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.</p> <p>Refer to remarks for Aspect B4 General disclosure.</p>
	<p>KPI B4.2 Description of steps taken to eliminate such practices when discovered.</p> <p>Refer to remarks for Aspect B4 General disclosure.</p>





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.
	KPI B5.1 Number of suppliers by geographical region.
	KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.
	KPI B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.
	KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.



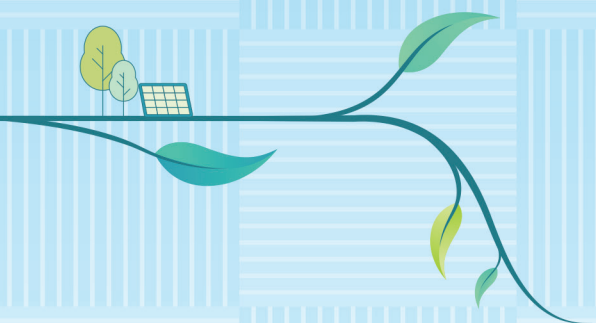


Indicators	Section/Statement
B. Social	
Operating Practices	
Aspect B6: Product Responsibility	<p>General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>
	<p>KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.</p>
	<p>KPI B6.2 Number of products and service-related complaints received and how they are dealt with.</p>
	<p>KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.</p>
	<p>KPI B6.4 Description of quality assurance process and recall procedures.</p>
	<p>KPI B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.</p>



Indicators	Section/Statement	
B. Social		
Operating Practices		
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.	Business Ethics
	KPI B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Business Ethics
	KPI B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Business Ethics
	KPI B7.3 Description of anti-corruption training provided to directors and staff.	Business Ethics Regal REIT does not employ any staff in its own right, anti-corruption training is not applicable.
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
	KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Social Responsibility
	KPI B8.2 Resources contributed (e.g. money or time) to the focus area.	Social Responsibility





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