

REGAL REIT 富豪產業信託

Regal Real Estate Investment Trust

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



2025

SUSTAINABILITY REPORT

Managed by

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

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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”), 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”) and with reference to the Sustainability Accounting Standards Board (“SASB”) Standards to inform industry specific disclosures.

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 tenth 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 2025 to 31 December 2025 (referred to as the “reporting period”).

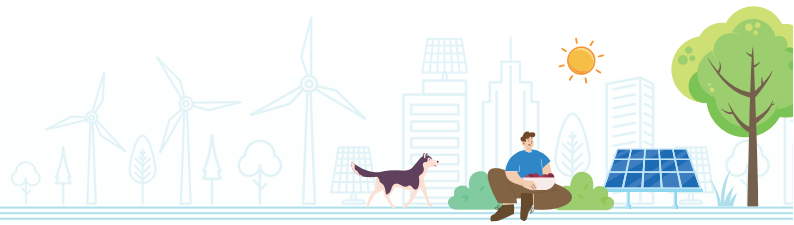
Accessibility of the Report and Feedback

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 15 April 2026.

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.

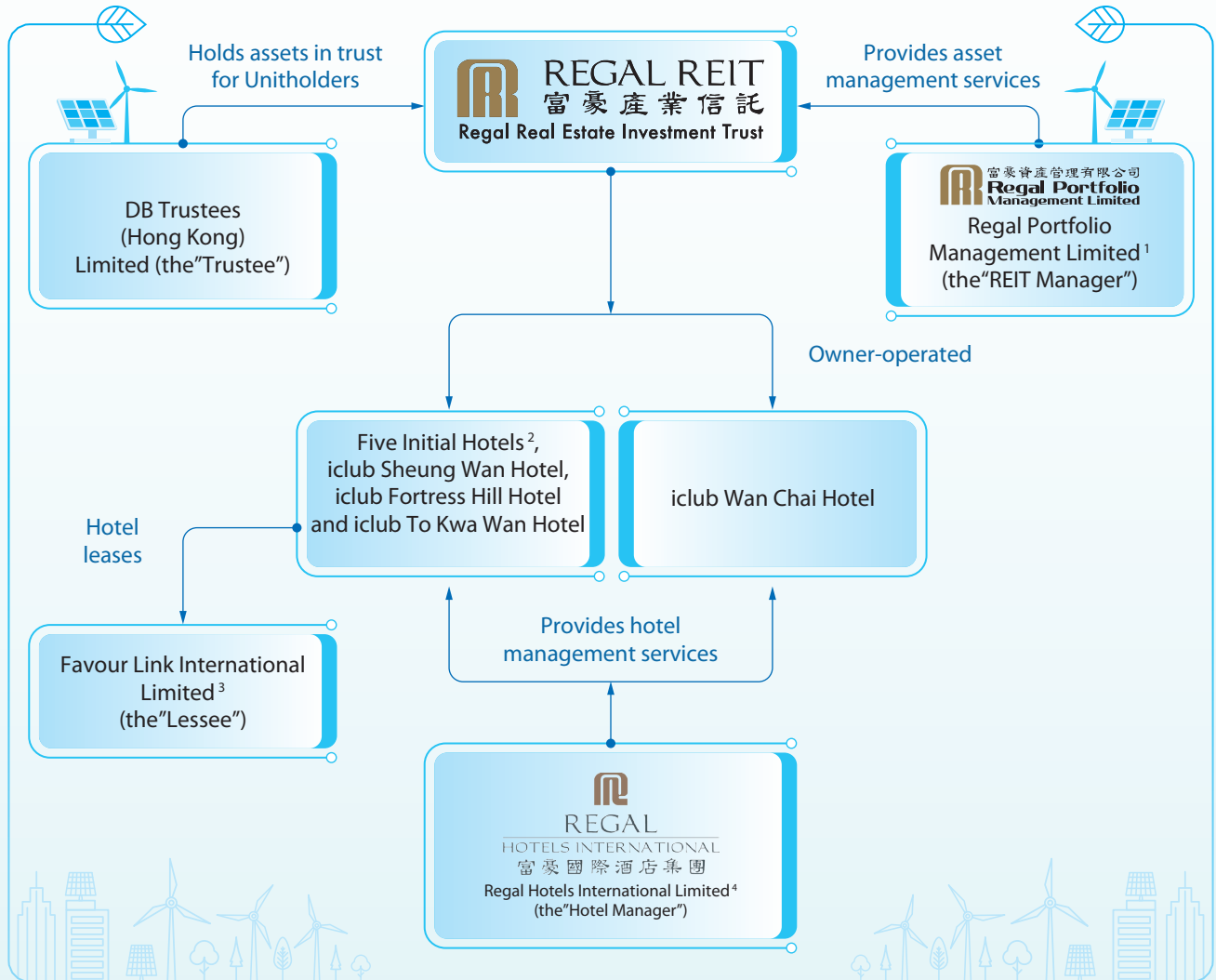
Property Portfolio

As of 31 December 2025, 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} Regal Hotels International Holdings Limited Group companies.

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

About Regal REIT



Regal REIT is managed by the REIT Manager and does not employ any employees directly. The term “employees” in this report refers to employees of the Hotel Manager unless otherwise stated. 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 Approach



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 where the whole mankind habituate in. Bestowed with invaluable natural assets, human beings are taking a lead 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 all businesses and are the building blocks of a flourishing community. The Hotel Manager is committed to promoting human capital development of individuals and collectives. On top of creating a safe and empowering work environment for employees, the Hotel Manager strives 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 transitions⁵ 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 demand a position that everyone should come together and build conversations for a set of common goals. The Hotel Manger is keen to connect with partners to unearth opportunities and solutions for profound impact.

⁵ Net zero is a state where the amount of greenhouse gases released into the Earth’s atmosphere is equal to the amount removed. Emission removal and reduction through decarbonisation efforts are needed to reach net zero.

Our ESG Approach



- **Prosperity — Creating sustainable business growth**

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

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

Echoing the belief that harnessing awareness of the present is central to individual well-being, the Hotel Manager encourages people to reflect upon their connections with the world. The Hotel Manager believes by fostering respectful and caring workplaces and supporting equitable opportunities can help create more inclusive and participative environments for all.



Sustainability Vision

The Hotel Manager is responsible to set, review, and monitor the progress on the targets and drive continuous improvement in hotels' sustainability performance. The RHIHL Group recognises the need to align its business with global environmental trends and is committed to enhancing its performance in key areas such as greenhouse gas ("GHG") emissions reduction, energy efficiency, and waste minimisation. To achieve this, the RHIHL Group has established 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. Sustainability targets are set across key areas, including greenhouse gas emissions, green buildings, waste management, water efficiency, and sustainable procurement. 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 Emissions⁶

- 2030 Target – On Track**
Reduce Scope 1⁷ and 2 greenhouse gas emission intensity by at least 20% with 2023 as a baseline.

Green Building

- 2025 Target – Application Submitted**
Achieve BEAM Plus Existing Building certifications for at least 30% of its hotel properties.

Water Management

- 2030 Target - Maintained**
Maintain water intensity by square meter at or below 2023 Level⁸.

⁶ The target applies to total greenhouse gas emissions expressed in carbon dioxide equivalent (CO₂e), with calculations based on CO₂ as the primary greenhouse gas.

⁷ The Scope 1 intensity target does not include chafing fuel and fugitive emissions from refrigerants.

⁸ Water management target is updated in 2025 as part of the ongoing efforts of the Hotel Manager to enhance sustainability governance and prioritise material sustainability topics.

Our ESG Approach



PEOPLE



Talent Development

- 4 **2030 Target - Achieved**
Increase average training and development hours per employee by double with 2023 as a baseline.
- 5 Provide educational and upskilling opportunities to youth and community members.

Occupational Health and Safety

- 6 Maintain zero work-related fatalities.

Community Engagement

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

Data Privacy and Cybersecurity

- 8 Provide data privacy and cybersecurity learning and development opportunities to employees.

PARTNERSHIPS



Sustainable Procurement

- 9 **2025 Target - Achieved**
Communicate the Sustainable Procurement Policy⁹ to all suppliers.
- 10 Conduct sustainable supplier assessment to evaluate the RHIHL Group's value chain.

Technology and Innovation

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

⁹ "Sustainable Procurement Policy," published in 2025, refers to the same policy previously titled "Green Procurement Policy" in the 2024 Sustainability Report. For details, please refer to the Supply Chain Management section.



PROSPERITY



Anti-Corruption

12 2025 Target - Achieved

All new employees receive anti-corruption training within 12 months of onboarding.

Sustainable Finance and Investment

13 Consider sustainable financial instruments for corporate and project financing.

14 Invest in innovative solutions that tackle environmental, social and economic challenges.

PEACE



Wellness

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

Ecosystem Building

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

Our ESG Approach



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 2025 Annual Report.

Sustainability Governance and Policies

The Board 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

Our ESG Approach



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 Groups 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



Stakeholder Groups engaged	Methods of Engagement
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

Our ESG Approach



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. The results were informed by an online survey and a focus group conducted in 2023, representing 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
Waste Management	Priority Topic
Climate Adaptation and Mitigation	Priority Topic
Water and Effluent Management	Priority Topic
Ethical and Transparent Business	Priority Topic
Engagement and Partnerships	Priority Topic
Product and Service Quality	Priority Topic
Energy Consumption and Efficiency	Priority Topic
Cybersecurity and Privacy	Relevant Topic
Greenhouse Gases Emissions	Relevant Topic
Health, Safety and Wellbeing	Relevant Topic
Sponsorships and Philanthropy	Relevant Topic
Green Building	Relevant Topic
Responsible Investment and Financial Performance	Relevant Topic
Supply Chain and Sourcing Management	Emerging Topic

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 regulations¹⁰ 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 environmentally friendly materials and encourages efficient office space utilisation to save costs and energy while fulfilling operational needs.

¹⁰ The environmental laws and regulations that might be significant to Regal REIT include 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

In 2025, the Hotel Manager continues to offer signature Green Meetings to promote sustainable and low-carbon living. The meeting package, powered by the Institute of Sustainability and Technology, aims to harmonize commercial success with environmental responsibility, empowering event organizer to reduce environmental impacts through providing low-carbon offerings, event emission data, and pathways to manage their environmental footprints:

- 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 RHHL Group' 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.



Environmental Responsibility



ESBN Green Deal Badge



Since 2023, the Hotel Manager has been awarded with 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 (“IPCC”) 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”).



As one of the indicators of the hotel’s environmental management processes, RHIHL Group places great emphasis on our performance in this area, and has engaged the Global Tourism Advisory Group for independent third-party verification.



In recognition of its environmental performance, Regal REIT’s hotels were awarded with the certifications below in 2025:

List of EarthCheck certifications:

Earned awards and certification	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 To Kwa Wan Hotel
	iclub Sheung Wan Hotel
	iclub Wan Chai Hotel

In the long run, the Hotel Manager is committed to minimising negative environmental impacts and creating positive social impacts to its stakeholders.

Environmental Responsibility

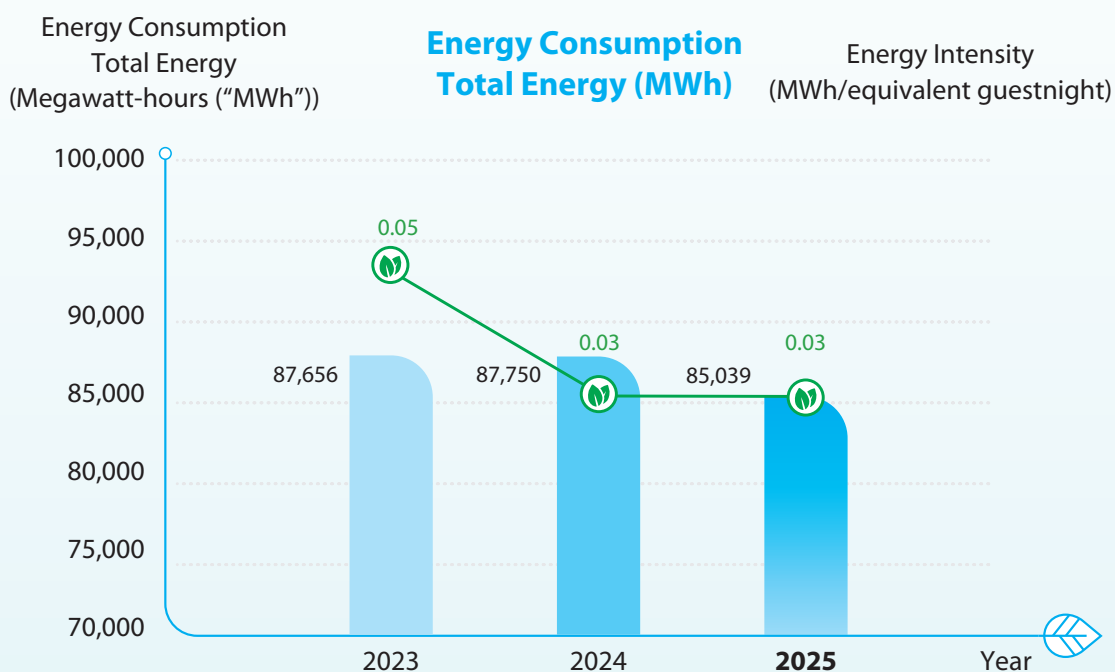


Energy Management

Energy Consumption and Efficiency¹¹

Energy consumption has been the major source of Regal REIT's Scope 1 and Scope 2 carbon emissions. It continues to fluctuate across the years driven by changes in hotel occupancy and guest consumption. In 2025, a total energy consumption reduction of 3% is observed, mostly driven by electricity consumption.

Regal REIT's Energy Consumption

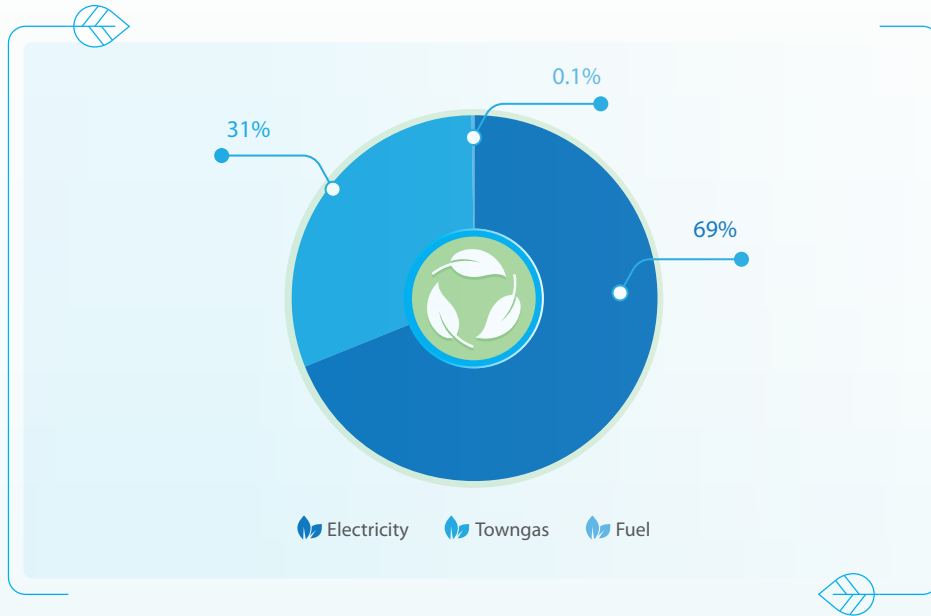


		2023	2024	2025
Energy Intensity	MWh/equivalent guest night	0.05	0.03	0.03
Energy Consumption	MWh	87,656	87,750	85,039

¹¹ 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 our 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 food and beverage businesses. Fuel takes up the smallest portion of our total energy consumption, representing energy consumed by vehicles and generator sets.

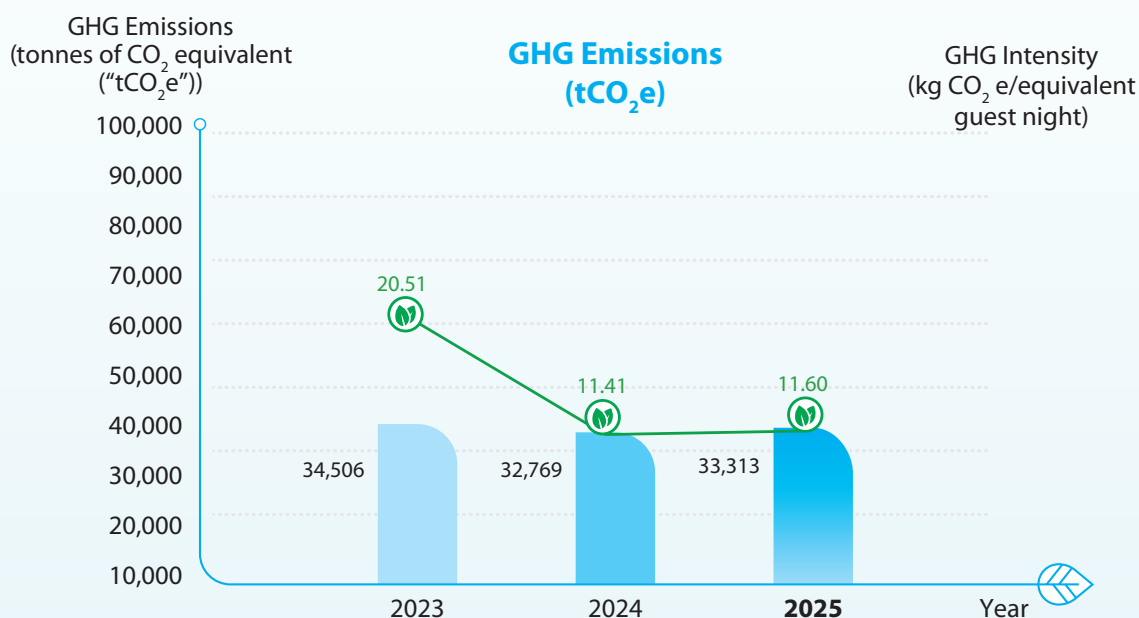
Environmental Responsibility



Greenhouse Gas Management

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 carbon neutrality¹².

Performance in 2025



		2023	2024	2025
GHG emissions Intensity (Scope 1 and 2)	kg CO ₂ e/equivalent guest night	20.51	11.41	11.60 ¹³
GHG emissions (Scope 1 and 2)	tCO ₂ e	34,506	32,769	33,313 ¹³

¹² According to Hong Kong Climate Action Plan 2050 by the Hong Kong Government, carbon neutrality refers to achieving relative "zero-carbon emissions" in a place or by an organisation, etc. over a certain period of time. This can be done by replacing conventional fossil energy, conserving energy, green commuting, "use less, waste less", planting, afforestation, purchasing renewable energy (RE) certificates and carbon trading, etc. to reduce or offset the carbon emissions generated from the activities of the place or the organisation.

¹³ The increase in total carbon emissions is primarily due to the inclusion of refrigerant and chafing fuels in the current reporting year.



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 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. It works with third parties to identify and assess climate-related risks to which Regal REIT's operations are exposed to, and updating the Board on any changes in these risks accordingly.

This year, the Hotel Manager has published a Climate Change Policy to communicate its commitment to adapting an environmental management system. Through improving the usage efficiency of natural resources and electricity, and mitigating climate change impact by managing climate change risks across its operations and value chain with global best practices, it is committed to protecting the environment and building its climate resilience to support the transition to a net-zero emissions economy.

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.

Environmental Responsibility



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 decarbonisation 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 below.

Identified Physical and Transition Risks and their Impacts to Regal REIT

Physical Risk Drivers	Potential Impacts to Regal REIT
Flooding	<ul style="list-style-type: none"> • Increase in costs for repairs and maintenance • Disrupt operations and impacted guest satisfaction
Extreme Heat	<ul style="list-style-type: none"> • Increase in wear and tear of hotel facilities • Increase in heat stress for staff and guests • Increase in energy consumption for cooling • Higher operational costs for retrofitting or running cooling systems
Water Scarcity	<ul style="list-style-type: none"> • Increase in water management operational cost • Reduce demand for luxury services
Cyclones/Typhoons	<ul style="list-style-type: none"> • Increase in 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"> • Enhanced drive to develop green buildings • Higher expectations from guests may impact corporate image and loyalty

Climate-Related Scenario Analysis

Leveraging on findings from climate risk assessment in previous years, the Hotel Manager engaged a third-party consultant 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 in 2024.

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 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”)
Transition Risk Pathways:	Net Zero 2050 Current Policies

Environmental Responsibility



	Turquoise Scenario	Brown Scenario
Pathway associated with climate-related physical risks	<p>SSP1-2.6¹⁴</p> <p>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.</p>	<p>SSP5-8.5¹⁴</p> <p>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.</p>
Pathway associated with climate-related transition risks	<p>Net Zero 2050¹⁵</p> <p>This pathway limits global warming to 1.5°C through immediate, stringent climate policies and rapid technological innovation, achieving net-zero CO₂ emissions by 2050. It requires sectoral transformations and carbon pricing to balance transition risks via coordinated decarbonisation.</p>	<p>Current Policies¹⁵</p> <p>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.</p>

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.

¹⁴ Pathways adopted are from IPCC’s sixth assessment report.

¹⁵ Pathways adopted are from NGFS.

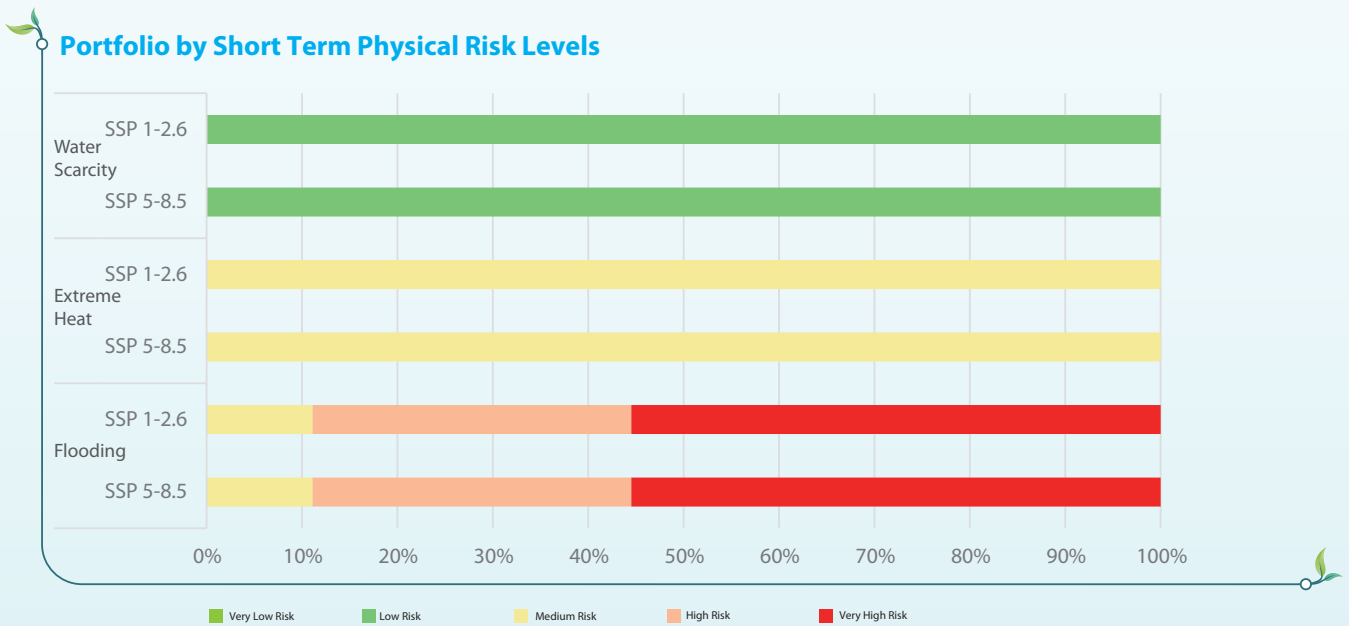


Physical risks

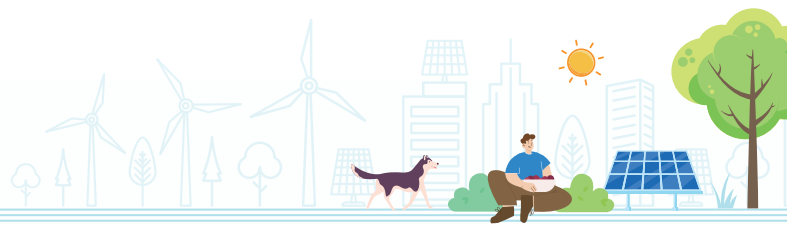
Asset-level modelling of the physical risks has been conducted. Historical data and projected climate variables, such as temperature and precipitation from suitable global climate models, and local meteorological data, were adopted to assess the potential implications to the hotel properties under different 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 financial implications of these risks are in the process of being quantified.

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.

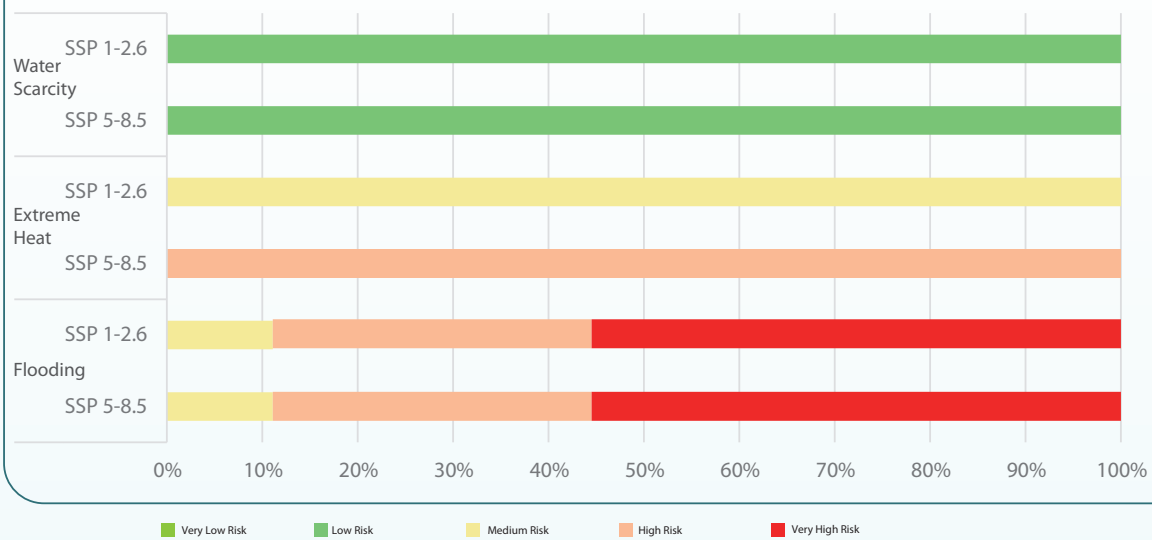
Water scarcity, extreme heat and flooding risks



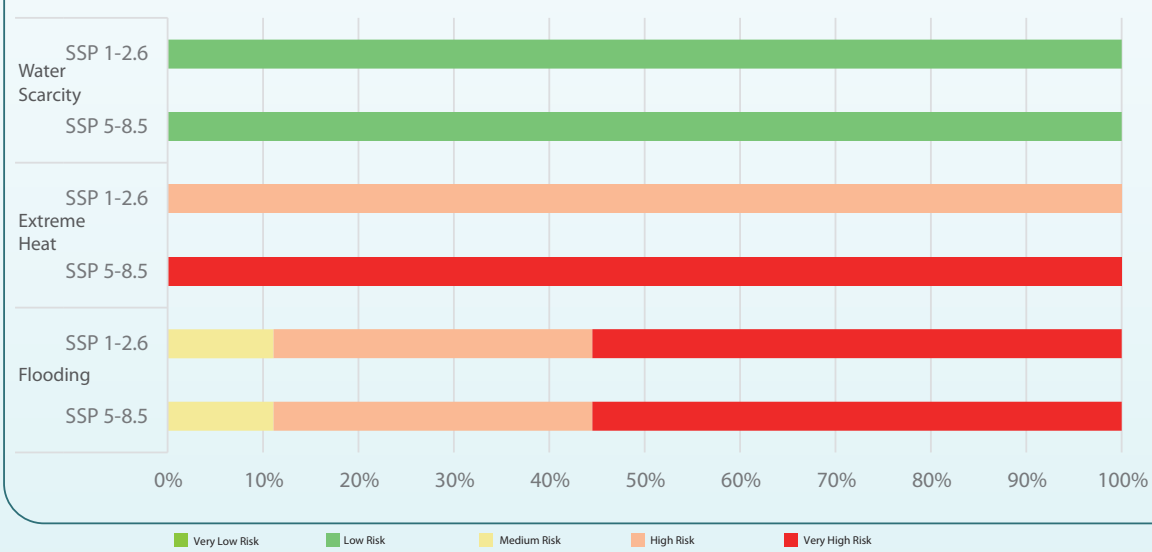
Environmental Responsibility



Portfolio by Medium Term Physical Risk Levels



Portfolio by Long Term Physical Risk Levels





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 risk 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 scenarios. The scenarios cover the short, medium and long term, and include both global and region-specific (Hong Kong) indicators.

Change in carbon and energy price

	Change in carbon price ¹⁶			Change in energy price ¹⁷		
	Short Term	Medium Term	Long Term	Short Term	Medium Term	Long Term
Net Zero 2050						
Current Policies						

Level of Decrease ■ Very Low ■ Low ■ Medium ■ High ■ Very High

Level of Increase ■ Very Low ■ Low ■ Medium ■ High ■ Very High

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, the Hotel Manager has already developed a set of climate adaptation and mitigation strategies to tackle the impacts from climate risks.

^{16, 17} Changes are gauged against baseline year 2020.

Environmental Responsibility



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 replacement of traditional lighting with light-emitting diode (“LED”) lights and diesel-powered equipment with lower carbon sources. 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.





Transition Risks

Climate change is a global challenge with long-term implications. From the two inaugural International Financial Reporting 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 the Board on climate-related regulatory changes, propose and facilitate operational changes, and track sustainability performance to ensure good practices and minimise risks of non-compliance.

Risk Management

The Hotel Manager has identified climate-related risks and opportunities that could materially affect its business under different scenarios, and they are outlined in this section. The risk list was built through reviewing publications of international research organisations and peer companies. Risks identified are being reviewed regularly by the Board, and the Hotel Manager is progressively aligning its practices with evolving climate-related regulations and stakeholder expectations. To manage transition risks, the Hotel Manager completed annual reviews of climate-related risks and opportunities for the Board at the end of the previous reporting cycle, covering market, policy and legal aspects.

Metrics and Targets

The carbon footprint 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 ¹⁶	Units	2025
Total Scope 1 & 2 Emissions	tCO ₂ e	86,502
Total Value of Properties	HK\$ Million	23,776
Ownership of Properties on Value Basis	%	100%
Portfolio Carbon Footprint ¹⁸	tCO ₂ e/HK\$ Million	3.64

Regal REIT closely monitors climate-related metrics and discloses progress annually in its Sustainability Report. These metrics are available under “Environmental Performance” in “Appendix II – Performance Table”. To align with Hong Kong’s Climate Action Plan 2050, Regal REIT has set climate-related targets, including those related to GHG emissions, energy and water usage. For further information regarding the detail of the targets set and their progress, please refer to the “Sustainability Vision” section of this report.

¹⁸ 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 (tCO₂e) per million dollars invested with reference to Partnership for Carbon Accounting Financials.

Environmental Responsibility



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 organised by electricity companies to minimise the 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

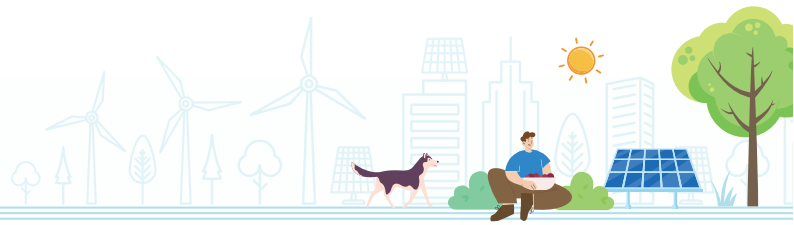
- Explore energy management opportunities by partnering with electricity companies to conduct energy audits
- Adjust chilled water supply temperature to the range of 8.5°C to 10°C to optimise energy use
- Encourage employees to turn off air conditioners in areas not occupied by guests to minimise unnecessary electricity consumption
- Implement Integrated Building Management System by 2030
- Three EVs chargers are installed at Regal Airport Hotel's driveway to encourage customers to opt for EVs over fuel-powered ones to reduce carbon emissions
- Upgrade water heating equipment to more energy-efficient models when practicable
- Consider upgrading motors to high-efficiency models (IE3 or above) by 2030
- Consider retrofitting 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 for recovery and reprocessing. Non-hazardous waste and hazardous waste are collected, stored, categorised and disposed in accordance with internal procedures and relevant local laws and regulations. The waste collection process is supervised by designated personnel at each site. The RHIHL Gorup also seeks to divert waste from landfills and incineration facilities where possible and in line with the 5R Principle.

Since 2021, the Waste Management Policy has been expanded to meet or exceed waste-related regulations, and integrate best practices into operations and services. 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, the Hotel Manager aims to gradually reduce unnecessary material disposal and be part of a circular economy where resources are fully utilised across its life cycle.

Environmental Responsibility

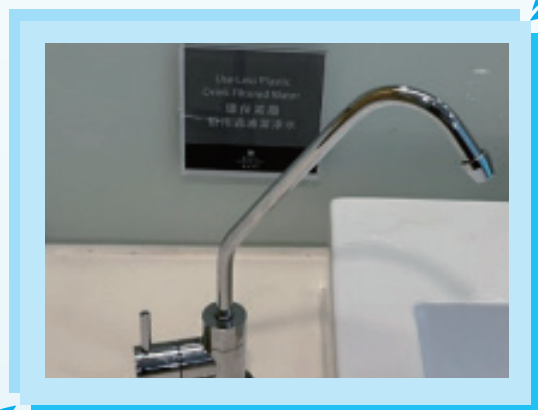


Reducing Single-Use Plastics

In line with Hong Kong Government's ban on single-use plastic in 2023, the Hotel Manager reaffirms its commitment to sustainability and responsible waste management in the hotels, minimising environmental impact and promoting resource efficiency. These initiatives weaved together a green hospitality experience that encourage guests to engage in sustainable practices throughout their stay:



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

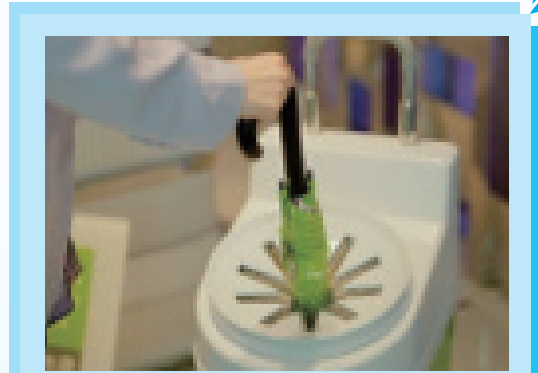


- **Personal Care:** Guests are encouraged to bring their personal care items and reduce the consumption of room amenities during their stay. Since 2020, the Hotel Manager has replaced all single-use shower amenities with dispensers to minimise the use of plastic bottles. Moreover, no disposable plastic 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 coffee capsule 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 managing food waste from reducing food waste at source, to 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 minimise waste throughout the value chain.

Food Waste Recovery

Four of the hotels, Regal Airport Hotel, Regal Hongkong Hotel, Regal Kowloon Hotel and Regal Riverside Hotel, have joined different food waste management schemes to resell, recycle and recover food.

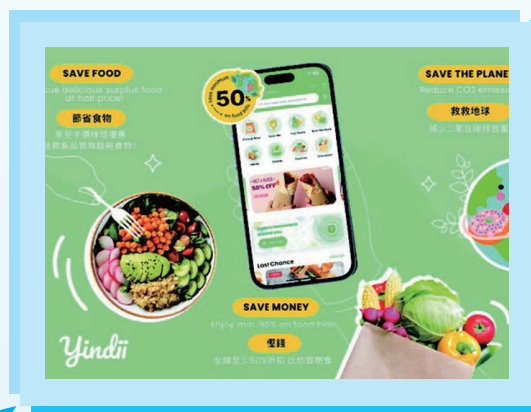
Environmental Responsibility



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 food and beverage businesses to resell surplus 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.





Go Digital, Go Paperless

The Hotel Manager has progressively pushed forth a series of initiatives to reduce paper consumption in the 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 programme, enables it to reduce paper consumption from printed coupons and registration forms.
- **e-Menu:** Replace paper-based menus with digital versions in guestrooms and F&B outlets.

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 is 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.

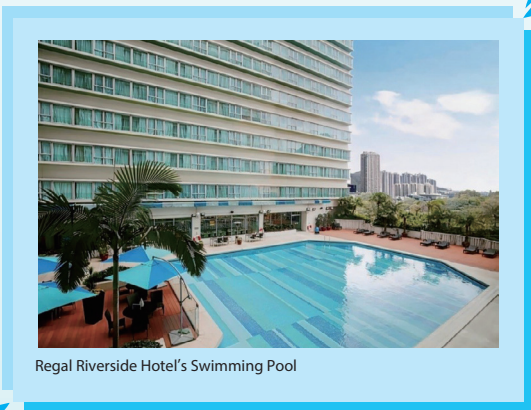
Environmental Responsibility



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 reduce consumption	Recycling and reuse of condensed 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 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 Summit

During the reporting year, the RHIHL Group is proud to support and host the landmark One Earth Summit 2025 (the “Summit”) and numerous initiatives with IST and One Earth Alliance, to drive cross-sectoral dialogue and foster actionable solutions to address global sustainability challenges. Events highlights as follows:

Themed “Driving systemic change for sustainable future through impact investments and technology innovations”, the 2025 edition focused on three core topics: Buildings and Mobility, Energy Transition, and Food and Water Resources, highlighting practical solutions, cutting-edge technologies and investment opportunities in green infrastructure, renewables, energy IoT, and sustainable resource management. It also served as a centerpiece for the One Earth NextGen Leaders 2025 programme, which engaged 100 young leaders from across Asia to connect with global speakers, visit green tech hubs, and pitch climate-focused ideas.



Environmental Responsibility



Earth Hour

Regal Airport Hotel, Regal Riverside Hotel, Regal Kowloon Hotel and Regal Oriental Hotel took part in supporting 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 encouraging their staff and guests alike to power down non-essential lighting, the engagement is a reminder to how big changes start from small steps.



HKSTP EPIC 2025

Regal REIT’s Hotels is proud to be the hospitality sponsor of EPIC 2025, Asia’s premier startup ecosystem organised by the Hong Kong Science and Technology Parks Corporation. Known as Elevated Pitch International Competition, the platform offers global startups direct access to vibrant business environment and invaluable opportunities to connect with Greater Bay Area. Among the 1,200 startup participants, the top 100 semi-finalist coming from Green Tech, FinTech, and Digital Health Tech tracks joined the November Grand Finale in Hong Kong. The welcome party celebrated semi-finalists’ achievements, fostered networking opportunities, and cheered these trailblazers on for their 3-minute pitch at the Grand Finale.



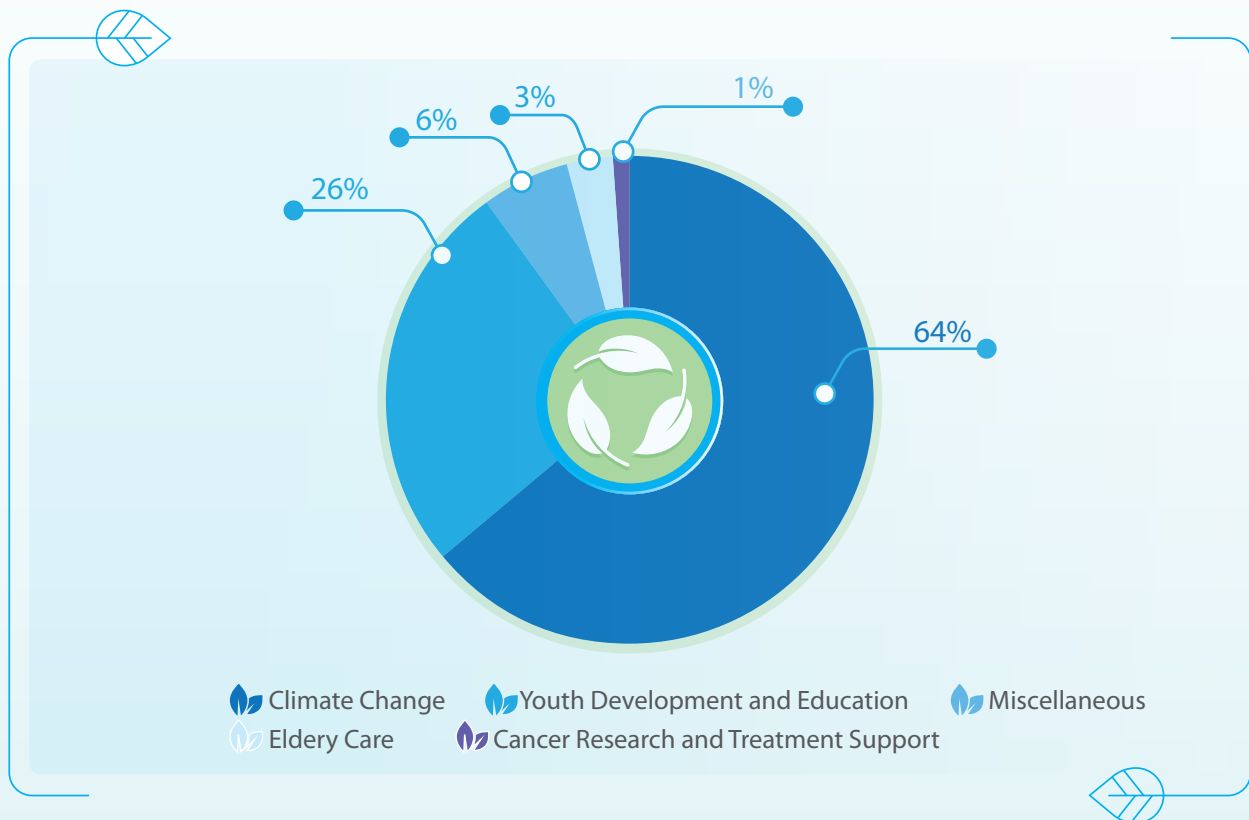
Social Responsibility



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\$3,959,489.40¹⁹ in donations and sponsorships targeted at the vulnerable, elderly and community well-being.

Distribution of Donations and Sponsorship by Focus Area



¹⁹ 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.

Recognising 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 work collaboratively to establish relevant operational procedures. The supply chain management approaches and strategies are anticipated to yield positive impacts throughout the value chain, benefiting 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 confirmed legal cases regarding corrupt practices and bribery lawsuits were brought against Regal REIT or the REIT Manager during the reporting period.

Service Safety and Hospitality Standards

All hotels in Regal REIT 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).

Economic Responsibility



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 2025, 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



**Travel Hall of Fame since
2015**
Regal Airport Hotel




**Trip.com
Elite Hotel Group 2024**
Regal Hotels
International Limited

Economic Responsibility



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 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



Quality Tourism Services (QTS) Scheme
Regal Kowloon Hotel
Regal Riverside Hotel



QTS Scheme (15 years+)
Regal Airport Hotel
Regal Hongkong Hotel
Regal Kowloon Hotel
Regal Oriental Hotel
Regal Riverside Hotel



Halal Certificate
Regal Airport Hotel
Regal Riverside Hotel



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 has 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.

Economic Responsibility



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 RHIHL Group have accounted for our Scope 3 emissions during the reporting year. It began engaging its value chain to better understand upstream operations, including supplier performance and associated climate risks and opportunities, which has provided us with insights into the carbon impacts of our supply chain.

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. 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.

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
Popular Hotel Group of the Year by Meituan Hotel Award 2024	Meituan Hotel
Trip.com Group 2024 – Elite Hotel Group	Trip.com Group
Certificate of Appreciation - In Recognition of the Title Sponsorship to The Hong Kong Anti-Cancer Society "Sing & Yum" Charity Dinner	The Hong Kong Anti-Cancer Society
Certificate of Appreciation - In recognition of generous support of the SPCA Raffle 2025 and animal welfare	Society for the Prevention of Cruelty to Animals

Regal Airport Hotel

Awards and Recognitions	Organisations
EarthCheck Platinum Certification	EarthCheck
CrescentRating of 3 (2025)	CrescentRating
Participation of WWF-Hong Kong's Earth Hour 2025	WWF Hong Kong
Butterfly Garden Certification Program	Fung Yuen Butterfly Reserve
Halal Certificate	The Incorporated Trustees of The Islamic Community Fund of Hong Kong
TTG Travel Awards 2025 - TRAVEL HALL OF FAME	TTG Asia Media and TTG Trade Publishing
QTS Scheme (15 years+) <ul style="list-style-type: none"> o Café Aficionado o Rouge o Regala Café & Dessert Bar o The China Coast Bar + Grill 	Hong Kong Tourism Board

Appendix I – Awards, Recognitions, Qualifications and Membership



Regal Hongkong Hotel

Awards and Recognitions	Organisations
EarthCheck Platinum Certification	EarthCheck
Gold Circle Award by Agoda (2024)	Agoda
Certificate of Appreciation - Support WWF-Hong Kong's Earth Hour 2025	WWF- Hong Kong
HACCP Certification 2025	SGS Hong Kong
Butterfly Garden Certification Program	Fung Yuen Butterfly Reserve
Crescent Rating of 3 (2025)	CrescentRating
QTS Scheme (15 years+) o Regal Palace	Hong Kong Tourism Board

Regal Kowloon Hotel

Awards and Recognitions	Organisations
HACCP Certification 2025	SGS Hong Kong
Participation of WWF-Hong Kong's Earth Hour 2025	WWF Hong Kong
Butterfly Garden Certification Program	Fung Yuen Butterfly Reserve
EarthCheck Platinum Certification	EarthCheck
CrescentRating of 3 (2025)	CrescentRating
QTS Scheme (15 years+) o Mezzo QTS Scheme o Regal Court o V bar & lounge	Hong Kong Tourism Board

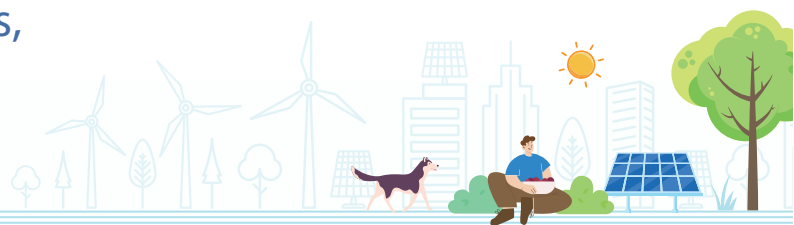


Regal Riverside Hotel



Awards and Recognitions	Organisations
CrescentRating of 3 (2025)	CrescentRating
ISO22000: 2018 Accreditation on Food Safety Management System (2025)	SGS Hong Kong
EarthCheck Platinum Certification	EarthCheck
Popular Family-Friendly Hotel of the Year by Meituan Hotel (2024)	Meituan Hotel
Gold Circle Award by Agoda (2024)	Agoda
Participation of WWF-Hong Kong's Earth Hour 2025	WWF Hong Kong
Butterfly Garden Certification Program	Fung Yuen Butterfly Reserve
Halal Certificate by The Incorporated Trustees of The Islamic Community Fund of Hong Kong (2024-2025)	The Incorporated Trustees of The Islamic Community Fund of Hong Kong
Carbon Neutrality (Waste Reduction) Charter - Certificate of Appreciation o Regal Riverside Hotel - F&B Dept	30 • 50 FoodSmart Partnership Programme, The Environmental Protection Department, Food Wise Hong Kong Campaign and the Hong Kong Productivity Council
QTS Scheme (15 years+) o Regal Court	Hong Kong Tourism Board
QTS Scheme o Avanti Pizzeria	
o L'Eau Restaurant	
o Regal Terrace	

Appendix I – Awards, Recognitions, Qualifications and Membership



Regal Oriental Hotel

Awards and Recognitions	Organisations
EarthCheck Platinum Certification	EarthCheck
Participation of WWF-Hong Kong's Earth Hour 2025	WWF Hong Kong
Butterfly Garden Certification Program	Fung Yuen Butterfly Reserve
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 Gold Certification

EarthCheck

iclub Wan Chai Hotel



Awards and Recognitions

Organisations

EarthCheck Gold Certification

EarthCheck

Emerging Star 2024

Trip.com

Appendix II – Performance Table



Environmental Performance²⁰

	Units	2023	2024	2025
Air emissions				
Nitrogen Oxide (NO _x)	kg	374.44	405.84	383.88
Sulphur Oxide (SO _x)	kg	5.49	2.09	1.97
Particulate Matters (PM)	kg	0.96	0.53	0.25
Greenhouse gas (GHG) emissions²¹				
Total Scope 1 and Scope 2 GHG emissions	tonnes of CO ₂ equivalent (tCO ₂ e)	34,506	32,769	33,313
Direct GHG emissions (Scope 1) ²²	tCO ₂ e	6,071	5,318	6,493 ²³
Indirect GHG emissions (Scope 2) ²⁴	tCO ₂ e	28,435	27,451	26,821
GHG emissions intensity	kg CO ₂ e/equivalent guest night ²⁵	20.51	11.41	11.60
	kg CO ₂ e/m ²	153.03	145.33	140.70
Total Scope 3 emissions ²⁶		—	—	76
Category 1: Purchased goods and services	tCO ₂ e	—	—	76
Category 4: Upstream Transportation and Distribution	tCO ₂ e	—	—	0.05

²⁰ 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).

²¹ Regal REIT measures its GHG emissions in accordance with the Greenhouse Gas Protocol.

²² Direct GHG emissions (Scope 1) are generated from refrigerants and fuel consumption, including diesel, petrol, liquefied petroleum gas (LPG) and town gas consumption.

²³ The increase in total GHG emissions is primarily due to the inclusion of refrigerant in the current reporting year.

²⁴ Indirect GHG emissions (Scope 2) are generated from the generation of purchased electricity and town gas.

²⁵ 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.

²⁶ Unreported categories of Scope 3 emissions are not applicable or immaterial to Regal REIT's business.



	Units	2023	2024	2025
Energy consumption				
Total energy consumption	Megawatt-hour (MWh)	87,656	87,750	85,039
Electricity	MWh	59,755	60,001	58,561
Towngas	MWh	25,238	27,682	26,419
Fuel	MWh	2,676	67 ²⁷	59
Energy intensity	MWh/equivalent guest night	0.05	0.03	0.03
	MWh/m ²	0.39	0.39	0.36
Water consumption				
Total water consumption	m ³	673,306	599,225	625,924
Water intensity	m ³ /equivalent guest night	0.40	0.21	0.21
Waste disposal				
General waste disposed	tonnes	5,173	3,322	1,549
Non-hazardous waste intensity	kg/equivalent guest night	3.08	1.16	0.52

²⁷ In 2024, Regal Hongkong Hotel's diesel boiler was no longer in use, which caused a significant decrease in stationary diesel consumption.

Appendix II – Performance Table



	Units	2023	2024	2025
Waste recycled				
Used cooking oil	Liter	7,856	14,164	13,034
Aluminium cans	kg	13	284	65
Plastic bottles	kg	1,908	2,633	1,759
Paper	kg	18,101	46,008	30,218
Food waste and donations	kg	75,923	153,758	113,405
Glass bottles	kg	236	8,144	14,653
Soap	kg	265	50	0
Hazardous waste disposed				
Retired lighting fitting	piece	0	0	1,885
Electronic Appliances	piece	0	0	0
Cleaning Chemical	kg	0	0	1,074
Mercury	kg	0	0	45
Other	kg	0	0	49

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



Indicators	Section/Statement	
A. Environmental		
Aspect A1: Emissions	<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 air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p>	<p>Environmental Responsibility</p> <p>During the Reporting Period, there were no violations of laws and regulations related to air and GHG emissions, discharges into water and land and generation of hazardous and non-hazardous waste.</p>
	<p>KPI A1.1 The types of emissions and respective emissions data.</p>	<p>Environmental Performance</p>
	<p>KPI A1.2 [repealed]</p>	
	<p>KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p>	<p>Environmental Performance</p>
	<p>KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p>	<p>Environmental Performance</p>
	<p>KPI A1.5 Description of emission target(s) set and steps taken to achieve them.</p>	<p>Sustainability Vision; Energy Management</p>
	<p>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.</p>	<p>Sustainability Vision; Waste Management and Material Use</p>

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



Indicators	Section/Statement	
A. Environmental		
Aspect A2: Use of Resources	<p>General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.</p>	Environmental Management; Energy Management; Water Management
	<p>KPI A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).</p>	Environmental Performance
	<p>KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).</p>	Environmental Performance
	<p>KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.</p>	Sustainability Vision; Energy Management; Green Building
	<p>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.</p>	Water Management Regal REIT does not suffer from any issues in sourcing water that is fit for purpose.
Aspect A3: The Environment and Natural Resources	<p>General Disclosure Policies on minimising the issuer’s significant impact on the environment and natural resources.</p>	Energy Management; Green Building
	<p>KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.</p>	Energy Management; Green Building
Aspect A4: Climate Change	Repealed	



Indicators	Section/Statement
B. Social	
Employment and Labour Practices	
<p>Aspect B1: Employment</p>	<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 compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p> <p>KPI B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.</p> <p>KPI B1.2 Employee turnover rate by gender, age group and geographical region.</p>
<p>Aspect B2: Health and Safety</p>	<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 providing a safe working environment and protecting employees from occupational hazards.</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>KPI B2.2 Lost days due to work injury.</p> <p>KPI B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.</p>

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Indicators	Section/Statement
B. Social	
Employment and Labour Practices	
Aspect B3: Development and Training	General Disclosure Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.
	KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).
	KPI B3.2 The average training hours completed per employee by gender and employee category.
Aspect B4: Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.
	KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.
	KPI B4.2 Description of steps taken to eliminate such practices when discovered.

Regal REIT does not employ any staff in its own right. Development and training issues are not material to the business.

Regal REIT does not employ any staff in its own right. Labour standards issues are not material to the business.

Thus, there were no non-compliance incidents regarding child and forced labour during the reporting period.



Indicators	Section/Statement	
B. Social		
Operating Practices		
Aspect B5: Supply Chain Management	<p>General Disclosure Policies on managing environmental and social risks of the supply chain.</p>	Supply Chain Management
	<p>KPI B5.1 Number of suppliers by geographical region.</p>	Regal REIT does not directly manage the operations of its hotel properties, so there is no relevant figure.
	<p>KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.</p>	Supply Chain Management Regal REIT does not directly manage the operations of its hotel properties, so there is no relevant figure.
	<p>KPI B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.</p>	Supply Chain Management
	<p>KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.</p>	Supply Chain Management

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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>
	<p>Service Safety and Hospitality Standards; Data Privacy and Cybersecurity There were no non-compliance incidents regarding product responsibility during the reporting period.</p>
	<p>Regal REIT does not directly manage the operations of its hotel properties, so there is no relevant figure.</p>
	<p>Regal REIT does not directly manage the operations of its hotel properties, so there is no relevant figure.</p>
	<p>Data Privacy and Cybersecurity</p>
	<p>Service Safety and Hospitality Standards</p>
	<p>Data Privacy and Cybersecurity</p>



Indicators	Section/Statement	
B. Social		
Operating Practices		
Aspect B7: Anti-corruption	<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 bribery, extortion, fraud and money laundering.</p>	Business Ethics
	<p>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.</p>	Business Ethics
	<p>KPI B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.</p>	Business Ethics
	<p>KPI B7.3 Description of anti-corruption training provided to directors and staff.</p>	Business Ethics Regal REIT does not employ any staff in its own right, anti-corruption training is not applicable.
Community		
Aspect B8: Community Investment	<p>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.</p>	Social Responsibility
	<p>KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).</p>	Social Responsibility
	<p>KPI B8.2 Resources contributed (e.g. money or time) to the focus area.</p>	Social Responsibility

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



Part D: Climate-related Disclosures

Paragraph	Description	Section/Statement
Governance		
19	<p>(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:</p> <ul style="list-style-type: none"> (i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities; (ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities; (iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer’s strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; (iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and 	Climate and Environmental Resilience
	<p>(b) management’s role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:</p> <ul style="list-style-type: none"> (i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and (ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions. 	Climate and Environmental Resilience



Paragraph	Description	Section/Statement
Strategy		
Climate-related risks and opportunities		
20	<p>An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer’s cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:</p> <ul style="list-style-type: none"> (a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer’s cash flows, its access to finance or cost of capital over the short, medium or long term; (b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk; (c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and (d) explain how the issuer defines ‘short term’, ‘medium term’ and ‘long term’ and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making. 	Climate and Environmental Resilience
Business model and value chain		
21	<p>An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer’s business model and value chain. Specifically, the issuer shall disclose:</p> <ul style="list-style-type: none"> (a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer’s business model and value chain; and (b) a description of where in the issuer’s business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets). 	Climate and Environmental Resilience

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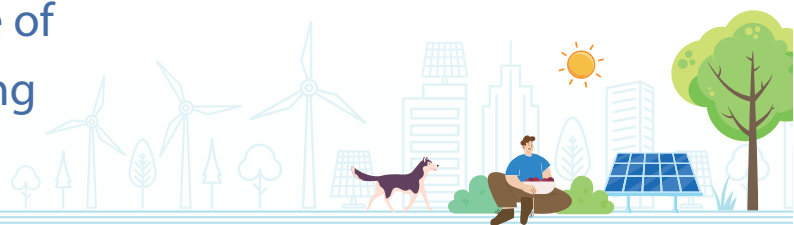


Paragraph	Description	Section/Statement
Strategy		
Strategy and decision-making		
22	<p>An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:</p> <p>(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:</p> <ul style="list-style-type: none"> (i) current and anticipated changes to the issuer’s business model, including its resource allocation, to address climate-related risks and opportunities; (ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect); (iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer’s transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and (iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and <p>(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).</p>	<p>ESG-related factors are incorporated in the annual performance targets of the relevant management.</p> <p>An emissions baseline mapping exercise was conducted in 2023 – 2024 and will explore the feasibility of a climate-related transition plan.</p> <p>The Hotel Manager is taking initial steps to study this disclosure.</p>
Business model and value chain		
23	<p>An issuer shall disclose information about the progress of plans disclosed in previous Reporting Periods in accordance with paragraph 22(a).</p>	<p>The Hotel Manager is taking initial steps to study this disclosure.</p>



Paragraph	Description	Section/Statement
Strategy		
Financial position, financial performance and cash flows		
<i>Current financial effect</i>		
24	<p>An issuer shall disclose qualitative and quantitative information about:</p> <p>(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the Reporting Period; and</p> <p>(b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual Reporting Period to the carrying amounts of assets and liabilities reported in the related financial statements.</p>	<p>The Hotel Manager will disclose the result of financial impact assessment in the next reporting period.</p>
<i>Anticipated financial effect</i>		
25	<p>The issuer shall provide qualitative and quantitative disclosures about:</p> <p>(a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:</p> <ul style="list-style-type: none"> (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy; and <p>(b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.</p>	<p>The Hotel Manager will disclose the result of financial impact assessment in the next reporting period.</p>

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



Paragraph	Description	Section/Statement
Strategy		
Financial position, financial performance and cash flows		

Climate resilience

26	<p>An issuer shall disclose information that enables an understanding of the resilience of the issuer’s strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer’s identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer’s circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:</p> <ul style="list-style-type: none"> (a) the issuer’s assessment of its climate resilience as at the reporting date, which shall enable an understanding of: <ul style="list-style-type: none"> (i) the implications, if any, of the issuer’s assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis; (ii) the significant areas of uncertainty considered in the issuer’s assessment of its climate resilience; and (iii) the issuer’s capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term; (b) how and when the climate-related scenario analysis was carried out, including: <ul style="list-style-type: none"> (i) information about the inputs used, including: <ul style="list-style-type: none"> (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) time horizons the issuer used in the analysis; and (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis); (ii) the key assumptions the issuer made in the analysis; and (iii) the Reporting Period in which the climate-related scenario analysis was carried out. 	<p>As the assessment is model based, a degree of uncertainty exists due to the reliance on climate models, which require various assumptions about the frequency, intensity, and geographical distribution of climate events to estimate future conditions. Nonetheless, applying this science-based and data-driven approach enhances our ability to anticipate physical climate risks and to formulate resilience strategies that are more robust and well-informed.</p> <p>Climate and Environmental Resilience</p>
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Paragraph	Description	Section/Statement
Risk Management		
27	<p>An issuer shall disclose information about:</p> <p>(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:</p> <ul style="list-style-type: none"> (i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria); (iv) whether and how the issuer prioritises climate-related risks relative to other types of risks; (v) how the issuer monitors climate-related risks; and (vi) whether and how the issuer has changed the processes it uses compared with the previous Reporting Period; <p>(b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and</p> <p>(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.</p>	<p>Climate and Environmental Resilience</p> <p>The Hotel Manager has identified climate-related risks and opportunities could materially affect our business under different scenarios, and they are outlined in the Strategy section. The risk list was built through reviewing publications of international research organisations and peer companies.</p> <p>Climate and Environmental Resilience</p>

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



Paragraph	Description	Section/Statement
Metrics and Targets		
Greenhouse gas emissions		
28	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the Reporting Period, expressed as metric tons of CO2 equivalent, classified as:	
	Scope 1 greenhouse gas emissions;	Environmental Performance
	Scope 2 greenhouse gas emissions;	
	Scope 3 greenhouse gas emissions.	
29	An issuer shall:	
	(a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	Environmental Performance
	(b) disclose the approach it uses to measure its greenhouse gas emissions including:	
	(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	
	(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	
	(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the Reporting Period and the reasons for those changes;	
	(c) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer’s measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	



Paragraph	Description	Section/Statement
Metrics and Targets		
Climate-related transition risks		
30	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Climate and Environmental Resilience
Climate-related physical risks		
31	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Climate and Environmental Resilience
Climate-related opportunities		
32	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Currently only qualitative disclosures are available. The Hotel Manager will explore conducting the assessment in the future.
Capital deployment		
33	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Currently only qualitative disclosures are available. The Hotel Manager will explore conducting the assessment in the future.
Internal carbon prices		
34	An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	The Hotel Manager would take into consideration in future application of internal carbon prices. Currently the Hotel Manager does not apply a carbon price in decision-making.

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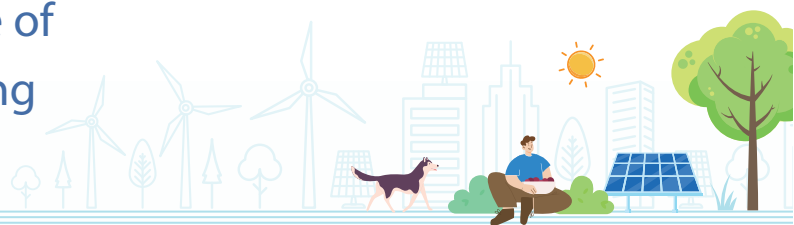


Paragraph	Description	Section/Statement
Metrics and Targets		
Remuneration		
35	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	The Hotel Manager will assess how climate related considerations should be factored into executive remuneration based on a range of factors, including the responsibilities of the Group’s executive management. Further Information and updates will be disclosed in future reports.
Industry-based metrics		
36	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry- based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Appendix IV Sustainability Accounting Standard Board (SASB) Hotels & Lodging Industry Disclosure



Paragraph	Description	Section/Statement
Metrics and Targets		
Climate-related targets		
37	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:	
	(a) the metric used to set the target;	Sustainability Vision
	(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	
	(c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	
	(d) the period over which the target applies;	
	(e) the base period from which progress is measured;	
	(f) milestones or interim targets (if any);	
	(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and	
	(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	
38	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
	(a) whether the target and the methodology for setting the target has been validated by a third party;	The targets are not validated by a third party.
	(b) the issuer's processes for reviewing the target;	Sustainability Vision
	(c) the metrics used to monitor progress towards reaching the target; and	
	(d) any revisions to the target and an explanation for those revisions.	

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



Paragraph	Description	Section/Statement
Metrics and Targets		
Climate-related targets		
39	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer’s performance.	Sustainability Vision
40	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	
	(a) which greenhouse gases are covered by the target;	Sustainability Vision
	(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	
	(c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;	The targets are considered to be a gross GHG emissions target.
	(d) whether the target was derived using a sectoral decarbonisation approach; and	The targets are not derived using a sectoral decarbonisation approach.
	(e) the issuer’s planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	Carbon credits are generated by diverse projects in renewables, reforestation, waste management, direct carbon capture solutions and many more. The credits are procured aligning with business and guests’ needs, prioritising high-integrity offsets that support verified emission reductions or removals.
	(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	
	(ii) which third-party scheme(s) will verify or certify the carbon credits;	
	(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	
	(iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	
Applicability of cross-industry metrics and industry-based metrics		
41	In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	Appendix IV Sustainability Accounting Standard Board (SASB) Hotels & Lodging Industry Disclosure

Appendix IV – Sustainability Accounting Standard Board (SASB) Hotels & Lodging Industry Disclosure

Sustainability Disclosure Topics and Metrics

SASB CODE	Topic	Metric	Section/Statement
SV-HL-130a.1	Energy Management	(1) Total energy consumed (2) percentage grid electricity (3) percentage renewable	Appendix II – Performance Table
SV-HL-140a.1	Water Management	(1) Total water withdrawn (2) Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Appendix II – Performance Table No water consumption of Regal REIT's hotels occurred in regions with High or Extremely High Baseline Water Stress ²⁸
SV-HL-450a.1	Climate Change Adaptation	Number of lodging facilities located in 100-year flood zones	Climate and Environmental Resilience

Activity Metrics

SASB CODE	Activity Metric	Section/Statement
SV-HL-000.A	Number of available room-nights	Regal REIT Annual Report – Review of Operations and Financial Results
SV-HL-000.B	Average occupancy rate	Regal REIT Annual Report – Review of Operations and Financial Results
SV-HL-000.C	Total area of lodging facilities	Property Portfolio; Regal REIT Annual Report – Property Portfolio
SV-HL-000.D	Lodging facilities that are owned and leased	

²⁸ According to the World Resources Institute (WRI) Aqueduct Water Risk Atlas, Hong Kong is classified as a low water stress region.



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