

# WING TAI PROPERTIES LIMITED

# 永泰地產有限公司

STOCK CODE 股份代號 369

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告 2018



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## ABOUT THIS REPORT

### REPORTING GUIDELINES

Wing Tai Properties Limited (hereinafter “Wing Tai”, “the Company”, “the Group”, “we” or “us”) is delighted to present its third annual standalone environmental, social and governance (ESG) report. This report was prepared to fulfil the “comply or explain” provisions of the Environmental, Social and Governance Reporting Guide (ESG Guide) under Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

### REPORTING PRINCIPLES

The Group endeavours to follow the core reporting principles outlined in the ESG Guide, including materiality, quantitative, balance and consistency.

<p><b>Materiality</b></p> <p>To ensure key ESG issues are identified, Wing Tai regularly engages with stakeholders and has appointed an independent consultant to facilitate the stakeholder engagement exercises on ESG reporting.</p>	<p><b>Quantitative</b></p> <p>Wing Tai continuously monitors and reports on ESG KPIs in quantitative means. Year-to-year comparisons of the environmental KPIs are available in this report.</p>
<p><b>Balance</b></p> <p>This report discusses both achievements and room for improvement of Wing Tai’s ESG management and performance. We strive to present an unbiased picture to readers.</p>	<p><b>Consistency</b></p> <p>The management approaches and performance discussed in this report are consistent with previous reports to enable meaningful comparisons.</p>

### SCOPE OF THIS REPORT

This report covers material issues that have arisen for Wing Tai and its subsidiaries (the Group) in the period from 1 January 2018 to 31 December 2018, unless otherwise specified.

The scope of this report covers our management approach for the material ESG aspects of our core business operations in Hong Kong:

- Property investment and management
  - Landmark East
  - Shui Hing Centre
  - W Square\*
  - Winner Godown Building\*
- Hospitality management
  - Lanson Place Hotel, Hong Kong
- Property development
  - Residential development of The Carmel
- Corporate offices in Kwun Tong and Central

\* We completed the disposals of two investment properties, namely W Square and Winner Godown Building in the first half of 2018. This report only covers the ESG performance mentioned before the handover to the new owners.

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# ABOUT THIS REPORT

## **FEEDBACK**

We appreciate your feedback on our ESG management and performance. Your comments and opinions will help to enhance the sustainability practices of Wing Tai. Please feel free to contact us to share your views:

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Full versions of this report in English and Chinese are published on our website at: <http://www.wingtaiproperties.com> and the website of The Stock Exchange of Hong Kong Limited.

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## CHAIRMAN'S MESSAGE

I am pleased to present Wing Tai's third annual Environmental, Social and Governance Report. "We don't just build, we craft" has long been Wing Tai's ethos. We are dedicated to building quality homes and providing excellent services to our customers. Through our products and services, we hope to contribute to building a better community.

Sustainability walks in line with our craftsmanship spirit. While crafting for quality, we also consider environmental and social impact on our stakeholders. Through stakeholder communications and engagement, we regularly identify and review our impact on society at large, and respond with actions to address stakeholders' concerns.

Extending from our previous efforts, we have maintained our awareness of sustainability. We will continue developing our portfolio with reference to the widely used voluntary green building labelling scheme, BEAM Plus, providing a safer, healthier, more comfortable, more functional and more efficient living environment. The Carmel, our new property development project, received BEAM Plus Certification (Provisional Silver Rating) from the Hong Kong Green Building Council. We are also revamping the environmental performance of our properties. As a first step, we installed solar panels on Landmark East's rooftop to encourage the use of renewable energy in our portfolio. Looking forward, we plan to implement more environmental initiatives to create sustainable value for the Group.

We also work closely with our stakeholders to spread our sustainability vision. During the year, we collaborated with our contractors for The Carmel to secure a high standard of occupational health and safety for construction workers on-site. We also partnered with non-governmental organisations to positively impact society. We regularly donate food to the needy and reduce our environmental impacts at the same time.

Although the Group is undergoing strategic repositioning to focus our investment on Central Business District (CBD) development, we look forward to continuing our ESG journey and creating long-term value for our stakeholders and the community at large. I would like to express my sincere appreciation to all those who have given us their tremendous support.

**Cheng Wai Chee, Christopher**

*Chairman*

Hong Kong, 27 March 2019

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## ABOUT WING TAI

Throughout the years, the Group has secured a mixed property portfolio comprising quality residential, commercial, industrial and hospitality projects.

Our excellent products and services are driving us to build a global presence. Our core business includes the “Wing Tai Asia” brand for property development in Hong Kong, property investment and management in Hong Kong and London, and the “Lanson Place” brand for hospitality management in Hong Kong, Shanghai, Chengdu, Singapore and Kuala Lumpur. This year, we expanded our presence to Australia. We signed a new contract to manage a new luxurious serviced residential property located in the city centre of Melbourne. The hotel is targeted for completion by 2022.

The Group strives to be a respectful and top-quality property developer. We treat excellency, creativity and sustainability as our core beliefs in business operations. We mindfully craft comfortable homes and provide hotels and serviced apartments that people desire. Our properties delineate our expectations and standards in design and construction, and our hospitality services show the depth of our care. Several projects under the “Lanson Place” brand were recognised with International Traveller Awards this year due to our top-quality hospitality services.

In 2018, we implemented strategic plans to reposition our business development. The plan includes the disposal of two investment properties, namely W Square and Winner Godown Building. These properties were handed over to new owners during the reporting period. In Hong Kong, we have cemented a good presence in both the traditional CBD in Central and the new CBD<sub>2</sub> in Kowloon East.

More information regarding our business portfolio and financial performance can be found in our [company's website](#) and [Annual Report 2018](#).

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## ESG MANAGEMENT APPROACH

### **ESG GOVERNANCE AND MANAGEMENT**

An ESG working group has been in place to show our dedication to incorporating ESG elements into our business operations. The Company Secretarial Department collaborates with qualified personnel from ESG-relevant departments during the reporting period to enable a smooth reporting process. The Board of Directors has reviewed and approved this ESG report.

### **ETHICAL BUSINESS OPERATION**

We strive to create an ethical business environment with zero tolerance for any improper behaviour. We have implemented strategic internal control and risk management systems and require our members to abide by the “Code of Conduct and Discipline at Work” (the Code). The Code was formulated in line with the Prevention of Bribery Ordinance (Cap.201 of the Laws of Hong Kong) to ensure compliance. It outlines the anti-bribery policies of Wing Tai and serves as an official document to promote honesty, integrity and fairness in our business operation. All transactions are required to be documented in an accurate, complete and timely manner. This maintains high transparency within the Group and safeguards us from bribery risk.

Supplementing the Code, the Group has developed the Whistleblowing Policy for misconduct reporting. We have opened various whistleblowing channels for our staff to report any suspicious activities, including malpractice and bribery. The whistleblowing reports are directly escalated to department or division heads, the Chief Executive and/or the Chairman of the Audit Committee. To prevent any retaliation against whistleblowers and maintain the effectiveness of the mechanism, we treat every whistleblowing case with confidentiality and sensitivity.

During the reporting period, we observed no non-compliance cases regarding bribery, extortion, fraud and money laundering in our business operation.

### **STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT**

We recognise the importance of sustaining interactions with our stakeholders, who impact or are influenced by our business operations. We understand different stakeholders’ expectations through various engagement activities and integrate ESG matters into our business operation. We believe that addressing stakeholders’ concerns is essential to building and maintaining relationships with key stakeholders. We have maintained regular communication with stakeholders to gather feedback throughout the year.

# ESG MANAGEMENT APPROACH

The following table shows our stakeholder engagement methods during the reporting period:

Stakeholder Group	Engagement Methods
Shareholders and investors	<ul style="list-style-type: none"> <li>▶ Annual General Meetings</li> <li>▶ Annual and Interim Reports</li> <li>▶ The Group's website</li> <li>▶ Press releases</li> </ul>
Employees	<ul style="list-style-type: none"> <li>▶ Intranet</li> <li>▶ Staff meetings</li> <li>▶ Staff care activities</li> <li>▶ Staff training</li> <li>▶ Staff interviews</li> </ul>
Customers	<ul style="list-style-type: none"> <li>▶ Customer service hotline</li> <li>▶ Daily personal contact</li> <li>▶ The Group's website</li> <li>▶ Questionnaires</li> </ul>
Media	<ul style="list-style-type: none"> <li>▶ Press releases</li> <li>▶ Press conferences</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>▶ Tendering processes</li> <li>▶ Meetings and conferences</li> <li>▶ Site visits</li> </ul>
Community	<ul style="list-style-type: none"> <li>▶ Voluntary service cooperation</li> </ul>

Without material change in our business operations, we have maintained the incorporation of our material issues in this ESG report. Relevant key ESG issues are listed below:

ESG Aspects	Issues
Employment and labour	<ul style="list-style-type: none"> <li>▶ Labour standards</li> <li>▶ Employment relations</li> <li>▶ Healthy workplace</li> <li>▶ Training and development</li> </ul>
Operating practices	<ul style="list-style-type: none"> <li>▶ Anti-corruption</li> <li>▶ Service responsibilities</li> <li>▶ Data privacy protection for tenants</li> <li>▶ Complaints handling</li> <li>▶ Supply chain management</li> </ul>
Community	<ul style="list-style-type: none"> <li>▶ Community services</li> </ul>
Environment	<ul style="list-style-type: none"> <li>▶ Waste recycling</li> <li>▶ Energy conservation</li> <li>▶ Significant impacts of activities on the environment and natural resources</li> </ul>



## OUR CARE FOR CUSTOMERS

### **PRODUCT AND SERVICE RESPONSIBILITY**

We don't just build, we craft. We not only craft excellence into our properties, but also find ways to bring the most value to our customers.

We are committed through the Product Responsibility Policy to ensuring that delivery of our products and services meets customers' expectations and aspirations. We spare no effort in upholding our product and service quality standards. In particular, we have appointed external consultants to provide professional judgement and advice for complicated project management and day-to-day quality management issues in our property management operations. Meanwhile, we strive to integrate environmental considerations into our business in the planning, design, development and operation phases, aiming to offer top-quality and customer-oriented products while excelling in environmental responsibility.

During the reporting period, we observed no non-compliance cases with regulatory requirements regarding health and safety, advertising, labelling and privacy.

### **CUSTOMER HEALTH AND SAFETY**

To ensure our customers' health and safety, we have adopted various mitigation and remediation measures to manage potential hazards and risk in our properties. For example, fire services and security systems have been implemented at all our properties to respond immediately to incidents. We also conduct daily patrols in our property management operations to ensure cleanliness, safety and proper building system operation. Patrollers are required to report any identified abnormalities to ensure follow-up action is taken in a timely manner.

Moreover, several crisis management policies and procedures have been implemented in our hospitality management operations. We identify and update the crisis scenarios regularly, covering aspects such as electricity supplies, lift systems, gas and fuel supplies, fire alarm systems, water supplies, flooding, etc. In the annual crisis management plan, we incorporate annual practices including testing, simulation and training to familiarise all parties responsible for crisis management.

During the reporting period, we identified no health and safety issues in the products and services that we delivered.

### **PROTECTING CUSTOMER PRIVACY**

Our responsible operation and handling of customer privacy is the foundation of building mutual trust. We adhere to the Personal Data (Privacy) Ordinance with respect to the collection, retention, handling, disclosure and use of personal data. To reinforce our internal management efforts, we have established a set of policies and guidelines on personal data privacy.

For our hospitality management operations, all our front-line employees who are responsible for handling customers' personal data receive training on a regular basis to continuously improve their data handling awareness and skills.

For our property management operations, instruction documents have been developed that guide the daily handling of personal data collected from visitors during registration. All documents containing sensitive data should be shredded for the sake of security and no recovery of such data is possible.

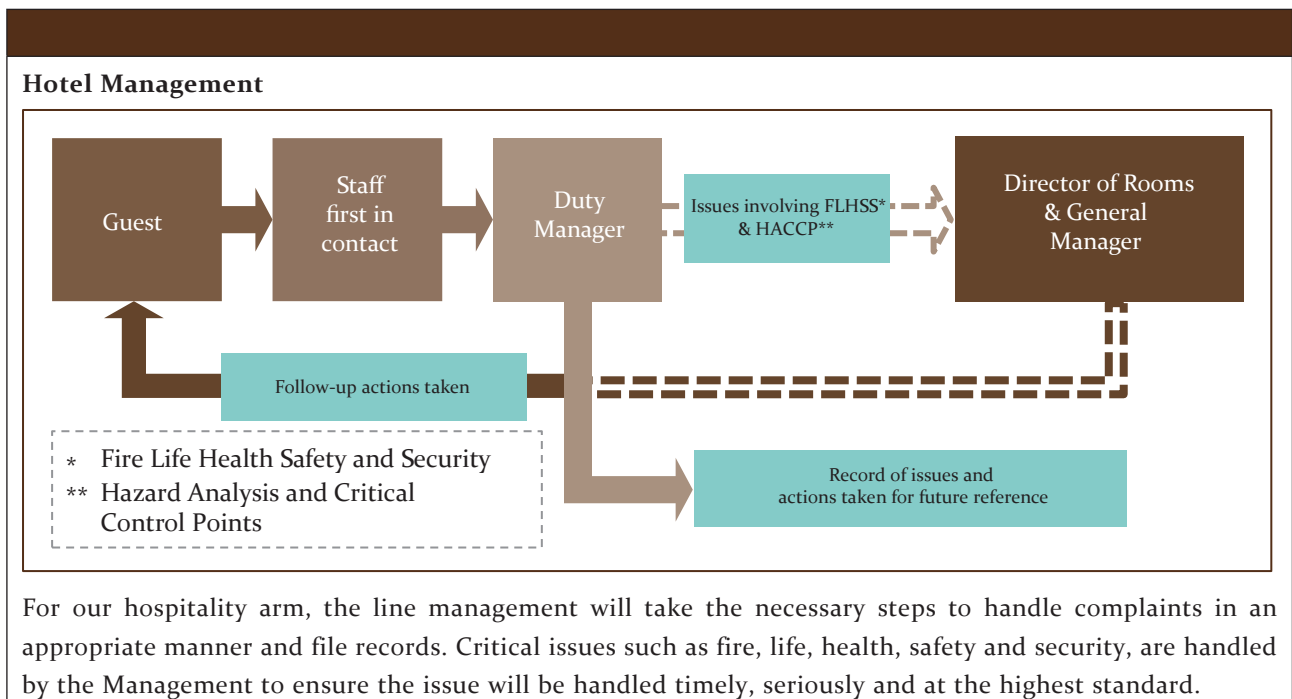
During the reporting period, the Group complied with relevant laws and regulations regarding personal data privacy and identified no incidents in which customers' privacy was put at risk.

# OUR CARE FOR CUSTOMERS

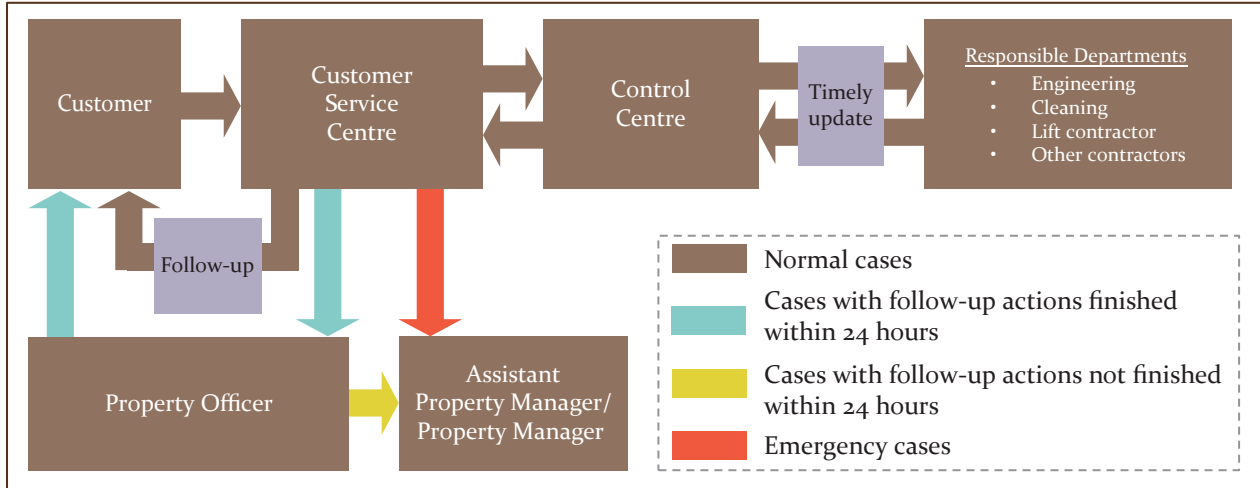
## HANDLING CUSTOMER FEEDBACK

Customer opinions, comments and suggestions are the greatest driving force behind our improvement. We conduct regular customer satisfaction surveys in our property management and hotel management operations, serving as a platform to measure our performance in various service areas. Customer suggestions, comments, compliments and complaints are regularly reviewed by Senior Management. The lessons learned will be shared amongst staff members for improving customer service and encouraging best practice so that we can serve at a high-quality standard.

As stipulated in our Product Responsibility Policy, the Group has a standardised complaint handling procedure to ensure customer feedback is dealt with in a consistent and efficient manner that abides by the service pledges contained in our internal procedure manual.



## Property Management



For our property management arm, our customer service centre will provide timely response to address the reported issues. For any emergency case and any case that we have not resolved within 24 hours after we receive the complaint from our customers, such event will be escalated and be handled through more advanced complaint management system.

We are, hereby, to uphold the best services to customers through our complaint and feedback procedures. During the reporting period, we did not receive any significant complaints regarding our services and product quality.

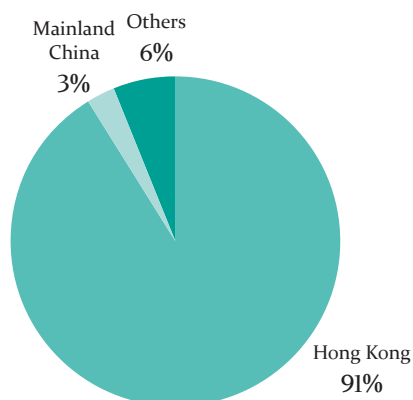
## OUR CARE FOR THE SUPPLY CHAIN

### SUPPLY CHAIN IN WING TAI

Quality product and service offerings rely on effective supply chain management. Various products and services, including construction materials, building services and cleaning supplies, are purchased to support our business operations. We continuously communicate with suppliers to maintain the quality of the products and services that we source and provide. We also encourage suppliers to follow our ESG measures through our Vendor Code of Conduct.

In 2018, our major business segments (i.e., hospitality management, property development and property management) and the Human Resources and Administration Department engaged a total of 657 suppliers for their operations in Hong Kong.

Location of suppliers	Number of suppliers	Percentage
Hong Kong	600	91%
Mainland China	20	3%
Others	37	6%



### SUPPLIER SELECTION

Supplier selection plays an important role in upholding the quality of our products and services. We maintain stringent supplier selection procedures in our business operations. For example, in our property management segment, we consider the suitability, competency and qualification of suppliers and maintain a list of qualifying suppliers. The hospitality management segment excludes high-risk suppliers that could compromise the effectiveness and efficiency of our purchasing functions.

Ongoing supplier evaluation is vital to maintaining the standard of our products and services. We conduct supplier evaluation annually to ensure the quality of products and services that we procure. In our property development segment, we regularly check the quality of construction materials purchased by contractors to safeguard the building quality. The Purchasing Officer in our hospitality management function is responsible for recommending new technologies and products that enhance customers' hospitality experience.

We have also formulated the Green Procurement Policy to promote environmental considerations and prioritise the use of environmentally friendly products and services whenever practicable. Green purchasing specifications are embedded in our corporate procurement practices. Relevant clauses are included in the tender documents adopted for our property management operations. Suppliers are required to comply with environmental laws and regulations. While keeping our procurement green, we also endeavour to ensure fairness and reasonableness with all suppliers and service providers in the procurement processes.

### **ETHICAL SUPPLY CHAIN OPERATION**

We uphold ethics in our business operations and extend this practice to our supply chain. We have distributed our Vendor Code of Conduct (the Code) to our suppliers and service providers to communicate our expectations. Our vendors are required to comply with applicable legislation in their operations. The Code also sets out our requirements on workplace health and safety, employment, labour standards, environmental protection, supply chain management and anti-bribery and corruption.

#### **Case Study: Collaboration with Construction Site Contractor Ensuring High Standard of Occupational Health And Safety**

We strive to operate with consideration of environmental and social benefits. To bring positive impacts to our business and society, we collaborate with our suppliers and service providers in managing the sustainability risks of our business operations.

Occupational health and safety (OHS) risks are embedded in our property development operations. We collaborated with Paul Y, one of our business partners in construction, to mitigate the OHS risks during construction of The Carmel in the reporting year. We maintained communication channels with Paul Y to communicate on OHS-related matters, including incidents, enhancement measures and ongoing monitoring, in a timely manner.

We conducted OHS risk assessments to identify the high-risk work procedures in the site. Regular assessments were conducted for on-going high-risk work procedures to review the effectiveness of protective measures. Whenever an OHS incident occurs, relevant risk assessment and enhancement plans are implemented in a timely manner. In this manner, OHS risks can eventually be proactively mitigated.

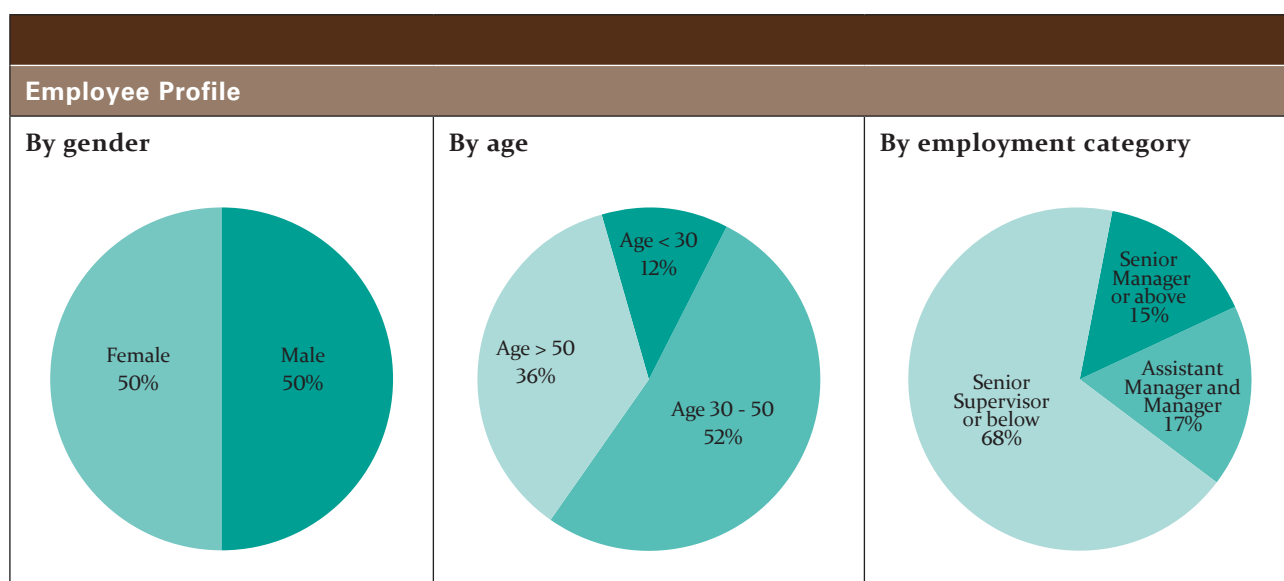
In addition to risk assessment, we also promote OHS standards in our property development operations. Safety induction training is offered to construction workers on site to remind them of proper work procedures and use of personal protection equipment. The assessment of the ongoing training need is also in place for construction workers.

## OUR CARE FOR EMPLOYEES

### EMPLOYMENT RELATIONS

We value our employees' efforts in delivering high quality homes and hospitality services. As such, we have adopted a competitive and people-centred human resource strategy to provide a warm workplace and rewarding remuneration to our employees. We endeavour to attract and retain talents by enhancing individual and organisational capacities and providing clear personal development pathways for employees.

We observe and comply with employment related legislation in Hong Kong, including the Employment Ordinance (Cap. 57 of the Laws of Hong Kong). During the reporting period, there were no non-compliance cases observed regarding employment issues. As at 31 December 2018, we employed 480 employees in our Hong Kong operations. Our employee profile is illustrated as follows:



We provide equal opportunities to our employees and job applicants in our employment activities such as recruitment, compensation, training and promotion. Decisions are made based on one's vocation, education, qualification, experience and skills. Ethnicity, ancestry, national origin, religion, gender, marital status, age, sexual orientation, disability or veteran status are not included in our employment decision-making process.

Apart from fair employment decision-making, we also strive to provide a fair and discrimination-free work environment to our employees. We prohibit any form of discrimination or harassment in our workplace. All colleagues are treated with respect and dignity.

To retain and attract talents, we offer fair and competitive remuneration packages with reference to local and industry standards. We also adopt the "pay-for-performance" principle to determine employee remuneration by accomplishment and consider incentives for future contribution. Extending from monetary remuneration, we provide ample benefits, including various types of leave, insurance protection and long-term service awards, to reward the contribution of our employees.

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Open communication among the Group is fundamental to creating a friendly and warm atmosphere. Staff members are free to discuss their employment and opinions with their direct supervisors, department heads or the Human Resources and Administration Department. We also have stage-wide grievance and complaint handling procedures for our employees. All grievances and complaints received are escalated to direct supervisors or the Human Resource and Administration Department depending on the situation. These grievances and complaints are handled with confidentiality and are properly addressed to maintain the effectiveness of the mechanism.

### **HEALTHY WORKPLACE**

We care about our employees' health and safety. We adhere to statutory requirements on occupational health and safety (OHS), including the Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong) and the Factories and Industrial Undertakings Ordinance (Cap. 59 of the Laws of Hong Kong). Whenever practicable, we exceed the regulatory requirements to improve the protection of our employees, including the provision of medical and personal accident insurance. During the reporting period, we observed no non-compliance cases regarding OHS practices in our operations in Hong Kong.

Our property management and hospitality management operations are certified with OHSAS 18001 Occupational Health and Safety Management Systems. With the roll out of the latest ISO 45001 in March 2018, we are working closely with our consultants to migrate to the latest system, which follows the Plan, Do, Check, Act model, in the coming years.

To minimise OHS risks in our operations, we have embedded OHS related measures and procedures in the work instructions for our frontline employees. For example, in our property management operations, we formulated work instructions detailing procedures for emergencies, including fires, electricity shortages and lift malfunctions, for our staff to follow. For our office staff, we also offer guidelines to maintain good posture and reduce stress.

Raising awareness is fundamental in promoting OHS among employees. As such, we provide regular training to our employees to enhance their awareness on the topic. Induction and toolbox training sessions are provided to employees in the property development segment. We also invite qualified speakers to deliver talks and seminars on OHS issues for our employees. Employees are also sponsored to participate in external training to enhance their knowledge of first aid and fire fighting. Personal protection and auxiliary equipment, such as helmets, aerial working platforms and ladders, are also provided to employees to support their work and protect them.

We also meticulously monitor our OHS performance. Through reviewing the relevant data, we can identify improvement opportunities in our current measures. During the reporting period, we observed no work-related fatalities in our operations. We also provided a total of 703 hours of health and safety training to our employees.

# OUR CARE FOR EMPLOYEES

## TRAINING AND DEVELOPMENT

To uplift the quality of our products and services, our employees' capabilities play a fundamental role. Therefore, we strive to provide a wide range of training opportunities to bolster our employees' personal development and thus improve our product and service delivery.

We encourage our employees to participate in formal training courses related to the Group's businesses and their own career development. We offer a variety of internal training courses, such as management and leadership workshops to management staff, to our employees based on business needs. Sector-specific training programmes are also offered to improve employees' expertise. For instance, our hospitality management segment appoints external training consultants to offer customer services, leadership and train-the-trainer training to our operational and managerial employees.

Adding to internally organised training, we also provide financial subsidies to our employees to participate in external training courses for skill enhancement. This offers our employees flexibility in developing their work-related skill sets and determining personal development paths.

	Performance in 2018
Average training hours	8.31 hours
<b>Average training hours by gender</b>	
Male	9.25 hours
Female	7.37 hours
<b>Average training hours by employment category</b>	
Senior Manager or above	4.05 hours
Assistant Manager and Manager	8.32 hours
Senior Supervisor or below	9.25 hours

Apart from formal training courses, we offer our hospitality management employees an inter-property cross-exposure programme within the business segment. Senior management identifies potential colleagues to participate for their personal development and skill enhancement. The programme enables them to experience duties in different positions and broaden their horizon in the industry.

To retain talents in the Group, in addition to the on-going informal feedback from the supervisors, we have adopted a comprehensive performance appraisal system to review employee performance annually and KRA (Key Responsibility Area) system to enable a clear understanding of expected performance and mutual agreement on standards and personal objectives in support of business objectives for staff members of managerial grade and above.

During the appraisal meeting, supervisors will work with the subordinates through discussion and recording of accountability, key areas of responsibility and agreed objectives. At the end of the year, supervisors will review with subordinates with reference to the specific and overall performance and also identify the training development needs if any.



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## **LABOUR STANDARDS**

The Group complies with the Employment Ordinance (Cap. 57 of the Laws of Hong Kong), Employment of Children Regulation (Cap. 57B of the Laws of Hong Kong) and Employment of Young Persons (Industry) Regulation (Cap. 57C of the Laws of Hong Kong) and strictly forbids the use of child, forced, bonded, indentured or slave labour or human trafficking. Every employee is guaranteed freedom of movement in our workplace. Job applicant will declare his/her date of birth in the job application form and a copy of his/her HKID card will be obtained upon employment to prohibit delegation of hazardous tasks to employees under 18 years of age. During the reporting period, we observed no non-compliance cases regarding labour standards in our business operations.

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## OUR CARE FOR THE ENVIRONMENT

### ENVIRONMENTAL MANAGEMENT

We are aware of the impact we have on the environment in our business operations. Therefore, we endeavour to minimise adverse impacts for the sake of environmental sustainability for our business and the areas in which we operate. Guided by our Environmental Policy, we consider our environmental impact on the society during the decision-making process. We also work to ensure compliance with relevant environmental legislation, such as Air Pollution Control Ordinance (Cap. 311 of the Laws of Hong Kong), Noise Control Ordinance (Cap. 400 of the Laws of Hong Kong), Water Pollution Control Ordinance (Cap. 358 of the Laws of Hong Kong), Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong) and Dangerous Goods Ordinance (Cap. 295 of the Laws of Hong Kong). In addition to environmental compliance with legislations, the Environmental Policy affirms our commitment in the following matters:

- Protect the environment and reduce carbon emissions by conserving natural resources
- Reduce the use of energy and minimise and recycle waste
- Integrate environmental considerations into the planning, design, development and operation of our businesses
- Promote the use of environmentally friendly materials and technologies in the design and operation of our businesses
- Encourage our consultants and contractors to implement our environmental requirements, and work with them to help realise our environmental commitments
- Take environmental considerations into account in our procurement processes
- Enhance environmental awareness among our staff, consultants, contractors, suppliers, customers and tenants
- Obtain environmental certification such as China GBL, BEAM, LEED and other green building labels for our development projects where practicable

Stipulated in the Environmental Policy, we work closely with our partners in the supply chain to promote environmental sustainability in our operations. We communicate with our suppliers through the Vendor Code of Conduct and Green Procurement Policy. Please refer to “[Our Care for the Supply Chain](#)” of this report for more details.

An effective management system can help us to actively plan and monitor our environmental impact on our operation. Landmark East, one of the commercial developments under our property management, has established such a system and obtained ISO 14001 Environmental Management System certification in 2011.

During the reporting period, we observed no non-compliance cases regarding emissions, sewage discharge and waste generation in our operations.

## ENERGY CONSERVATION AND EMISSIONS REDUCTION

In Hong Kong, the majority of energy is consumed in buildings. As a property developer and owner, we are cautious about our energy consumption and adopt corresponding enhancement measures to reduce energy consumption and promote energy efficiency in our properties.

In our property management segment, we have set up operational procedures to manage energy consumption. The procedures include keeping indoor temperature at a reasonable level, turning off unnecessary air conditioning and lights in communal areas and monitoring electricity consumption regularly. To further enhance our energy efficiency, we have replaced some aged hardware in our properties. For example, we replaced staircase and carpark lighting with LEDs in Landmark East, contributing around 70% in energy reduction. We also retrofitted chillers with new VSD chillers in Shui Hing Centre to save around 248,091 kWh of electricity. We installed solar panels on Landmark East's rooftop in the fourth quarter of 2018, generating around 10,800 kWh annually for the buildings' use.

Lanson Place Hotel in our hospitality management segment reviewed the hot water system and operating schedule for Heating, Ventilation, and Air Conditioning (MVAC) system during the reporting period. We also installed a sun control window film in the breakfast area to block sunlight in order to better control the indoor temperature. These measures can reduce unnecessary energy consumption in our hospitality operations.

We also collaborate with our contractors to improve our energy efficiency in the project development segment. Our contractor for The Carmel development project obtained ISO 50001 Energy Management System certification and has put in place an Environmental and Energy Policy to control energy consumption on-site. Energy-efficient power generators were deployed on-site to reduce diesel consumption. Also, office lighting is switched off by 7:00 p.m. every day to avoid energy wastage at The Carmel. We have also incorporated energy saving elements into the building design. Please refer to the [Green Building](#) section for more details.

### Case Study: Energy Audit for Our Managed Properties

Since energy consumption contributes to a significant portion of our environmental footprint, we are eager to explore energy saving opportunities through understanding our energy consumption. Shui Hing Centre and Landmark East joined CLP energy audit scheme to find out how our business can be smarter and greener by saving energy and operating cost.

The audit run through the following steps:

- Indoor Environmental Quality (IEQ) spot measurement
- Energy system performance analysis
- Energy Management Opportunities (EMOs) identification
- Detailed energy saving recommendation report

As a result of the exercise, we implemented our energy reduction measures more cost-efficiently and promoted energy saving awareness among different building users with the understanding of their current consumption patterns.

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# OUR CARE FOR THE ENVIRONMENT

## **WATER CONSERVATION**

A substantial amount of water is consumed in our hospitality operations. As such, we have implemented water conservation measures in Lanson Place Hotel. Our Engineering Department checks and maintains water pipes to avoid wastage from leakage. This department is also responsible for checking water consumption in landscaping and public areas and identifying corresponding water conservation opportunities. During the reporting period, we reviewed our water tank cleaning procedures to reduce water consumption for cleaning.

In the property management segment, we installed rainwater recycling tanks to collect rainwater for landscaping purposes. The rainwater recycled is estimated to save around 12 cubic metres of fresh water annually.

## **WASTE MANAGEMENT**

Waste management is a major environmental issue in Hong Kong. In light of the upcoming Municipal Waste Charging Scheme, we seek to minimise waste disposal in our business operations. We encourage our employees to reduce the use of paper in daily routines. In hospitality management, we have simplified our documentation process to reduce paper consumption and disposal. We also engage our tenants by placing recycling bins within our premises and encourage them to recycle paper, aluminium cans and plastic bottles.

Food waste is generated in our hospitality operations. To reduce wastage, we donate imperishable and edible food, such as bread and pastries, to Giving Bread. This organisation then gives out bread to the needy in the community.

We are aware that hazardous waste can cause serious land pollution. Reusable hazardous waste, including toner cartridges, is collected by suppliers. Other hazardous waste, such as chemical waste and fluorescence tubes, is properly handled by qualified operators. We ensure that, before the waste is collected, there is no leakage in waste storage in accordance with the industry standards and legal requirements. We monitor all operators' performance in collecting, sorting and storing waste to ensure compliance.

## GREEN BUILDING

The quality of the homes that we craft has a viable impact on our customers, the neighbourhood and the environment. Therefore, we strive to consider green building elements in our property development projects and endeavour to obtain green building certificates where practicable and feasible.

We work closely with our contractors to reduce the use of timber in the construction stage. Whenever necessary, we only use sustainable timber in temporary works for our property development projects. To monitor implementation, we require our suppliers to report and record the manufacturers' information clearly. Records are maintained for continuous source tracing.

Apart from sourcing timber, we also incorporate other green building elements into our property development projects. The Carmel has received BEAM Plus Certification (Provisional Silver rating) from the Hong Kong Green Building Council. We have also adopted a series of green building elements in the project as highlighted below:

Aspects	Green Building Elements
Site	<ul style="list-style-type: none"><li>• Incorporated more than 20% of soft landscaping area in the site</li><li>• Established appropriate exterior landscaping lighting to meet the rural residential environment</li></ul>
Energy	<ul style="list-style-type: none"><li>• Installed efficient air conditioning systems to reduce energy consumption</li><li>• Installed low-e glazing glass to provide better insulation and lower the demand for air-conditioning in flats</li><li>• Adopted certified energy efficient appliances</li></ul>
Water	<ul style="list-style-type: none"><li>• Installed water efficient washing machines, dual flush sanitary fittings and flow restrictors in sanitary fixtures</li><li>• Used seawater for flushing</li></ul>
Waste	<ul style="list-style-type: none"><li>• Used precast façade to reduce material wastage from on-site installation</li></ul>

# OUR CARE FOR THE ENVIRONMENT

## ENVIRONMENTAL PERFORMANCE DATA

The environmental performance data in relation to our corporate office, property development, property management and hospitality management is presented below:

	Units	2017 Performance <sup>1</sup>	2018 Performance
<b>Energy consumption</b>			
Total electricity consumption	kWh	23,060,160	21,394,576
Total fuel consumption of towngas	Units	732	705
Total diesel consumption	Litres	38,382	185,354
<b>Energy intensity</b>			
Corporate offices	GJ/square feet (GJ/sq. ft.)	0.061	0.056
Property development <sup>2</sup>	GJ/sq. ft. <sup>3</sup>	0.017	0.030
Property management <sup>4</sup>	GJ/sq. ft.	0.033	0.030
Hospitality management <sup>5</sup>	GJ/room night	0.179	0.182
<b>Greenhouse Gas (GHG) emissions<sup>6</sup></b>			
Direct emissions (Scope 1)	tonnes of CO <sub>2</sub> equivalents	190	492
Indirect emissions (Scope 2)	tonnes of CO <sub>2</sub> equivalents	13,681	11,968
<b>GHG emission intensity by operations</b>			
Corporate offices	tonnes/sq. ft.	0.007	0.006
Property development <sup>2</sup>	tonnes/sq. ft. <sup>3</sup>	0.004	0.002
Property management <sup>4</sup>	tonnes/sq. ft.	0.005	0.004
Hospitality management <sup>5</sup>	tonnes/room night	0.039	0.040
<b>Water consumption and intensity by operations</b>			
Total water consumption	cubic metres (m <sup>3</sup> )	116,059	92,891
Property development <sup>2</sup>	m <sup>3</sup> /sq. ft. <sup>3</sup>	0.097	0.108
Property management <sup>4</sup>	m <sup>3</sup> /sq. ft.	0.035	0.022
Hospitality management <sup>5</sup>	m <sup>3</sup> /room night	0.592	0.373

	Units	2017 Performance <sup>1</sup>	2018 Performance
<b>Waste</b>			
Non-hazardous waste disposed	kg	40,508	148,689
Non-hazardous waste recycled	kg	46,873	47,888
Hazardous waste handled	pieces	4,141	4,127
Hazardous waste recycled	pieces	3,462	3,576
<b>Construction material used</b>			
Concrete	cubic metre	4,190 <sup>7</sup>	23,056
Steel	tonnes	808	2,910
Timber	cubic metre	5,811 <sup>7</sup>	858
Others	tonnes	2,071	1,677

<sup>1</sup> Environmental data of hospitality management segment in 2017 is adjusted to reflect the actual situation.

<sup>2</sup> Property development data in 2018 only includes The Carmel, Tuen Mun.

<sup>3</sup> Intensities for property development are calculated based on the allowable gross floor area.

<sup>4</sup> Property management data includes our core property management business in 4 properties, including Landmark East, Shui Hing Centre, W Square (before handover on 31 May 2018) and Winner Godown Building (before handover on 28 March 2018), in Hong Kong.

<sup>5</sup> Hospitality management data includes the operation in Lanson Place Hotel, Hong Kong.

<sup>6</sup> Calculated in accordance with the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 Edition) published by the Environmental Protection Department, HKSAR. We also took reference of the emission factors from CLP Power Hong Kong Limited, The Hongkong Electric Company, Limited and The Hong Kong and China Gas Company Limited respectively, for the calculation of GHG emissions (Scope 2).

<sup>7</sup> The consumption data of concrete and timber in 2017 was updated due to change of unit from tonnes to cubic metre.

## OUR CARE FOR THE COMMUNITY

### COMMUNITY INVESTMENT

We recognise our responsibility in contributing to the local community. We continue to interact with different stakeholder groups in the community to understand their needs and make their life better. Guided by our Community Investment Policy, the Group is committed to building communities with heart. We also create value for the community through our connection and cooperation with non-governmental organisations (NGOs). This year, we participated in voluntary services and contributed donations for underprivileged families, seniors and public health.

### VOLUNTEERING AND DONATIONS

We support certain NGOs and encourage our staff to volunteer in their charity events. During the reporting year, our staff contributed 68 service hours in volunteer activities.

We continued to our community initiatives from last year. We participated in the Elderly Home Visit organised by the Tung Wah Group of Hospitals in which our staff shared their love and support with seniors, and also participated in blood donation events held by the Hong Kong Red Cross.





Every year, we take part in the Heifer Race to Feed charity run activity, which raises funds to alleviate poverty in Mainland China through encouraging self-reliance by providing livestock, animal husbandry training and community development training to underprivileged families. The activity also provides a great opportunity for our staff to challenge themselves and build team spirit.



We continued to be named as a COOL Corporate by the Friends of Earth. The scheme focuses on noticeable corporate commitments to environmental protection and recognises our ESG initiatives in contributing to a better local community. In particular, we actively participate in the energy-saving programme held by the organisation.



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## OUR ESG CERTIFICATION AND AWARDS

Our effort in promoting sustainability is well-recognised by the public. During the reporting year, we received the following accolades for our ESG performance:

Certification/Award Name	Organisation
BEAM Plus – Provisional Silver Rating for The Carmel	Hong Kong Green Building Council
Wastewise Certificate	Hong Kong Green Organization Certification
IAQ Certificate	Environmental Protection Department
Certificate of Appreciation – Heifer Race to Feed 2018	Heifer Hong Kong
Bronze prize – Sustainability Leader Award	Friends of the Earth (HK) Charity Ltd

## APPENDIX: HKEX ESG REPORTING GUIDE CONTENT INDEX

This index indicates how this Report has been complied in accordance with the “Comply or Explain” provisions set out in HKEx’s Environmental, Social and Governance Reporting Guide.

### A: ENVIRONMENTAL PERFORMANCE

Aspects	Descriptions	Sessions in the report	Page Number	Remarks
A1: Emissions	General Disclosure  Information on:  (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Management	16	
	KPI A1.1 The types of emissions and respective emissions data.	N/A	N/A	Wing Tai does not generate a significant amount of air emissions in business operations.
	KPI A1.2 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity.	Environmental Performance Data	20-21	
	KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	Environmental Performance Data	20-21	
	KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Environmental Performance Data	20-21	
	KPI A1.5 Description of measures to mitigate emissions and results achieved.	Energy Conservation and Emissions Reduction	17	
	KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Waste Management	18	

## APPENDIX: HKEX ESG REPORTING GUIDE CONTENT INDEX

Aspects	Descriptions	Sessions in the report	Page Number	Remarks
A2: Use of Resources	General Disclosure  Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Management	16	
	KPI A2.1 Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity.	Environmental Performance Data	20-21	
	KPI A2.2 Water consumption in total and intensity.	Environmental Performance Data	20-21	
	KPI A2.3 Description of energy use efficiency initiatives and results achieved.	Energy Conservation and Emissions Reduction	17	
	KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Water Conservation	18	Wing Tai mainly consumes municipal water in Hong Kong. There is currently no issue in water-sourcing in Hong Kong.
	KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	N/A	N/A	Wing Tai's major product and service offerings do not involve the use of packaging materials.
A3: The Environment and Natural Resources	General Disclosure  Policies on minimising the issuer's significant impact on the environment and natural resources.	Environmental Management; Green Building	16, 19	
	KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Building	19	

## B: SOCIAL PERFORMANCE

Aspects	Descriptions	Sessions in the report	Page Number
<b>Employment and Labour Practices</b>			
B1: Employment	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p>	Employment Relations	12-13
	<p>KPI B1.1</p> <p>Total workforce by gender, employment type, age group and geographical region.</p>	Employment Relations	12-13
	<p>KPI B1.2</p> <p>Employee turnover rate by gender, age group and geographical region.</p>	N/A	N/A
B2: Health and Safety	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to providing a safe working environment and protecting employees from occupational hazards.</p>	Healthy Workplace	13
	<p>KPI B2.1</p> <p>Number and rate of work-related fatalities.</p>	Healthy Workplace	13
	<p>KPI B2.2</p> <p>Lost days due to work injury.</p>	N/A	N/A
	<p>KPI B2.3</p> <p>Description of occupational health and safety measures adopted, how they are implemented and monitored.</p>	Healthy Workplace	13

## APPENDIX: HKEX ESG REPORTING GUIDE CONTENT INDEX

Aspects	Descriptions	Sessions in the report	Page Number
B3: Development and Training	<p>General Disclosure</p> <p>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p>	Training and Development	14
	<p>KPI B3.1</p> <p>The percentage of employees trained by gender and employee category (e.g. senior management, middle management).</p>	N/A	N/A
	<p>KPI B3.2</p> <p>The average training hours completed per employee by gender and employee category.</p>	Training and Development	14
B4: Labour Standards	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to preventing child and forced labour.</p>	Labour Standards	15
	<p>KPI B4.1</p> <p>Description of measures to review employment practices to avoid child and forced labour.</p>	Labour Standards	15
	<p>KPI B4.2</p> <p>Description of steps taken to eliminate such practices when discovered.</p>	N/A	N/A
<b>Operating Practices</b>			
B5: Supply Chain Management	<p>General Disclosure</p> <p>Policies on managing environmental and social risks of the supply chain.</p>	Our Care for the Supply Chain	10-11
	<p>KPI B5.1</p> <p>Number of suppliers by geographical region.</p>	Supply Chain in Wing Tai	10
	<p>KPI B5.2</p> <p>Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.</p>	Supplier Selection	10-11

Aspects	Descriptions	Sessions in the report	Page Number
B6: Product Responsibility	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	Product and Service Responsibility	7
	<p>KPI B6.1</p> <p>Percentage of total products sold or shipped subject to recalls for safety and health reasons.</p>	N/A	N/A
	<p>KPI B6.2</p> <p>Number of products and service related complaints received and how they are dealt with.</p>	Handling Customer Feedback	8-9
	<p>KPI B6.3</p> <p>Description of practices relating to observing and protecting intellectual property rights.</p>	N/A	N/A
	<p>KPI B6.4</p> <p>Description of quality assurance process and recall procedures.</p>	Handling Customer Feedback	8-9
	<p>KPI B6.5</p> <p>Description of consumer data protection and privacy policies, how they are implemented and monitored.</p>	Protecting Customer Privacy	7

## APPENDIX: HKEX ESG REPORTING GUIDE CONTENT INDEX

Aspects	Descriptions	Sessions in the report	Page Number
B7: Anti-corruption	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to bribery, extortion, fraud and money laundering.</p>	Ethical Business Operation; Ethical Supply Chain Operation	5, 11
	<p>KPI B7.1</p> <p>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>	Ethical Business Operation	5
	<p>KPI B7.2</p> <p>Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.</p>	Ethical Business Operation	5
<b>Community</b>			
B8: Community Investment	<p>General Disclosure</p> <p>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>	Our Care for the Community	22-23
	<p>KPI B8.1</p> <p>Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).</p>	N/A	N/A
	<p>KPI B8.2</p> <p>Resources contributed (e.g. money or time) to the focus area.</p>	Our Care for the Community	22-23



**WING TAI PROPERTIES LIMITED**

Incorporated in Bermuda with limited liability

**永泰地產有限公司**

於百慕達註冊成立之有限公司



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