

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 2019



WINGTAIASIA
永泰亞洲

SUSTAINABILITY

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ABOUT THIS REPORT

REPORTING GUIDELINES

Wing Tai Properties Limited (“Wing Tai” or the “Company”), is delighted to present its fourth annual standalone environmental, social and governance (ESG) report. This report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) to satisfy the “comply or explain” provisions as well as the “recommended disclosures” under Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

REPORTING PRINCIPLES

During the preparation process, the Company adheres to the core reporting principles outlined in the ESG Reporting Guide, including materiality, quantitative, balance and consistency. For details, please refer to the following table.

<p>Materiality</p> <p>Material ESG issues are identified through stakeholder engagement. These issues cover aspects that reflect significant economic, environmental and social impacts on Wing Tai’s business.</p>	<p>Quantitative</p> <p>ESG KPIs in quantitative terms are disclosed in this report whenever feasible.</p>
<p>Balance</p> <p>This report presents a balanced view to readers and reflects both achievements and rooms for improvement of Wing Tai’s ESG management and performance.</p>	<p>Consistency</p> <p>The management approaches and measurement methodologies of performance displayed in this report are consistent with their counterparts displayed in the reports for previous years to enable year-on-year comparisons of Wing Tai’s performance.</p>

SCOPE OF THIS REPORT

This report covers material issues that have arisen for Wing Tai and its subsidiaries (the “Group”) during the period from 1 January 2019 to 31 December 2019, unless otherwise specified.

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

- Property investment and management
 - Landmark East
 - Shui Hing Centre
- Hospitality management
 - Lanson Place Hotel, Hong Kong
- Property development
 - Residential development known as OMA OMA situated in Tuen Mun
- Corporate offices in Kwun Tong and Central

ABOUT THIS REPORT

FEEDBACK

We attach great importance to stakeholders' opinions and welcome readers to contact us. Contact details are provided below. Your comments and opinion will help us to further enhance this report and Wing Tai's future ESG performance.

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This report is published in both Traditional Chinese and English and is available on the websites of the Hong Kong Stock Exchange and Wing Tai.

CHAIRMAN'S MESSAGE

I am pleased to present Wing Tai's fourth annual Environmental, Social and Governance Report, highlighting the efforts and achievements in 2019.

"We don't just build, we craft" is Wing Tai's long-standing ethos. Upholding this ethos, we build quality homes for, and provide excellent services to, our customers. Sustainable development has become an integrated element of our business strategy and craftsmanship spirit. We take care of the environmental and social impacts while crafting for quality and customer satisfaction.

Over the past years, Wing Tai has enhanced its sustainability management and performance. Thanks to the concerted efforts of our employees, we have expanded our high-performing portfolio with significant contributions to sustainability. Our residential development project, OMA OMA, has gained BEAM Plus New Buildings Provisional Bronze Certification from the Hong Kong Green Building Council, creating additional values with features concerning wellness of nature and people. We are committed to developing our portfolios with the adoption of widely recognised green building schemes and providing a safer, healthier and a more comfortable, functional and efficient living environment. Apart from delivering homes with exceptional quality, we are dedicated to advancing efficient use of resources and minimising adverse environmental impacts. The technological advancement in facilities will continuously contribute to the Group's green operations.

To support the community in which we operate, we have established partnerships with various non-governmental organisations to maximise the impacts of our contributions. Expanding from the existing community programmes, such as in-kind donations, we provided opportunities to young generations to gain experiences through the internship programme of Lanson Place Hotel. These programmes have marked our steps towards the journey of supporting social cohesion.

Moving forward, we wish to strengthen our market positioning as a responsible property developer creating long-term value for the society. I would like to take this opportunity to express my sincere appreciation to all those who have given us their tremendous support. I, hereby, invite you to join our journey towards a sustainable future.

Cheng Wai Chee, Christopher

Chairman

Hong Kong, 27 March 2020

ABOUT WING TAI

The Group has a diversified property portfolio comprising quality residential, commercial, industrial and hospitality projects. We primarily operate under the “Wing Tai Asia” brand for property development, property investment and management in Hong Kong, and increasingly in the United Kingdom.

As part of our strategic repositioning and expansion of asset portfolio, significant progress has been made in our extended presence in both the traditional CBD in Central and the growing CBD in Kowloon East. The master planning for our comprehensive development of Gage Street/Graham Street in Central progressed as scheduled. The multi-purpose project, consisting of a Grade A office tower, a hotel, retail units and open public space, is set to transform the old urban district in the years to come.

The Group strives to be a respectful and top-quality property developer. We regard excellency, creativity and sustainability as our core beliefs. We mindfully conduct our business and fulfil the desire of our stakeholders, including shareholders, customers, business partners and communities. Our brands will continue to delineate our expectations and standards in design and construction and show the depth of our care.

We also operate under the “Lanson Place” brand for hospitality management in Hong Kong, Shanghai, Chengdu, Singapore, Kuala Lumpur and Melbourne. During the year, we heralded our entry into the Philippines, signed a 10-year management contract to operate a brand-new hotel and serviced residence project at the heart of SM Mall of Asia in Pasay, Manila. The project will offer 250 hotel rooms and 150 serviced suites upon its completion in 2022.

More information regarding our business portfolio and financial performance can be found in [our website](#) and [Annual Report 2019](#).

ESG MANAGEMENT APPROACH

ESG GOVERNANCE AND MANAGEMENT

The Board of Directors of Wing Tai directs that sufficient resources and management efforts are to be given to consolidate the Group's corporate governance and ESG work. An ESG working group with delegated responsibilities is in place to monitor and drive improvement of ESG performance within our business operations. The Company Secretarial Department closely collaborates with qualified personnel from relevant operational departments on ESG related matters. After having obtained confirmation from the senior management, this report was passed to the Board for approval on 27 March 2020.

ETHICAL BUSINESS OPERATION

Business integrity and ethical conducts are the foundation of our long-term business success. In order to minimise losses which may be brought by non-compliance and to protect our reputation, we adhere to laws and regulations relating to anti-bribery, fraud, blackmail and money-laundering, such as the Prevention of Bribery Ordinance (Cap.201 of the Laws of Hong Kong).

We strive to create an ethical business environment with zero tolerance for any improper behaviours. We have developed the "Code of Conduct and Discipline at Work" (the "Code") to complement our internal control and risk management systems. Every member of the Group is strictly required to abide by the Code and act in the best interest of the Group. The Anti-bribery Policies outlined in the Code serve as the critical guidance and instruction to conduct business with honesty, integrity and fairness. All transactions are required to be documented in an accurate, complete and timely manner.

We have also developed the Whistleblowing Policy for members to file reports through official channels about any suspicious activities observed, including but not limited to malpractices in workplace and financial crimes. The reports are directly escalated to heads of department or division, further to the Chief Executive and/or the Chairman of the Audit Committee depending on severity. To maintain the effectiveness of the mechanism, the Whistleblowing Policy contains confidentiality provisions whereby the whistleblowers are protected from any form of retaliation or repercussion.

The risk management system helps maintain credibility of the Group and safeguards us from the risk of business misconduct. 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

Wing Tai has been committed to establishing diversified communication channels with stakeholders. We believe that stakeholder engagement is a long-term commitment to build trusting and enduring relationships on the one hand and to improve Wing Tai's ESG governance level on the other hand. Therefore, we keep active communication with various stakeholders to better understand their expectations and take them into consideration for future improvement in our ESG performance.

ESG MANAGEMENT APPROACH

Different types of communication with each type of stakeholder during the reporting period are as follows:

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

As there was no material change in our business operations during the year, we report herein material ESG issues which are the same as in the ESG report for last year. The key ESG issues reported herein are listed below:

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

OUR CARE TO CUSTOMERS

PRODUCT AND SERVICE RESPONSIBILITY

We don't just build, we craft. With the business ethos of Wing Tai deeply rooted in every employee, we are able to craft excellent properties for, and deliver high quality services to, our customers.

We adhere to all relevant laws and regulations related to product responsibilities and sales of products (such as the Residential Properties (First-hand Sales) Ordinance). Our internal Product Responsibility Policy guides us to deliver products and services that meet our internal standards as well as customers' expectations and aspirations. Wherever required, we seek professional advice from external consultants for project management, day-to-day quality control and other issues in our property management operations. This allows us to uphold accuracy and consistency in meeting various product-related requirements.

Meanwhile, we strive to integrate environmental considerations into planning, design, development and operation of our business, aiming to offer top-quality and customer-oriented products while excelling in environmental responsibilities.

During the reporting period, we did not observe any non-compliance cases with regulatory requirements regarding health and safety, advertising, labelling and privacy matters.

CUSTOMER HEALTH AND SAFETY

We recognise our responsibilities in safeguarding customers' health and safety and, thus, have adopted various mitigation and remediation measures to tackle potential hazards and risks at our premises.

We continued to strengthen, and maintain in good conditions of, the fire services and security systems at all our properties to enable us to make instant response and evacuation on an as-needed basis. Our security personnel conducted daily patrols in our properties to ensure cleanliness, safety and proper building system operations. They were required to report any identified abnormalities to facilitate follow-up action in a timely manner.

In addition, we implemented a number of crisis management policies and procedures in our hospitality management operations. The crisis scenarios were identified and updated on a regular basis, covering aspects such as electricity supplies, lift systems, gas and fuel supplies, fire alarm systems, water supplies, flooding etc. As part of the annual crisis management plan, we conducted practices to get our employees familiarised with situations that they might encounter in the course of performance of their duties. These practices include testing, simulation and training.

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

OUR CARE TO CUSTOMERS

PROTECTING CUSTOMER PRIVACY

We understand that it is of paramount importance to safeguard customers' privacy and to handle customers' personal data carefully. By putting a set of policies and guidelines in place, we ensure that all personal data of customers are collected only for lawful and relevant purposes and that no unauthorised or accidental access, deletion or other use would occur. Furthermore, all employees are required to keep abreast of and to fully comply with the Personal Data (Privacy) Ordinance at all times when handling customers' personal data.

For our hospitality management operations, we have incorporated guest data privacy into our standard operating procedures and have followed the same throughout our operations. All front office employees who handle customers' personal data receive regular training to reinforce data handling skills to ensure, among other things, information about customers will not be publicly displayed from their workstations.

For our property management operations, instruction documents have been developed to guide the daily handling of personal data collected from visitors. All documents containing sensitive data would be shredded as soon as possible after they have served the purposes for which they are collected.

During the reporting period, the Group complied with relevant laws and regulations regarding personal data privacy.

HANDLING CUSTOMER FEEDBACK

Customers' opinions, comments and suggestions drive us to pursue continuous improvement. We actively collect customers' feedback on our products and services.

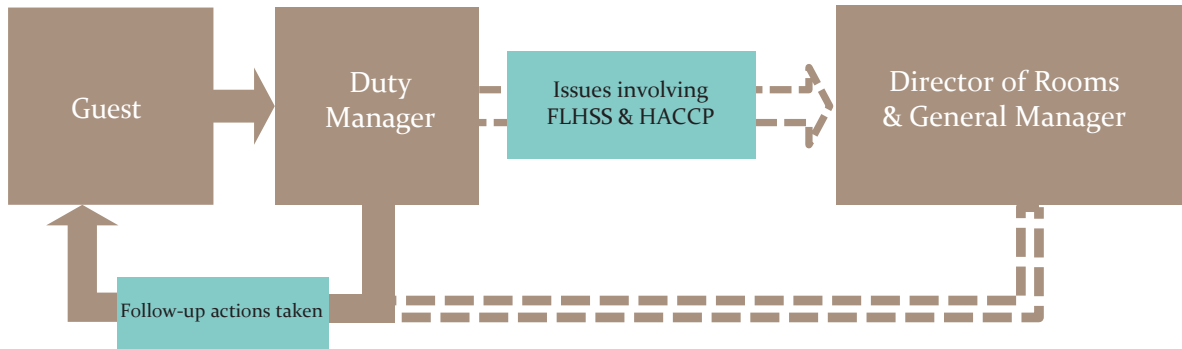
We conduct regular customer satisfaction surveys in our property management and hotel management operations. The results of these surveys enable quantification of performance and serves as an objective parameter for our ongoing monitoring exercises.

The Senior Management of each of our business arms constantly review customers' suggestions, comments, compliments and complaints. We learn much from our customers. We share with our employees the views of our customers with the view to encouraging improvements to our operational procedures in all aspects. We endeavour to exercise the best practices identified.

For instance, we received common feedback from hotel guests about the design layout in one of the categories of our rooms that as the wall between the bathroom and the room is made of glass panel, they felt inconvenient and lack of privacy. In the light of this, we plan to revamp the room layout in our upcoming renovation project.

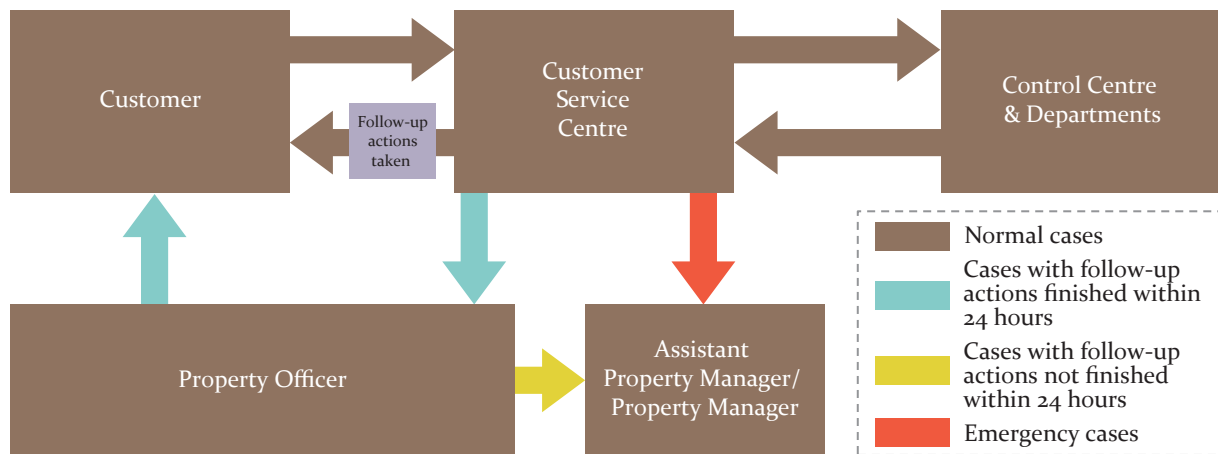
As stipulated in our Product Responsibility Policy, the Group has sets of standardised complaint handling procedures to ensure customers' feedback is dealt with in a consistent and efficient manner.

Hotel Management



For our hospitality arm, the line management will take the necessary steps to handle complaints in an appropriate manner. Records therefor will be kept. Issues involving Fire, Life, Health, Safety and Security (FLHSS) and Hazard Analysis and Critical Control Points (HACCP) will be handled by the Management in a timely and serious manner.

Property Management



For our property management arm, our customer service centres will respond promptly to resolve issues identified. For any emergencies (indicated in red) and issues not resolved within 24 hours (indicated in green) will be escalated whereby the same will be handled through a more advanced complaint management system.

We provide our customers with the best services through appropriate complaints and feedback mechanisms. During the reporting period, we did not receive any major complaints regarding our services and product quality.

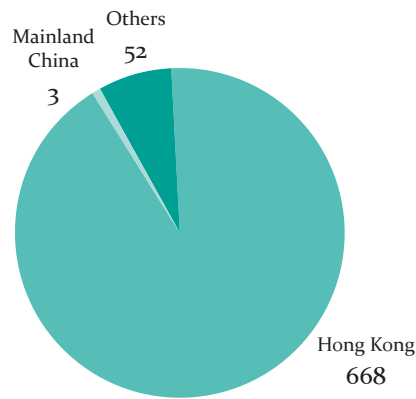
OUR CARE TO SUPPLY CHAIN

SUPPLY CHAIN IN WING TAI

To offer high-quality products and services to our customers, we have implemented effective supply chain management measures to safeguard the quality of inputs, including construction materials, building services and cleaning supplies. We proactively engage and encourage our suppliers to follow our ESG standard through our Vendor Code of Conduct to maintain the quality of the products and services that we deliver.

In 2019, we engaged 723 suppliers in our major business segments (i.e. hospitality management, property development and property management) and the Human Resources and Administration Department in Hong Kong.

Geographical Distribution of Suppliers in Wing Tai



SUPPLIER SELECTION

Selection of quality suppliers can help us deliver exceptional and premium products and services to our customers. We implement Green Procurement Policy to prioritise the use of environmental-friendly products and services. We have also introduced the environmental-friendly purchasing specifications in our procurement practices. Our property management operation incorporates clauses in the tender documents to require suppliers' full compliance with the environmental laws and regulations. In addition to environmental consideration, we strive to treat all suppliers and service providers fairly and reasonably in the procurement processes.

We have adopted a series of measures to maintain stringent supplier selection procedures and to evaluate our suppliers in our business operations. For instance, our property management operation lists on qualified suppliers and contractors. Only those who have passed our assessments of suitability, competency and qualification will be put on those lists. Our hospitality management operation excludes suppliers who are assessed to be with a high risk to hinder the effectiveness and efficiency of our purchasing functions.

We evaluate and identify risks in our supply chain on an annual basis to uphold the quality of products and services procured by us. Our property development operation regularly examines the quality of construction materials acquired by our contractors. The Purchasing Officer of our hospitality management operation is designated to explore and propose new technologies and products that could enhance our customers' experience.

ETHICAL SUPPLY CHAIN OPERATION

Business ethics is crucial in maintaining a sustainable and level playing field in our supply chain. We disseminate our Vendor Code of Conduct and request our suppliers and service providers to adhere to our ethical requirements. Our Vendor Code of Conduct covers ESG aspects such as workplace health and safety, employment, labour standards, environmental protection, supply chain management and anti-bribery and corruption. Our vendors are encouraged to comply with all relevant laws and regulations in these aspects in their operations.

OUR CARE TO EMPLOYEES

EMPLOYMENT RELATIONS

Human capital is one of the key elements to bolster our sustainable business growth. As such, we implement a people-centric human resource strategy through creating a harmonious and inclusive workplace. We strive to provide a competitive remuneration package and create rewarding work experience to our employees. To support the growth of both our employees and our Company, we offer personal development programmes and clear career development pathways to our employees.

We adhere to all laws and regulations relating to employment practices in Hong Kong, including the Employment Ordinance (Cap. 57 of the Laws of Hong Kong) and discrimination ordinances¹. During the reporting period, there were no non-compliance cases observed regarding employment issues.

We uphold our commitment to provide equal opportunities to our employees and job applicants. Our decisions on employment practices (including recruitment, compensation, training and promotion) are made based on one's vocation, education, qualification, experience and skills. Other personal attributes, such as ethnicity, ancestry, national origin, religion, gender, marital status, age, sexual orientation, disability or veteran status, are not considered in our employment decisions.

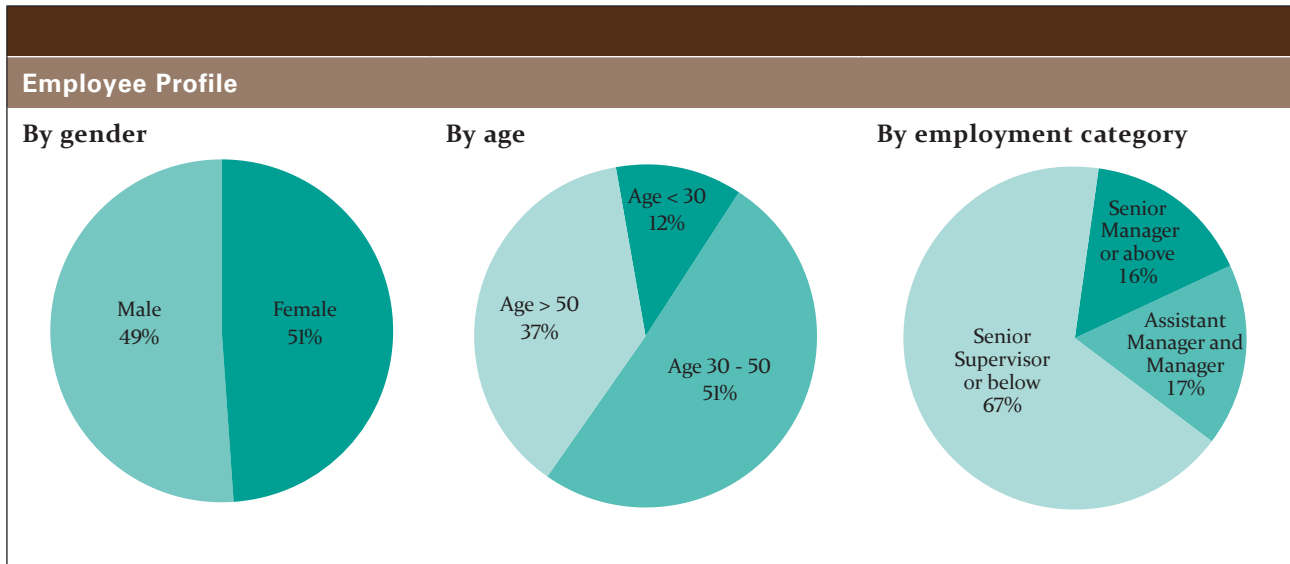
We endeavour to create and promote a respectful and inclusive workplace for our employees. In our workplace, any form of discrimination is strictly prohibited. Whenever practicable, our hospitality management operation hires employees with disabilities to promote inclusivity in workplace. We also arrange briefing and communications sessions with our employees for collaboration with colleagues with disabilities.

To attract and retain talents, we follow the "pay-for-performance" principle in formulating and reviewing our remuneration packages. In addition to monetary remuneration, we also offer a series of employee benefits, including leaves, insurance protection, long-term service awards, to recognise the contributions of our employees. Remuneration packages are reviewed from time to time to benchmark with the market. As an example, our hospitality management operation increased meal allowance and shortened working hours during the reporting period.

Mutual trust between management and employees is essential to create a friendly and warm workplace. Communication channels are in place to encourage discussion with and feedback from employees. Staff members are welcome to discuss their career prospects, employment and opinions with their direct supervisors, department heads or the Human Resources and Administration Department. Employees may also utilise the group-wide grievance and complaint handling procedures to raise their concerns. Grievances and complaints received from employees are channelled to their direct supervisors or the Human Resources and Administration Department depending on the situation. These grievances and complaints are confidentially handled and properly addressed to ensure the effectiveness of the mechanism.

¹ Discrimination ordinances include Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong), Disability Discrimination Ordinance (Cap. 487 of the Laws of Hong Kong), Family Status Discrimination Ordinance (Cap. 527 of the Laws of Hong Kong) and Race Discrimination Ordinance (Cap. 602 of the Laws of Hong Kong).

As at 31 December 2019, we employed around 470 employees in our Hong Kong operations.



During the reporting period, our employee turnover rate was around 19%.

Employee Turnover Rate in 2019	
By gender	
Male	16.6%
Female	21.1%
By age group	
Age < 30	34.6%
Age 30 - 50	20.2%
Age > 50	12.1%

OUR CARE TO EMPLOYEES

HEALTHY WORKPLACE

We are conscious of health and safety in our workplace. We adhere to laws and regulations on occupational health and safety, 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). During the reporting period, we observed no non-compliance cases relating to occupational health and safety in our operations in Hong Kong. In addition to legal requirements, our property management operation also obtained the OHSAS 18001 Occupational Health and Safety Management System certification.

With a diverse profile of operations, we set up different internal policies to manage different health and safety risks in our operations. We embed relevant measures and procedures in the work instructions for our frontline staff in our hospitality management and property management operations. Work instructions cover various aspects including accidents, fire prevention, electricity shortages and lift malfunctions. Members of our staff are instructed to follow same in case health and safety incidents occur. We disseminate information on maintaining good posture and reducing stress to our office staff.

We regularly monitor our occupational health and safety performance through measures such as annual safety inspection and demonstration. In our property development operation, we hold regular site safety meetings with contractors and conduct weekly safety inspections on construction site. We have a permit to work system to ensure that the construction workers are equipped with safety knowledge to work in our construction sites. We provide employees in property management operation with necessary protective and auxiliary equipment such as helmets, aerial working platforms and ladders to support their work and protect them.

Building employees' safety awareness is vital to maintain a healthy and safe workplace. We offer regular training on health and safety in different operations. For example, induction and regular toolbox training are provided to the construction workers in our property development operations. Our hospitality management and property management operations offer internal training courses and regular fire drill exercises to maintain employees' awareness on health and safety issues in operation. In addition to the internal training, our hospitality management operation provides sponsorship to support our employees to enrol in external first-aider courses. During the reporting period, a total of 2,181 hours of health and safety training was provided to our employees.

We closely monitor our health and safety metrics in order to identify rooms for improvement in our health and safety performance. During the reporting period, no work-related fatalities were identified. A total of 1,255 lost days were recorded due to work-related injury in 2019.

TRAINING AND DEVELOPMENT

To support the growth of our employees and our business development, we offer various types of internal training opportunities to our employees. We encourage our employees to participate in formal training courses to equip themselves with necessary expertise to thrive in the industry. Our property management operation arranges the internal training courses based on operation needs, such as sector-specific learning and safety awareness. Our hospitality management operation formulates the annual training need planning by each department to support daily operations. The training covered, among other things, service standard and procedure, fire safety, typhoon and rainstorm precaution and crisis management.

Further, we encourage our employees to take part in external training by providing financial subsidies. This enables our employees to broaden their horizon in the industry and related skill sets and offers them the flexibility on obtaining training.

Training Performance in 2019	Average training hours	Percentage of employees trained
Overall	10	74%
By gender		
Male	12	77%
Female	8	70%
By employment category		
Senior Manager or above	3	50%
Assistant Manager and Manager	10	73%
Senior Supervisor or below	12	79%

Practical experience can also enhance employees' capacity to develop within the industry. We organise inter-property cross-exposure programmes in our hospitality management operations. These programmes enable employees to work in different positions and perform different duties within the hospitality industry. Industry insights obtained in these programmes can help our employees to achieve their personal development goals and enhance their skill sets in the industry.

We strive to provide a clear career development pathway to our employees. As such, we implement an annual performance appraisal and adopted a key responsibility area system to comprehensively evaluate our employees' performance and provide feedback for further improvement. This system provides clear information on our Company's expectation of performance by employees of management grade and above and facilitates agreements on personal goals and business objectives. Towards the end of each year, supervisors will review the specific and overall performance with their subordinates. Training and development needs for employees will be identified on a bi-annually basis.

OUR CARE TO EMPLOYEES

Case Study: Nurturing talents through internship at Lanson Place Hotel

Apart from attracting talents from the competitive labour market, we also endeavour to train up overseas talents for the hotel industry. During the reporting period, Lanson Place Hotel partnered with Trisakti School of Tourism in Jakarta, Indonesia to provide a six-month internship programme to 8 students from that school in nurturing their growth and development.

This internship offered a valuable opportunity to students to get on-the-job training and develop skills in various areas of the hotel business. During the internship period, respective department heads acted as the mentors to share their work-related knowledge and help the students discover their career aspirations earlier for better life planning. We hope to continue improving the programme and provide more internship opportunities to students in the near future.



LABOUR STANDARDS

The Group adheres to legislation relating to forced and child labour, including 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). Using child, forced, bonded, indentured or slave labour or human trafficking is strictly forbidden in our business operations.

We guarantee all employees the freedom of movement in our workplace. To avoid assigning hazardous tasks to employees under 18 years of age, job applicants are required to declare his/her date of birth in the application form and provides a copy of his/her HKID card upon employment.

During the reporting period, no non-compliance cases regarding labour standards were observed in our business operations.

OUR CARE TO THE ENVIRONMENT

ENVIRONMENTAL MANAGEMENT APPROACH

We recognise the environmental footprint arisen from our business operations. We strive to minimise the adverse environmental impacts on the communities in which we operate. We are committed to complying with relevant environmental laws and regulations, including 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). During the reporting period, we observed no non-compliance cases regarding emissions, sewage discharge and waste management in Hong Kong.

To manage the environmental impacts of our businesses, we adopt an Environmental Policy. The Policy covers environmental issues such as carbon emissions, energy consumption, green construction and design, green procurement and environmental awareness. Various measures are implemented by our operations under the guidance of the Policy. We extend our environmental practices to our supply chain through the Vendor Code of Conduct and Green Procurement Policy.

We explore effective environmental management approaches in our business operations. One of our investment properties, Landmark East, has obtained the ISO 14001 Environmental Management System certification since 2011.

CLIMATE CHANGE AND ENERGY CONSERVATION

Climate change is posing threats and uncertainties to businesses globally. The Group is aware of the impacts brought by climate change and endeavours to minimise such impacts on our business operations. For instance, we provide in our hospitality management operation, training to equip our staff with knowledge about extreme weather precaution.

Energy consumption accounts for a significant proportion of greenhouse gas emissions and energy consumption in buildings is one of the major energy consumption sources in Hong Kong. The Group, as a property developer and manager, recognises the importance of cautiously managing energy consumption in our buildings. We strive to enhance the energy efficiency in our properties through monitoring energy consumption and adopting technical improvement.

In our hospitality management operation, we carefully analyse the energy consumption on a monthly basis. The analyses include electricity and town gas consumed by different areas and equipment. Based on various factors, including weather and occupancy rates, we adjust the power and operating hours of equipment whenever practicable to reduce unnecessary energy consumption. For example, we adjust the indoor temperature to a reasonable level and turn off unnecessary air conditioning and lights in communal areas during slack periods in a day.

OUR CARE TO THE ENVIRONMENT

We have retrofitted equipment in property management and hospitality management operations to enhance energy efficiency. In Landmark East, we commenced replacing all lighting equipment with LEDs in main lobbies and carparks in the fourth quarter of 2019. After completion of the replacement programme, we expect to save more than 370,000 kWh per year. We also upgraded a set of high efficiency chiller in Lanson Place Hotel to save around 2% of electricity consumption. In the construction site of OMA OMA, the site office was equipped with energy efficient T5 light tubes, covering 80% of the site office lighting system.

Case Study: Installing solar energy device at Landmark East Building to promote the development of renewable energy

Apart from reducing energy consumption through exploring energy management opportunities, we contribute to combating climate change by using cleaner energy. Landmark East pioneers in installing solar panels on rooftop to generate electricity by solar power. The installation started in the fourth quarter of 2018 and completed in the first quarter of 2019. During the reporting period, the solar panel generated 9,928 kWh of electricity for Landmark East's usage.



WASTE MANAGEMENT

Waste management is another urgent issue to deal with in Hong Kong. Considering the upcoming Municipal Waste Charging Scheme, we aspire to minimise our waste generation and disposal in business operations. We constantly improve our waste management through a series of recycling and behavioural measures, such as encouraging our employees to reduce use of paper in daily operations.

In our hospitality management operation, waste mainly comes from provision of hospitality services, including in-room amenity and food and beverages services. We endeavour to recycle waste generated from, among other things, room amenities and coffee capsules. Imperishable and edible food, including bread and pastries, are donated to Giving Bread for onward transfer to the needy in the community. During the reporting period, we donated more than 240 kg of food to the organisation. We continued to donate unwanted mattresses to Hong Kong Dog Rescue Association. We also simplified our documentation process to reduce paper consumption and disposal.

We place recycling bins at eminent locations in our invested and managed premises. This encourages our tenants to practise recycling in their operations. During the reporting period, we recycled about 20 tonnes of non-hazardous waste in both Landmark East and Shui Hing Centre. We also supported recycling initiatives from green organisations. We collaborated with Ecobus and Greeners Action on recycling bag and red packet programmes respectively.

Hazardous waste contributes in a serious manner to environmental determinants such as land and water pollution. We do not generate a significant amount of hazardous waste, nonetheless we are cautious about managing hazardous waste through collecting, storing and handling. We appoint qualified recyclers to handle recyclable hazardous waste, such as toner cartridges. Non-reusable hazardous waste, including chemical waste and fluorescence tubes, is properly handled by qualified operators. We follow the industrial standards and legal requirements to ensure that there is no unacceptable leakage during the storage period. All operators' performance in collecting, sorting and storing waste is under our supervision to ensure compliance with laws and regulations.

WATER CONSERVATION

A considerable amount of water is consumed in our hospitality operation. We implement certain water conservation measures to optimise water usage in Lanson Place Hotel. During the reporting period, we implemented water tank washing instructions to reduce water wastage during cleaning. We also recycled the condense water from air-conditioning units for flushing purposes to reduce freshwater consumption.

In the property management operation, we installed a rainwater recycling system in Landmark East for landscape irrigation purposes. During the reporting period, we saved around 70 cubic meters of freshwater by utilising the recycling system.

GREEN BUILDING

As a property developer, we emphasise on crafting quality homes for our customers. We recognise that our products could cast far-reaching impacts on our customers, our neighbourhood and the surrounding environment. Therefore, we incorporate green building elements in our property development projects whenever viable.

We work with our contractors to reduce the use of timber in our construction projects. We use sustainable timber in temporary works in our property development projects whenever practicable. We maintain a clear record of manufacturers' information from our suppliers to ensure such practice is effectively followed.

Apart from sustainable sourcing, we adopt green building design elements in our property development projects. Our latest property development project, OMA OMA, has obtained the BEAM Plus New Buildings Provisional Bronze rating from the Hong Kong Green Building Council.

OUR CARE TO THE ENVIRONMENT

ENVIRONMENTAL PERFORMANCE DATA

The environmental performance data regarding our corporate offices, property development, property management and hospitality management in 2018 and 2019 is presented below:

	Units	2018 Performance	2019 Performance
Energy Consumption			
Total electricity consumption	kWh	21,394,576	20,013,429
Total town gas consumption	Units	705	657
Total diesel consumption	Litres	185,354	98,689 ²
Energy Intensity			
Corporate offices	GJ/square feet (GJ/sq. ft.)	0.056	0.056
Property development ³	GJ/sq. ft. ⁴	0.030	0.012
Property management ⁵	GJ/sq. ft.	0.030	0.039
Hospitality management ⁶	GJ/room night	0.182	0.226
Greenhouse Gas (GHG) emissions ⁷			
Direct emissions (Scope 1) ⁸	tonnes of CO ₂ equivalents (tCO ₂ e)	492	265
Indirect emissions (Scope 2) ⁹	tCO ₂ e	11,968	11,116
GHG emission intensity by operations			
Corporate offices	tCO ₂ e/sq. ft.	0.006	0.006
Property development ³	tCO ₂ e/sq. ft. ⁴	0.002	0.001
Property management ⁵	tCO ₂ e/sq. ft.	0.004	0.005
Hospitality management ⁶	tCO ₂ e/room night	0.040	0.050
Water consumption and intensity by operations			
Total water consumption	cubic metres (m ³)	115,239 ¹⁰	98,143 ¹¹
Property development ³	m ³ /sq. ft. ⁴	0.108	0.020 ¹¹
Property management ⁵	m ³ /sq. ft.	0.032 ¹⁰	0.044 ¹¹
Hospitality management ⁶	m ³ /room night	0.373	0.523

	Units	2018 Performance	2019 Performance
Waste			
Non-hazardous waste disposed	kg	148,689	84,644 ¹²
Non-hazardous waste recycled	kg	47,888	32,989
Hazardous waste handled	pieces	4,127	3,209
Hazardous waste recycled	pieces	3,576	2,479
Construction material used			
Concrete	m ³	23,056	17,222
Steel	tonnes	2,910	5,031
Timber	m ³	858	288
Soil and rock	tonnes	1,595	1,761
Others	tonnes	1,677	2,956

² The difference in diesel consumption is mainly caused by different development stages of the property development projects covered in 2018 and 2019.

³ Property development data in 2018 only includes The Carmel, Tuen Mun, while the data in 2019 only includes OMA OMA, Tuen Mun.

⁴ Intensities for property development are calculated based on the allowable gross floor area.

⁵ Property management data in 2018 covers environmental performance of W Square and Winner Godown Building before its handover to new owners.

⁶ Hospitality management data includes the operation in Lanson Place Hotel, Hong Kong.

⁷ 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).

⁸ Direct GHG emission (Scope 1) is generated from fuel consumption, including diesel and towngas.

⁹ Indirect GHG emission (Scope 2) is generated from electricity and towngas consumption.

¹⁰ Water consumption data for property management business is revised to reflect the actual situation.

¹¹ As the Water Supplies Department has yet issued the official water consumption bills for Q4 2019, this is an estimated figure. This figure is expected to be restated in the coming ESG Report.

¹² The decrease in non-hazardous waste disposed is mainly due to decrease in usage of aluminum can and glass bottle in hospitality management business.

OUR CARE TO THE COMMUNITY

Our business development relies on contribution from the communities in which we operate. We endeavour to give back and help these communities to thrive with us. We have in place a Community Investment Policy to maintain our connection with the community and to make our business decisions with community needs in mind. We also support non-governmental organisations (“NGOs”) through collaboration, donations and volunteer activities.

PARTNERSHIPS WITH NGOs

We maintain our connection with the community through continuously identifying the need of the community. NGOs help us to do so.

Our hospitality management operation coordinated a hotel visit to Lanson Place Hotel with Hong Kong Employment Development Service for secondary school students with special education needs. We also collaborated with Generation Hong Kong to provide hotel visits and career development advice to DSE graduates or unemployed youth. Potential candidates can receive job interviews if they complete the training programme with satisfactory performance.



VOLUNTEER ACTIVITIES AND DONATIONS

We continue to support our community partners through volunteer activities and donations. During the reporting period, our staff contributed more than 60 service hours to volunteer activities. We also donated around HK\$50,000 to our community partners for the support of their works.

We maintained our support to our community partners, including Tung Wah Group of Hospitals and Caritas Hong Kong. We participated in the elderly home visit activities organised by Tung Wah Group of Hospitals and Caritas Hong Kong to show our care to the elderly. We also joined the Tung Wah Group of Hospitals Flag Day 2019 to raise fund for the underprivileged, the elderly and the disabled.

We expanded our support to Hong Kong Dog Rescue Association. In addition to donating 13 mattresses in 2019, we organised a volunteer visit to the Association to help take care of the dogs there.



OUR ESG CERTIFICATION AND AWARDS

We endeavour to promote sustainability in our business operations and the effort is externally recognised. The following summarises the accolades for our ESG performance that we received during the reporting period:

Certification/Award Name	Organisation
BEAM Plus New Buildings – Provisional Bronze Rating for OMA OMA	Hong Kong Green Building Council
Wastewise Certificate	Hong Kong Green Organisation Certification
IAQ Certificate	Environmental Protection Department
Good MPF Employer Award	Mandatory Provident Fund Schemes Authority
Work Orientation and Placement Scheme – Certificate of Appreciation	Selective Placement Division, Labour Department



Work Orientation and Placement Scheme –
Certificate of Appreciation



Good MPF Employer Award

APPENDIX: HKEX ESG REPORTING GUIDE CONTENT INDEX

This index indicates how this report is complied in accordance with the “comply or explain” provisions and “recommended disclosure” set out in HKEx’s ESG 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 Approach	P.17	
	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	P.20	
	KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	Environmental Performance Data	P.21	
	KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Environmental Performance Data	P.21	
	KPI A1.5 Description of measures to mitigate emissions and results achieved.	Climate Change and Energy Conservation	P.17-18	
	KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Waste Management	P.18-19	

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 Approach	P.17	
	KPI A2.1 Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity.	Environmental Performance Data	P.20	
	KPI A2.2 Water consumption in total and intensity.	Environmental Performance Data	P.20	
	KPI A2.3 Description of energy use efficiency initiatives and results achieved.	Climate Change and Energy Conservation	P.17-18	
	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	P.19	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 Approach; Green Building	P.17; 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	P.19	

B: SOCIAL PERFORMANCE

Aspects	Descriptions	Sessions in the report	Page Number
Employment and Labour Practices			
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	P.12
	<p>KPI B1.1</p> <p>Total workforce by gender, employment type, age group and geographical region.</p>	Employment Relations	P.13
	<p>KPI B1.2</p> <p>Employee turnover rate by gender, age group and geographical region.</p>	Employment Relations	P.13
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	P.14
	<p>KPI B2.1</p> <p>Number and rate of work-related fatalities.</p>	Healthy Workplace	P.14
	<p>KPI B2.2</p> <p>Lost days due to work injury.</p>	Healthy Workplace	P.14
	<p>KPI B2.3</p> <p>Description of occupational health and safety measures adopted, how they are implemented and monitored.</p>	Healthy Workplace	P.14

APPENDIX: HKEX ESG REPORTING GUIDE CONTENT INDEX

Aspects	Descriptions	Sessions in the report	Page Number
B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Training and Development	P.15-16
	KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Training and Development	P.15
	KPI B3.2 The average training hours completed per employee by gender and employee category.	Training and Development	P.15
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.	Labour Standards	P.16
	KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.	Labour Standards	P.16
	KPI B4.2 Description of steps taken to eliminate such practices when discovered.	N/A	N/A
Operating Practices			
B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	Our Care to Supply Chain	P.10-11
	KPI B5.1 Number of suppliers by geographical region.	Supply Chain in Wing Tai	P.10
	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.	Supplier Selection	P.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	P.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	P.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>	Product and Service Responsibility; Handling Customer Feedback	P.7; 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	P.8

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	P.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	P.5
	<p>KPI B7.2</p> <p>Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.</p>	Ethical Business Operation	P.5
Community			
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 to the Community	P.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>	Volunteer Activities and Donations	P.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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