

Sustainability Report 2017



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ABOUT PCPD'S SUSTAINABILITY REPORT

This is the second sustainability report published by Pacific Century Premium Developments Limited (hereinafter referred to as 'PCPD' or 'the Group') (Stock Code: 00432) to demonstrate its commitment and progress towards operating a sustainable business. PCPD's majority owner is "PCCW" (Stock Code: 00008). The Company is primarily involved in developing and managing properties with investments in premium-grade buildings, luxury resorts and hotels in Hong Kong and in other parts of the world.

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

This report covers the period from 1 January to 31 December 2017.

For enquiries, please send questions or comments to Investor Relations Department by e-mail (ir@pcpd.com) or by post (8th Floor Cyberport 2, 100 Cyberport Road, Hong Kong).

SCOPE OF THE REPORT

Similar to our 2016 Sustainability Report, this report covers PCPD's operations in Hong Kong, project developments in Japan, Indonesia and Thailand, as well as hospitality and leisure services in Japan. The scope of this report reflects PCPD's role as a property developer, investor, manager and operator.

MESSAGE FROM THE CHAIRMAN



Dear Stakeholders,

Local and national governments made major strides in addressing climate change this year. With the publication of Hong Kong's Climate Action Plan 2030+ and China's commitment to becoming a global leader in addressing climate change, we as a responsible corporate citizen must be part of the solution.

SETTING A PRECEDENT FOR THE INDUSTRY

Minimising our own carbon footprint is not enough. We believe that as a player in the property development industry, we must continue to set stretch targets and inspire our peers and competitors so that we can motivate each other to do better, to do more. With the completion of our flagship building, Pacific Century Place, Jakarta ("PCP, Jakarta"), in October 2017, we will be managing the first LEED Platinum Certified building in Indonesia. To ensure that we maintain high environmental performance throughout its operation, we are applying for Green Mark and Greenship certifications, which require third-party assessments on our environmental

performance every three years for recertification. We aim to set a precedent for the industry, maintaining high expectations for our environmental performance throughout the lifecycle of our buildings.

RELATIONSHIP WITH LOCAL COMMUNITIES

For our ski operation in Japan, we are fortunate to have the support of local communities and authorities. This has not only facilitated engagement but also fostered relationships beyond our business. Getting to know the local people over the past years, we are now more aware of their aspirations and needs. These connections have simplified the process of identifying opportunities to create shared value between our business and the local communities. We started providing financial support to a local language school to help improve the English skills of local youth. This will not only offer better opportunities for their careers in the future, it creates opportunities for our resort to recruit local residents in the long run. We believe that by thoroughly understanding the needs of the local communities, we can create new opportunities together.

NEW CHALLENGES AHEAD

As we begin the early design stage for our Phang Nga project in Thailand, we will carry with us the valuable wisdom gained from developing and managing our diversified portfolio. Given the project's sensitive

environmental conditions, we will continue to work closely with specialists, government departments and local communities to identify the best solutions to incorporate our design. Our experience shows that this coastal development, which is vulnerable to rising sea levels, will require us to be innovative, diligent and strategic. Unlike our other developments, this project requires resilience to climate change as key to long-term success.

Our capacity to incorporate sustainable development opportunities increases with every new project. New lessons are learned and new ideas are developed. We believe that in order to maintain high standards of luxury for our customers, we must have a positive social, economic and environmental impact on the local communities where we operate.

Richard Li
Chairman

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



Dear Stakeholders,

For more than a decade, PCPD has provided high-quality luxury properties and services despite the changing expectations of our customers. In the recent years, we have come to learn that operating a successful business is more than just meeting shareholders' and customers' needs. It is also about being responsible to our people, the community and the environment. As we continue our journey as a property developer, manager and investor, we shall identify opportunities to create shared value wherever we operate.

LUXURY COMPLIMENTS SUSTAINABILITY

Sustainability does not mean compromising quality and luxury. In fact, our goal towards operating a more sustainable business demonstrates that sustainability and luxury can co-exist and complement each other. With the new generation of consumers who would consider a company's sustainability performance as a deciding factor, sustainable luxury has evolved into a business opportunity. We are embarking on a new era where

the value of incorporating sustainability principles into various aspects of a business is increasingly prominent. We see that simply adopting environmentally friendly design and technology is not enough. We must incorporate sustainability into our workforce, supply chain and local communities. At the same time, we must recognise that the needs and expectations of our customers continue to change.

OUR ACHIEVEMENTS IN 2017

After publishing our first Sustainability Report last year, we continued with our efforts towards operating a sustainable business with forward-looking plans. As a goal-driven business, we are in the process of developing our three-year Sustainability Action Plan. The plan will target sustainability issues that matter most to PCPD, alongside with areas where our operations have the most impact.

Our increased effort in engaging the local communities where we operate indicates that working with them opens doors for opportunities in the long run. We made great strides in 2017 with increased engagement and interaction with local people, especially in Japan and Hong Kong. By reaching out to local residents, interest groups and the government we are fostering close relationships with our neighbours. We believe that these relationships will evolve over time and facilitate the identification of shared value opportunities.

TASKS IN THE UPCOMING YEAR

Our main focus for the upcoming year will revolve around fine-tuning our sustainability strategy whilst communicating our sustainability objectives to our employees group-wide, as well as across all regions. Major tasks include:

- Begin embedding sustainability throughout our organisation and within our value chain
- Increasing our employees' knowledge and capacity in sustainability
- Engaging with key stakeholders, including customers, employees, local communities, supplier and contractors

I would like to extend my gratitude to all those who have helped us achieve our accomplishments since the first day of our business. With the support of our customers, employees, neighbours, business partners and investors, our journey to success continues to be perpetual. It gives me great pleasure to present to you this year's sustainability report and I wish everyone a successful and healthy year ahead.

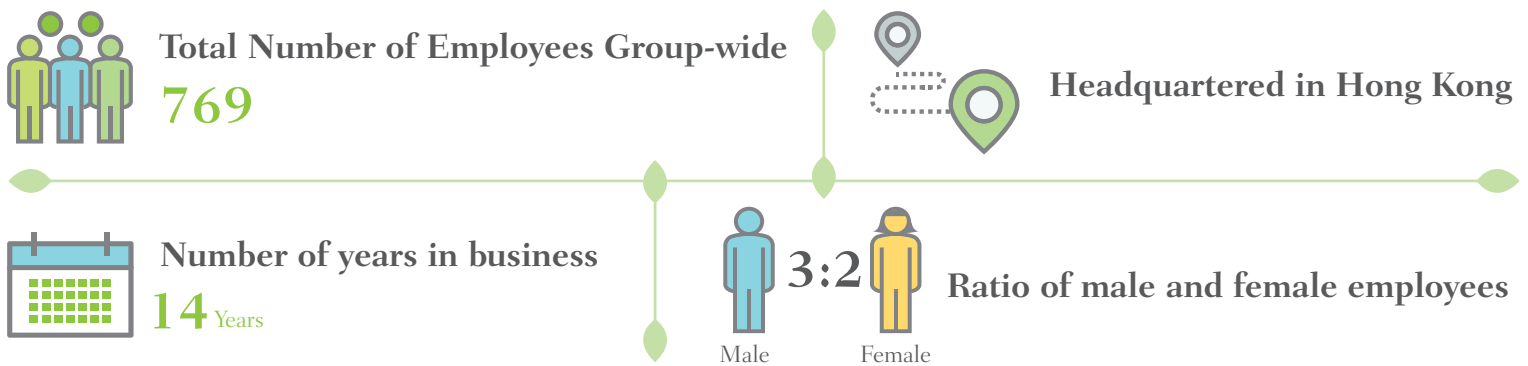
Robert Lee

Deputy Chairman and Chief Executive Officer

OUR BUSINESS

PCPD AT A GLANCE

Founded and headquartered in Hong Kong, our business started off as a local property developer and manager. Having been in business for 14 years, our operations now spread across Asia with a workforce of over 700 employees.



PCPD's business primarily engages in development and management of premium-grade property and infrastructure projects as well as investment in premium-grade property. We divide our business into three main categories:

- (1) Property Investment & Development (2) Recreation & Leisure (3) Property Management Services



Our locations of property investments and operations are spread throughout various parts of Asia, covering Hong Kong, Indonesia, Japan and Thailand. Hong Kong remains our largest operating region where the majority of our staff is located, followed by Japan.

Legend



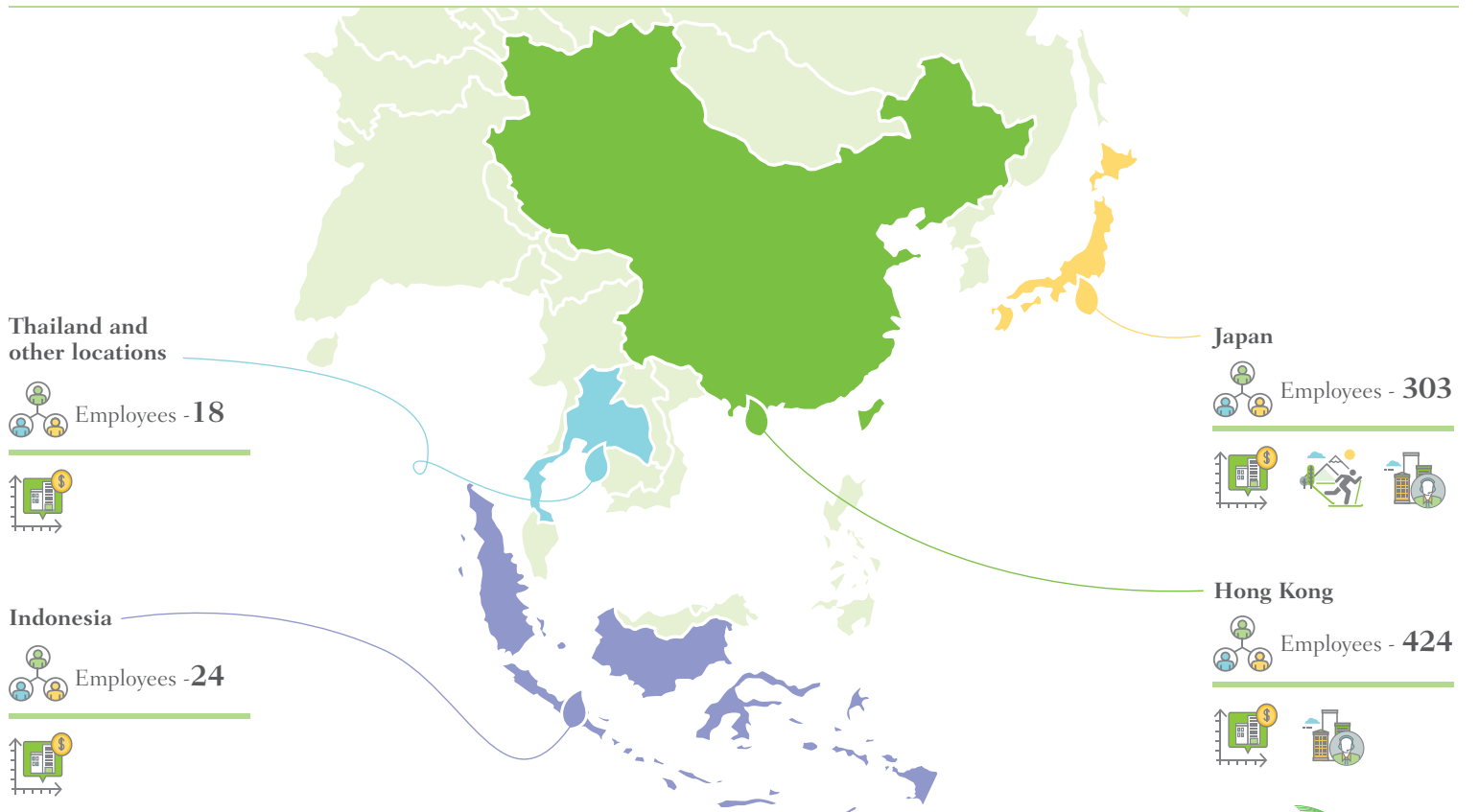
Property Investment & Development



Recreation & leisure



Property Management Services





PROPERTIES UNDER DEVELOPMENT



Project:	Usage:	Size:	Year of Completion:
Pacific Century Place (“PCP, Jakarta”)	Commercial	Total GFA: Over 90,000 square metres	October 2017
Park Hyatt Niseko Hanazono, Hokkaido*	Hotel	Approximately 100 rooms	2019 (scheduled)
Park Hyatt Niseko Hanazono Residences, Hokkaido*	Hotel / residential	More than 100 units	2019 (scheduled)
Phang-nga, Southern Thailand	Residential / hospitality	Overall site area: approximately 1,700,000 square metres	Planning stage



PROPERTIES UNDER MANAGEMENT



Project:	Usage:	Size:	Year of Completion:
Residence Bel-Air, Hong Kong	Residential	Large – over 2,000 luxury residence	2008
ONE Pacific Heights, Hong Kong	Residential	Medium – over 100 luxury boutique apartments	2009
Gough Hill, Hong Kong	Residential	Small – fewer than 10 residential houses	2003
Park Hyatt Niseko Hanazono Residences, Hokkaido	Residential / hospitality	Medium – over 100 all-season units	2019 (scheduled)



Size:

Small (fewer than 100 units) Medium (between 100 to 2,000 units) Large (more than 2,000 units)

* Disclaimer: The image depicting the project as envisaged when completed is a computer-generated rendering based on drawings prepared in the project planning stage that may be subject to revision, and therefore, may differ from the actual completed building and site in shape, color, and other details. The height and shape of some buildings in the vicinity of the site are shown for illustrative purposes and may differ from the actual state.

OUR COMMITMENT TO SUSTAINABILITY

Sustainability is more than just creating and managing structures where people live, work and play, it involves considering the wider economic, environmental and social implications of our decisions and actions as a company. We operate our business consciously by making sure minimal environmental impacts arise from our activities. Through green designs and state-of-the-art technology, we implement ways to reduce our emissions and waste, as well as to conserve natural resources. We offer a built-environment that enhances the physical and psychological well-being of people by incorporating public facilities and space. We put forth efforts to create shared value for the communities in which we operate. Through facilitating greater social engagement, we foster strong relationship with the local communities.

SUSTAINABILITY VISION AND POLICY

Our vision for sustainability is to conduct business in a responsible manner that protects the environment, benefits the communities in which we operate, and creates value for our customers, partners, and employees while enhancing the long-term success of our company.

Our Group Sustainability Policy describes our commitments and is available at <http://www.pcpd.com/html/eng/about/PCPD%20Sustainability%20Policy-English.pdf> and in the Supporting Information section of this report. To further clarify our stance on different sustainability-related topics, the Group also actively implements the following policies:

- Emission Policy
- Energy and Water Management Policy
- Environment and Natural Resources Policy
- Managing Environmental and Social Risk of Supply Chain Policy
- Community Engagement Policy
- Occupational Safety and Health Policy
- Bribery, Gifts & Entertainment Policy
- Improper Conduct Notification Policy

This year, we began translating these policies into Japanese, Bahasa Indonesia and Thai so that staff from other operating countries can better understand the details outlined within.

THREE-YEAR SUSTAINABILITY ACTION PLAN

This year, we began to develop our 3-year Sustainability Action Plan. As the first step, we have identified five focus areas related to our environmental and social performances. These focus areas were determined through a series of workshops involving our Sustainability Committee which were considered as areas with improvement opportunities. Environment-related focus areas address the key environmental impacts our operations could impose if not properly managed, whereas the social performance focus areas were areas which we believe have room for improvement and are worthy of exploring.

Our 5 Focus Areas



Waste
Reduction



Energy
Efficiency



Protection of the
Natural Environment

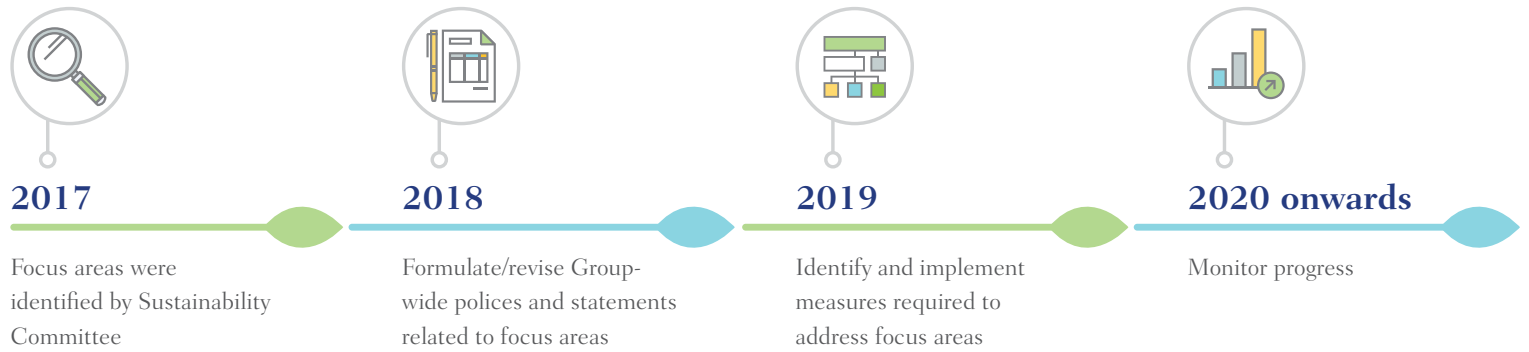


Community
Engagement



Employee
Well-being

Our goal for the upcoming year is to formulate or revise our existing policies and statements on these topics. Once we have defined our objectives and stances through policies and statements, we plan to identify and implement the necessary measures to meet these objectives. To determine its effectiveness, we will be closely monitoring our progress for the many years to come.



MANAGING OUR VALUE CHAIN SUSTAINABLY

We integrate sustainability into our value chain by considering the environment, employees, the local communities and our customers throughout different stages of our projects.

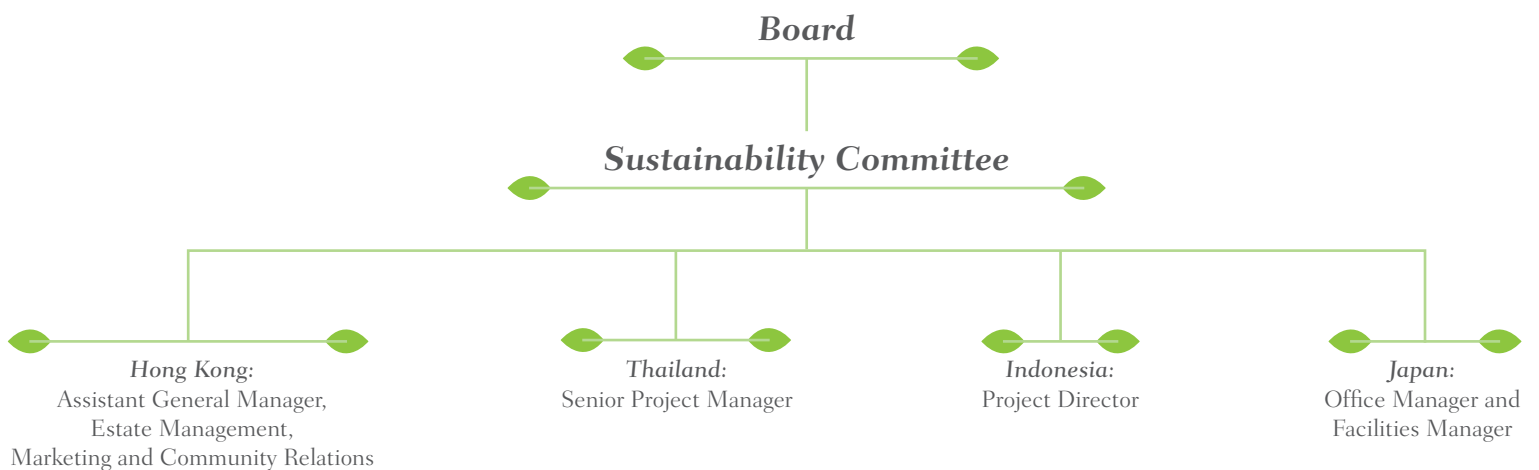


Environment	Indoor air quality Energy and water performance Avoidance of heat island effect	Materials and resources Construction waste management Construction phase environmental impacts	Materials and Resources	Green building certification Indoor Environmental Quality Energy and water performance Customer engagement on environmental issues
People	Socio-economic Impact (i.e. connectivity, land acquisition) Stakeholder consultation Fair and rewarding workplace	Supplier management Healthy and safe work place Fair and rewarding workplace Talent attraction and retention	Fair and rewarding workplace	Supplier management Healthy and safe work place Fair and rewarding workplace Local community engagement
Customer	Inclusive design	Product quality	Service excellence Product quality	Resident / owner engagement Service excellence

CSR GOVERNANCE STRUCTURE

The Board of Directors (“the Board”) provides overarching support for sustainability initiatives at all levels. Under the direction of the Board, our Sustainability Committee (“the Committee”) steers and promotes sustainability efforts. The Company’s corporate governance practices and procedures are monitored by the Board. Effective risk management and internal control systems are in place to ensure the Company and its employees operate in compliance with all relevant rules and regulations.

CSR GOVERNANCE STRUCTURE



To manage sustainability efforts effectively and in an organised manner, we established the Committee in 2016. The Committee is chaired by the Company Secretary and comprised members from management teams from different functions across the Group. Selected committee members are responsible for implementing environmental and social initiatives by engaging appropriate staff members on their respective teams on various levels of operations. Quarterly meetings are held to discuss and report on sustainability-related initiatives, effectiveness of approach and progress made. The Committee is also responsible for designing sustainability policies, guidelines and procedures, as well as progress of the sustainability strategy.

Since its establishment, the Committee has strengthened our strategic approach to sustainability. The Committee has revamped the Sustainability Policy, began developing our 3-year Sustainability Action Plan and effectively facilitated communication with regard to sustainability manners between the Board and management.

ENGAGING OUR STAKEHOLDERS

Engaging our stakeholders not only allows us to better understand their expectations and needs, it also creates opportunities to build stronger relationships and to improve the quality of our services. We maintain communication with our stakeholders through various platforms such as e-mails, newsletters, reports, press releases and meetings.



STAKEHOLDER GROUP



Customers

- Customer satisfaction survey
- Guest satisfaction survey
- Newsletters (GREEN News)
- Mobile app (Bel-Air App)



Community

- Newsletters to residents of our managed properties
- Press releases



Business Partners

- Newsletter
- Direct communication
- Supplier training, workshops and forms



Employees

- Employee satisfaction surveys
- Internal communication
- Communication with employee representatives



Investors

- Annual meetings
- Press release
- Annual and interim reports
- Sustainability report
- Direct communication



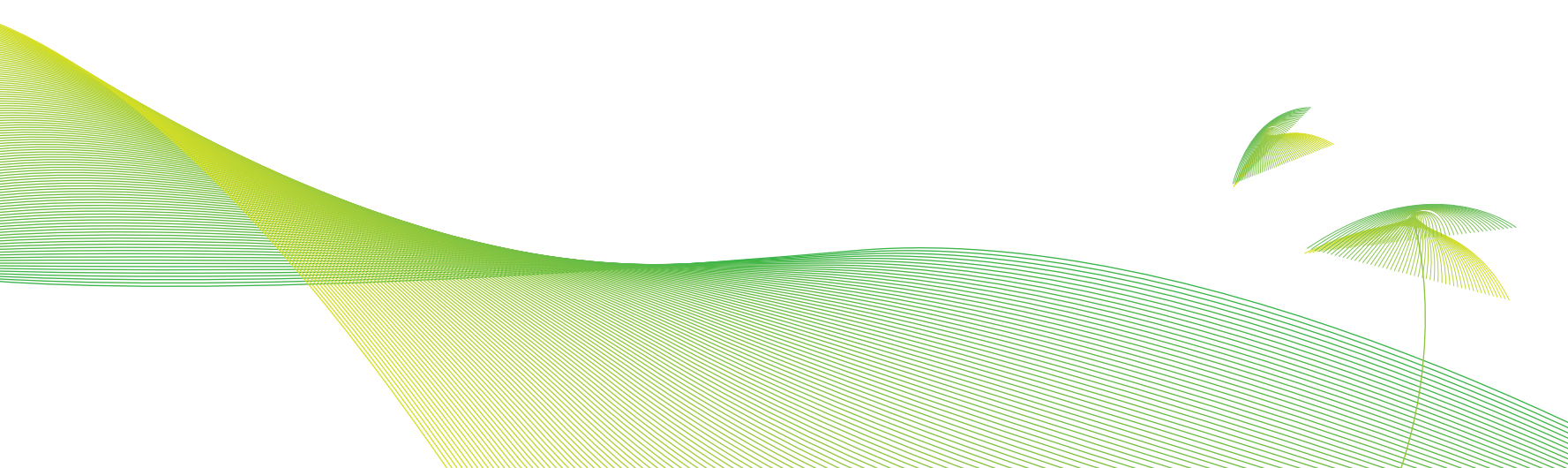
NGOs

- Collaborative projects, donations support for various programmes



Governments & Regulators

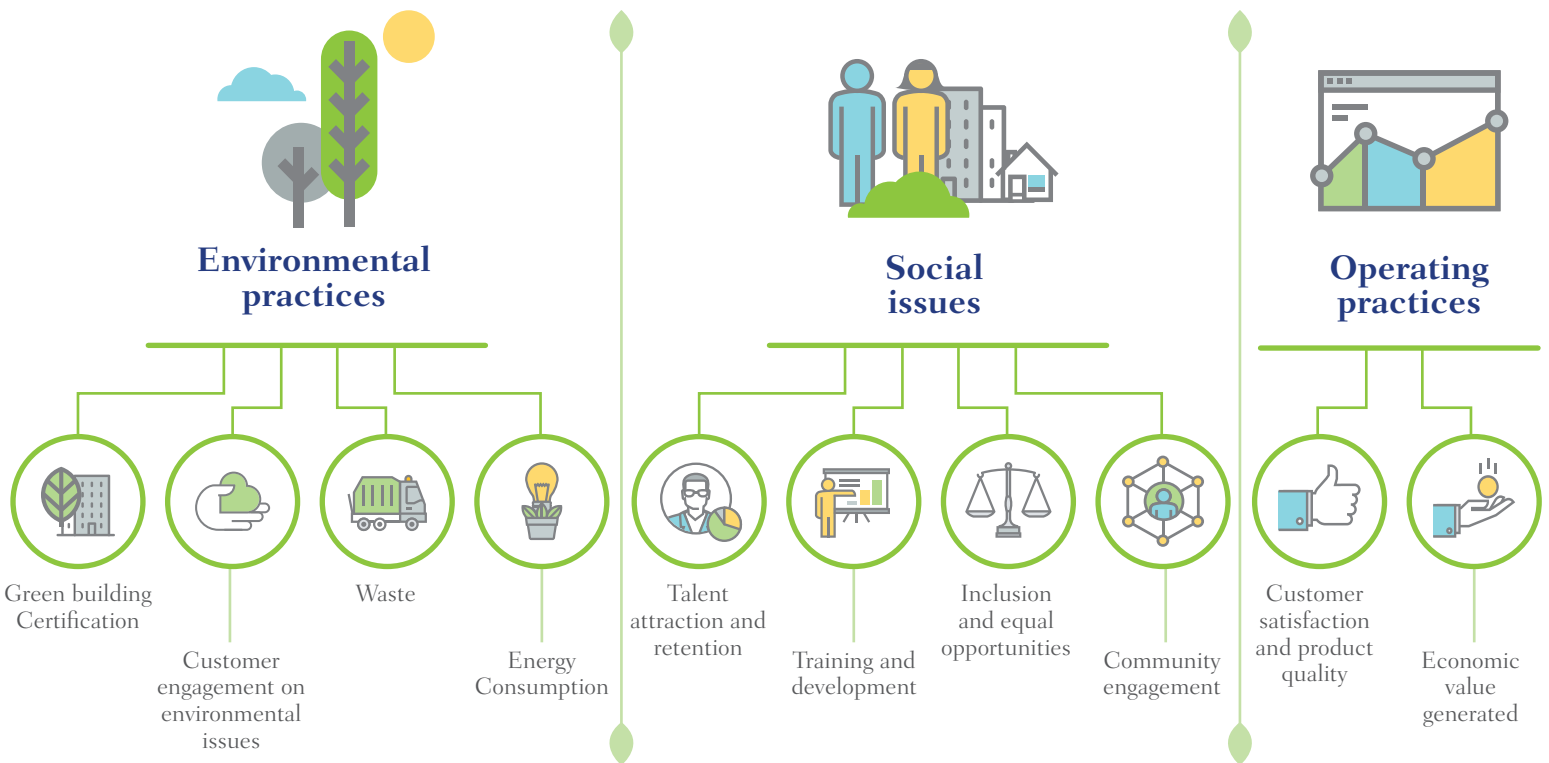
- Issue-specific collaboration



MATERIAL ISSUES

We conducted a comprehensive materiality assessment in 2016 involving internal and external stakeholders through a series of focus groups, interviews and surveys. Details of the materiality assessment process and materiality matrix can be found in the Supporting Information section. Ten material issues were identified as being important to both stakeholders and to the business.

MATERIAL ISSUES



MEETING CUSTOMER NEEDS

As a premium brand, delivering high-quality customer service and products is our utmost priority. Through open communication with customers, management engagement and proper training of staff, we monitor the effectiveness of our management approach and allow opportunities to drive improvements. PCPD strongly believes that quality delivery can only be achieved when we understand the needs of our diverse customer base and continually to think ahead to anticipate their changing needs and upgrade our approach accordingly.



Owners of residential properties



Residential occupants



Commercial tenants



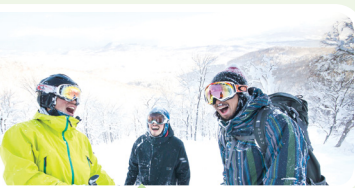
Resort guests

SERVICE EXCELLENCE

Communicating With Occupants And Resort Guests

Maintaining communication with occupants in our managed properties provides us with feedback and opportunities for continual improvement. We strive to build long-term relationship with our occupants and the community based on mutual trust and respect. To do so, we implement various channels to ensure effective communication can take place between management and occupants. At ISPML, our customer satisfaction survey is conducted annually and covers a wide range of topics from service quality to cleanliness. This survey is also a platform for our occupants and property owners to express their views and needs. Survey findings provide a clear direction for our management team in establishing our estate management enhancement plan.

We upgraded our Bel-Air App this year to improve user experience. The app is now equipped with push notification capability, a location map to search for directions, and a new navigation menu that is easier to use. The latest digital issues of Bel-Air Magazine are now accessible through our upgraded app.



Similar communication methods are used to serve our resort guests. Customer satisfaction surveys are conducted regularly to allow guests to voice their views. By setting guest complaint rates as one of our KPIs, we have derived a measurable method to track our customer service performance. This monitoring mechanism is also intended to emphasise the importance of providing quality customer service to our staff. Our customer survey results this year revealed that 89% of guests are likely to return to our resort sometime in the future.

In 2017, we continued to implement measures to solve the labour shortage issue, especially for housekeeping staff. In November 2017, construction of new accommodation for staff was completed. It will provide over 80 rooms to make our staff from other parts of the world feel at home for years to come.

Building Capacity Of Our Staff

The Group understands the importance of providing the right tools for our staff so they can deliver high quality service. Our Service Pledge was created to provide guidance for our ISPML management staff. It outlines our standards relating to services, utilities, club, customers, environment, security and safety. To better translate it into actions, we follow an Integrated Management System (IMS) complying with requirements of ISO 9001 and ISO 14001. Furthermore, we developed a Management Progress Plan as a guiding document to help our staff achieve the targets and objectives that are outlined in our Service Pledge and IMS Policy.

Our customer-facing staff attend regular in-house training sessions to improve customer centricity and polish their customer service skills to meet the needs of their daily operation, such as telephone manner and complaint handling. Basic language training on English and Mandarin equips staff with commonly used vocabulary to better serve non-Cantonese-speaking residents/ guests. Other essential training topics cover safety, operational procedures and environmental performance.

Across the Group's resort and ski operations, all newly joined employees receive comprehensive on-the-job training. With ski operations by definition being seasonal, we source large numbers of seasonal staff members each year. To ensure customer service and safety is maintained, we conduct comprehensive staff orientation and training at the start of each ski season. This year, we defined our expectations from our employees with our 'Core Competencies' framework. Expectations in regards to 1) contribution and productivity; 2) knowledge and thinking; 3) leadership, management, and role model; and 4) communication are clearly outlined.

All new staff are required to attend our mandatory legal training. This training is to ensure all staff are aware and understand the compliance issues related to our businesses, including our Group's policies. This year, we provided four hours of legal training to 89 employees in Hong Kong, Jakarta and Japan.

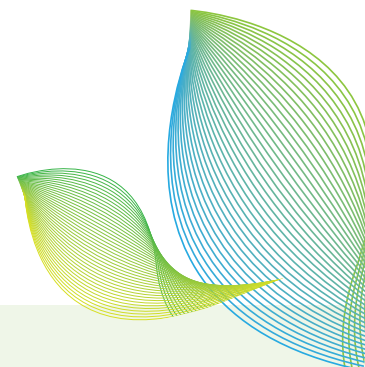
Management Engagement

Engaging our ISPML management team to partake in seeking customer feedback plays an important role in monitoring the quality of the service provided. Under our Total Quality Management system, our management team is involved in property inspections, referred to as 'walk management' internally. For issues identified, resolutions need to be executed quickly and comprehensive glitch reports need to be prepared. We also conduct our mystery shopper exercise on a regular basis. Incidents and findings are discussed with company management and members of our Owners' Committee.

Senior managers of our ski operation work closely with our customers and pay personal visits to inspect all aspects of the business regularly. Across our Group, we collect customer feedback data via formal collection systems such as, forms and customer requests. Detailed feedback is also obtained proactively by directly engaging customers, observations, and asking further questions. Managers review feedbacks received regularly to ensure that excellent customer service is maintained and improvements are made where necessary.

Protecting Customers' Privacy

Our 'Six Data Protection Principle', which is developed based on the requirements set out in the Hong Kong Personal Data (Privacy) Ordinance, outlines the requirements for handling sensitive customer information. Measures are put in place to protect customer information from unauthorised access, use, or disclosure. Unless authorisation from customer has been given, no personal customer data are retained and we do not use their contact information for marketing purposes.



PRODUCT QUALITY

To ensure the properties we develop are of high quality, we are diligent in considering end-users' needs early in the design phase and throughout the development process until the end-product is delivered. Sustainable materials and advance equipment are used during the construction phase. We prioritise employing professional contractors and suppliers. A safe and healthy working environment is provided so that our staff and contractors have the capacity to deliver quality work.

Supply Chain Management

Our group-wide Managing Environmental and Social Risk of Supply Chain Policy expresses the need to integrate considerations for environmental and social aspects during the process of identifying suitable suppliers. Under this policy, it is mandatory for our suppliers to act responsibly and adhere to our environmental, social and governance standards. Suppliers with a track record of implementing good environmental and social practices and/or hold environmental certification are given preference in the selection process. Our expectations of our suppliers are communicated clearly through workshops.

Starting in 2017, we began incorporating our policies on social and environmental requirements into our tender documents and contracts to ensure our contractors, subcontractors and business partners are aware of our expectations for compliance under these policies.

Customer Health And Safety

We hold ourselves accountable in maintaining a healthy and safe environment for our occupants, tenants and guests. For properties under management, indoor air quality is an area of concern. Stringent indoor air quality requirements are implemented at PCP, Jakarta as part of the LEED Platinum standards. For ISPML, smoking is prohibited in all common areas at all times, during maintenance and repair work we are cautious in avoiding the use of materials containing volatile organic compounds (VOCs) and formaldehyde.



Safety remains our top priority at our ski operations in Japan. Similar to previous years, we continued to implement programmes to promote mountain and winter sports safety best practices. Guests are informed of our skier responsibility code and the 'Niseko Local Rules' from printed brochures and maps which outline appropriate on-slope behaviours. Daily announcements are made across the public announcement system to advise customers to abide by Niseko Local Rules. Avalanche reports and trail guides are made available at our common areas, including ski lift stations and online website.

Our NHR staff joined the "Shiribeshi Area Guidance on Assisting Foreign Tourists during a Natural Disaster" forum this year. This government-led event provided insights on procedures for helping tourists in the event of a natural disaster such as typhoons and earthquakes. Other participating parties involve local businesses in the hospitality industry. We will continue to actively participate in these workshops in the future as part of our commitment to customer health and safety.

PRESERVING THE ENVIRONMENT

To avoid unnecessary damage to our natural environment, our Group integrates all environmental considerations into decision-making process to strike a balance between the natural and built environments. We acknowledge the need for a multi-stakeholder approach to effectively manage and reduce the environmental impacts our businesses pose. By engaging with stakeholders along our value chain, we minimise our environmental impacts throughout various stages of our operations.

In addition to improving our environmental performance to be in line with local regulations and industry-specific guidelines, we hold ourselves responsible for identifying potential environmental impacts arising our business as well as opportunities for improvement.



*Minimising
carbon
emissions*



*Improving
energy and
water efficiency*



*Improving
waste diversion
from landfills*



*Minimising the
impact of our
business on the
natural environment*



*Adopting sustainable
design for new
developments*



*Influencing the
behaviour of our
partners and
stakeholders*



*Adopting green
procurement
principles*

ENERGY AND GREENHOUSE GAS EMISSIONS

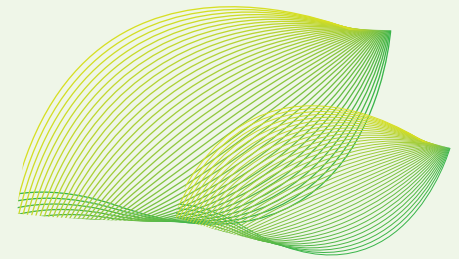
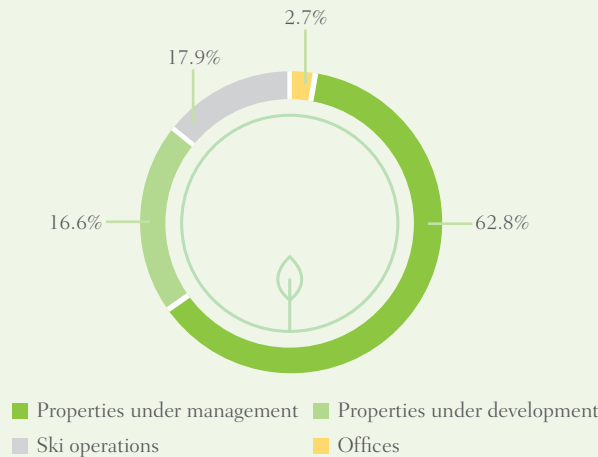
Improving building energy efficiency remains an area of opportunity to improve performance. Our approach includes optimising the use of lighting, heating and cooling systems, as well as the use of energy efficient equipment. Given that our business operates in different geographical locations with various climates, energy consumption management approaches need to be catered to each location. For example, our ski operations in Japan concentrate their efforts in retaining heat and energy efficient heating mechanisms. Conversely, Jakarta and Hong Kong will focus on building cooling mechanisms. In Pacific Century Place, Jakarta, high performance chiller plant with optimization system, enhanced refrigerant management and cooling tower water management are adopted. With these diverse requirements, energy efficiency performance is better managed at a regional level, where staff are responsible for exploring energy consumption reduction methods. Staff from each region are encouraged to identify other areas of opportunity to reduce energy consumption through implementation of new technology when appropriate. With our comprehensive approach, we work closely with our suppliers, consultants and contractors to enhance the energy efficiency performance of our buildings.

Energy Performance

To reduce our energy consumption group-wide, we have put in place our Energy and Water Management Policy. Under this policy, employees are responsible for identifying the appropriate measures to reduce energy use. It also provides specific requirements outlining employee’s responsibilities to shut down machines and/or equipment when they are not in use.

Our properties under management are the largest source of energy consumption followed by properties under development, ski operations and offices in different regions.

Overall Energy Use by Division



Note: Percentages are rounded up to the nearest percent

With the construction of PCP, Jakarta completed this year, we aim to maintain its energy consumption to be 22% lower than the annual average of other commercial buildings in the city during its operation stage. This will be achieved by a multi-pronged approach by using smart lighting with motion-sensor, daylight sensors, and energy-efficient air conditioning systems. We are participating in carbon-trading schemes to minimise our carbon footprint. Approximately 35% of total estimated energy used for the core and shell area of the building will be offset by the renewable energy procured from carbon offsets for the first two operating years.

To keep temperature at a comfortable level, we have installed automatic doors and other climate control facilities at our ski resort. This not only allows us to be more energy-efficient, it also provides a consistent and comfortable environment for our resort guests.

We have started replacing our ski groomers at our ski operations with newer, more energy-efficient models that comply with new emission standards. The new models offer a 90% reduction in nitrogen oxide and particulate emissions. In addition, all snowmobiles have been upgraded to new models with improved exhaust emissions. We will continue upgrading our fleet in the upcoming year.

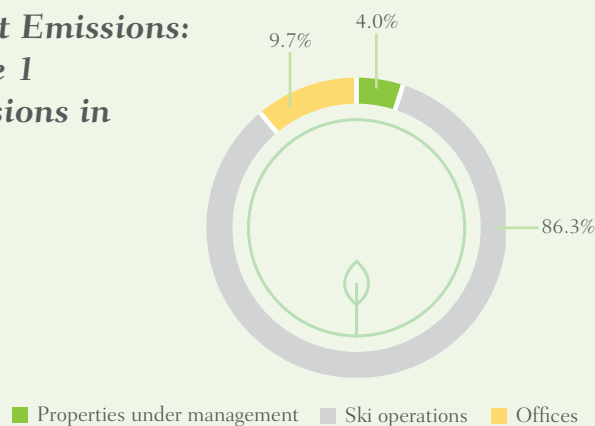
At our offices in Hong Kong and Japan, we have installed energy-efficient lighting and cooling systems. Reminders are posted around the office to remind staff to turn off office equipment and lighting when not in use. We have also established a standard temperature range for our centralised air conditioning system in our Hong Kong to be between 23 and 24 degrees Celsius.

Greenhouse Gas Emissions

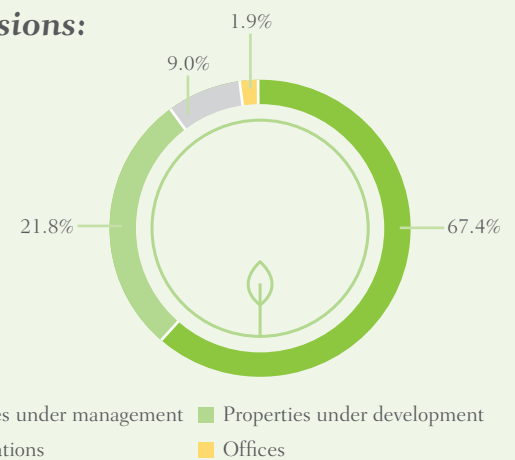
Our group-wide Emission Policy offers guidance to all our employees and suppliers by outlining emission reduction measures applicable to our daily operations. This policy covers measures in managing ozone depleting gases and greenhouse gases by considering practical methods to minimise emissions through conservation and substitution. Reference to relevant laws in Hong Kong are made within the policy. For overseas operations, we adhere to the requirements of local law and regulations.

The total direct carbon dioxide emission in 2017 is estimated to be 26,633.4 tonnes of carbon dioxide equivalent. No scope 1 emission was recorded from properties under development as diesel generators are no longer being used. Instead, power supply was purchased from electricity providers.

Direct Emissions: Scope 1 Emissions in 2017



Indirect Emissions: Scope 2 Emissions in 2017



WASTE MANAGEMENT

PCPD implements a 3-way approach to minimise the waste generated through reducing, reusing and recycling all materials as far as practicable. We are committed to using raw materials in the most efficient and responsible manner. Our waste management approach complies with relevant laws and legislations of each geographical operating region. Waste generated by our operations in Japan follows stringent waste handling requirements of the Japanese Government. To ensure compliance, our General Waste Management Plan and Municipal General Waste Management Plan outline how wastes of various types are collected and disposed of. In 2017, 12,431.0 tonnes of wastes were generated and sent to landfills, 2,419.9 tonnes of wastes were recycled.

WASTE MANAGEMENT

Due to stringent government regulations in Japan prohibiting businesses from disposing waste directly to landfills, we separate recyclables, non-recyclables, combustible and compostable waste diligently.

Recycling facilities for paper and toner cartridges are available at our Hong Kong office. For obsolete IT equipment, our suppliers will collect and dispose of such waste in compliance with relevant guidelines and regulations enforced by the Environmental Protection Department.

FOOD WASTE REDUCTION THROUGH ENGAGEMENT

In 2017, we proactively explored opportunities to improve our performance in waste management by first, tackling the amount of food waste generated by our ISPML occupants.

The Bel-Air Food Waste Recycling Fund is funded by the Environmental Protection Department's Environment and Conservation Fund has been granted with over one million Hong Kong dollars to ISPML to implement a food waste reduction programme. The funds will be put towards educational workshops to engage residents' awareness as well as to provide supporting on-site facilities for composting to reduce the amount of food waste that would otherwise end up in landfills. A portion of the fertiliser generated from compost will be given back to our occupants through a series of educational events.

The implementation of this programme begins in 2018. ISPML will be inviting an external NGO to help carry out these initiatives. The fund will be used over the span of two years, engaging about 200 households.



PCPD actively participates in the recycling initiatives led by the Environmental Protection Department



CONSERVING WATER

Managing our water use starts at the planning and design stage. Through implementing sustainable building designs, especially in our new developments, we integrate water-efficiency technology to reduce our water footprint. To positively influence our occupants, we advocate good behaviour by engaging and educating them whilst monitoring our overall water use to track performance. Our group-wide Environment and Natural Resources Policy and Energy and Water Management Policy outline the guidelines to water efficiency for all business units.

Properties under development and properties under management by ISPML have set a focus on water conservation. In 2017, 37,188.7m³ was used by our properties under development and 49,769.1m³ by properties under management. For new developments, we adopt water-efficient designs such as high-efficiency taps. At Pacific Century Place, Jakarta, grey-water is harvested from shower and washbasins to be used in flushing systems. Storm water is also collected and used for on-site irrigation to maximise the use of water resource.

Although we have limited control on our occupants' water use at properties under management, in common areas such as the clubhouse, we use water-saving taps and water closets. We educate them through our newsletter so they become mindful of their water use. We offer suggestions on ways to conserve water, as well as fun challenges to encourage shorter shower time.

GREEN BUILDING CERTIFICATION

As a property developer and property management company, designing and operating our buildings to industry-level standards are the key to maintaining competitiveness. With green building certifications becoming increasingly common, especially in Hong Kong, we recognise the need to stretch our limits beyond the industry norm. These certifications essentially serve as proof to our tenants and occupants that we are committed to providing a high-quality environment in which they work and live. We believe that the green building certification process is an effectiveness approach to ensure high environmental and sustainability performance throughout its entire life-cycle.

Our journey through the design and development process of our LEED Platinum Pacific Century Place, Jakarta project has demonstrated the benefits and opportunities of green building certifications. To meet the certification requirements, we are responsible for stringent environmental performance throughout the entire life-cycle of the building, starting from the design stage. Consideration for energy and water efficiency, quality of sustainable materials used, wastewater management, and indoor air quality are required. Other sustainability considerations include provision of green space and connectivity to the greater surrounding areas through sustainable modes of transportation such as bicycling and public transportation. By fulfilling these requirements, not only do we anticipate our environmental performance to significantly improve, we believe the well-being of our tenants and occupants would be enhanced as well. In the upcoming years, we will continue to explore new opportunities for green building certifications for our new developments. At the same time, we will be closely monitoring the environmental performance of Pacific Century Place, Jakarta as it begins its operation stage.

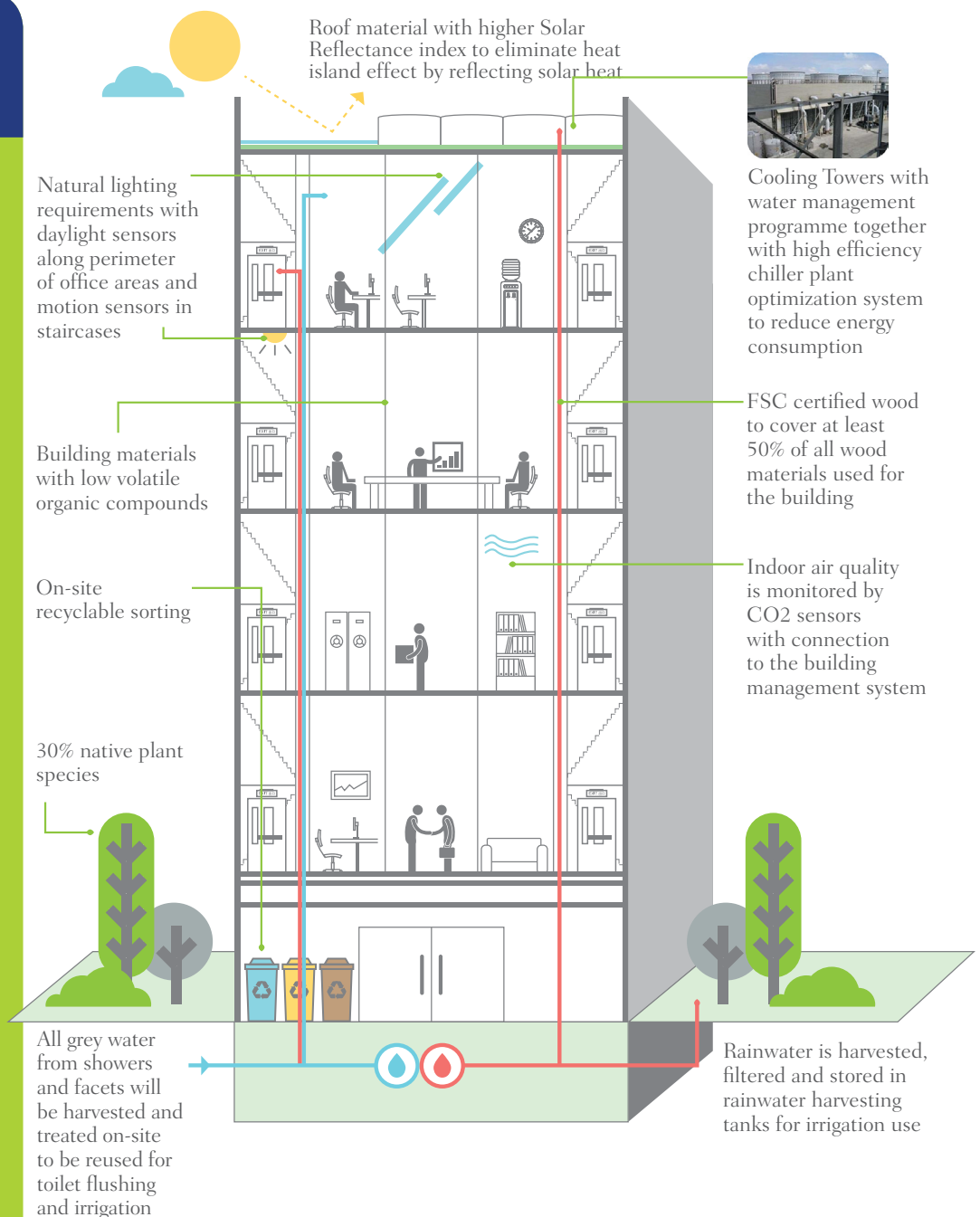
Our Group is currently involved in a number of green building certification programmes worldwide.



IMPLEMENTING LEED PLATINUM STANDARDS AT PCP, JAKARTA

Our major milestone in 2017 marks the completion of our PCP, Jakarta. This award-winning premium grade A office building not only is the first LEED Platinum pre-certified commercial building in Jakarta, it is also our first building with state-of-the-art environmentally friendly design. Throughout this process, our property development team gain vast experience and knowledge on implementing the latest environmentally friendly technologies and explored innovative ideas to meet LEED Platinum standards. PCP, Jakarta not only demonstrates our commitment to protecting the environment, it is also our flagship project which fulfils all environmental objectives outlined in our Sustainability Policy. Its design incorporates special measures to address water efficiency, lighting, waste treatment, air quality and biodiversity.

As of Q4 of 2017, we began accepting tenants' requests on fit-out work. Under the LEED Platinum certification, tenants' participation in environmentally friendly practices are required. We developed the "Tenant Fit-out Guidelines" to help tenants understand how they can reinforce these environmentally friendly features in their own space and take advantage of the high-performance features. Specific requirements for lighting, indoor air quality and materials used are outlined. To maximise PCP, Jakarta's performance, we strictly require all tenants to follow our requirements.



ENGAGING OCCUPANTS

Our Group believes we have the responsibility to address the environmental performance throughout our value chain. Although we cannot control the environmental performance of our occupants, we view our relationships with them as an opportunity to educate and engage them to encourage environmentally friendly lifestyles. Newsletters and bulletin boards are used to provide facts and tips on how to be more environmentally friendly. We cover topics including energy reduction, waste reduction, water conservation and biodiversity protection.



GREEN News

July 2017 Issue



貝沙灣

Our quarterly Bel-Air Greenlife Newsletters offer occupants innovative ideas on how to reduce their environmental impacts in their daily lives. We also take this opportunity to educate them on the latest environmental issues. We cover a wide-range of topics, including tips on reducing food waste, water footprint of our foods, as well as encouragement to stop using plastic straws.

Our newsletters are published digitally and all issues are accessible to occupants on Bel-Air website www.bel-air-hk.com and Bel-Air App.



CARING FOR OUR PEOPLE

We recognise our employees as our greatest asset and a key component to operating a competitive business. With over 700 employees group-wide, we are committed to providing a rewarding and collaborative working environment. We create a fair and safe working environment by promoting diversity, inclusion and equal opportunities. We ensure all our activities respect, promote and advance internationally recognised human rights standards. We offer professional training opportunities to foster growth and development.

We uphold equal opportunities principles and offer competitive remuneration. Our employees enjoy the benefits of a progressive career path, work-life balance and performance-related rewards. Our recruitment process is based on a pre-approved annual operating plan that anticipates the needs and expected growth of each department. We have systems in place that allow for the adjustment of our human resources policies to accommodate changing personnel requirements in the various jurisdictions in which we operate.

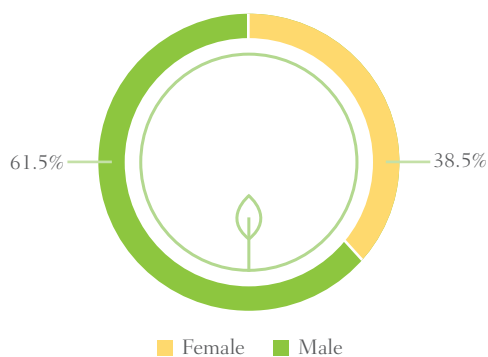


Workforce made up of **24** nationalities

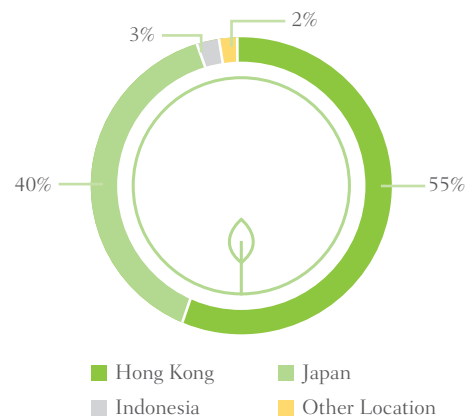


3,114 Total number of training hours provided

Ratio of Staff by Gender



Ratio of Staff by Location





TRAINING AND DEVELOPMENT

Maintaining knowledgeable and well-trained staff is valuable to our business and is an integral component for providing premium service and products. Each staff is provided with training opportunities to facilitate their professional growth. Such trainings include, but not limited to, PCPD's operations, polices and corporate culture, and training designed to enhance technical and soft skills.

Health And Safety

The health and safety of our staff is important to us and we are committed to providing a safe working environment so that staff can focus on delivering quality customer service and products. Our Group believes both manager and staff play an equally important role in injury prevention and hazard identification. Our Occupational Safety and Health Policy outlines the process and guidelines mandated group-wide. These are also extended to our contractors, suppliers, and customers.

Given the difference in nature of our businesses in different regions, each business unit is responsible for formulating their own safety plan. To ensure occupational health and safety consciousness is integrated throughout all levels of operation, not only do we provide regular training, we also assign specific safety roles and responsibilities so that these staff are clear on the procedures for recording and following up on any safety-related incidents.

For ISPML, we provide health and safety training sessions on topics including but not limited to working in hot weather, avoiding communicable diseases, food safety etc. A total of 12 training sessions were provided in 2017.

During the reporting year, ISPML was fined HK\$10,000 in relation to an accident where an employee got injured at work. To prevent similar accidents in the future, our safety consultant will provide relevant safety awareness training to employees.

Professional Development

This year, we offered training courses to increase our employees' skill set in their daily work. We offered an English Communication Skills course for ISPML staff. Additionally, a Supervisory Development Programme and Managerial Development Programme were made available to PCPD staff through our parent company, PCCW's Group HR, Learning and Talent Development programme.

Supporting External Training

This year we continue to support employees to acquire skills and academic qualifications to support their career development that is in line with their professional goals and our business needs. In addition to providing subsidies and reimbursements for external courses, we offer up to six days of paid examination leave each year for eligible staff.

RECRUITING TALENT

Employee Referral Programme

We continue to offer our employee referral programme for recruiting frontline operation staff. The programme provides incentives for our staff to identify high-potential new talent with a bonus when their referred candidate is hired. In 2017, we received 15 referrals and successfully recruited four new staff members through this programme.

Tackling Labour Shortage in Japan

In collaboration with the Hokkaido Government Shiribeshi General Sub-prefectural Bureau to promote interest in the hospitality industry, students from places outside of Nieseko are invited to the ski resort during the summer to learn about the hospitality industry through an internship. This also serves as an opportunity for students to brush up on their English skills. This year, we were delighted to have shared our knowledge in the hospitality industry with two college students who completed the internship programme.

EQUAL OPPORTUNITIES

As an equal opportunity employer, PCPD fosters diversity and inclusion throughout the organisation. Discrimination on the grounds of gender, age, marital status, family status, pregnancy, disability, race, ethnic origin, and religion is prohibited. We are committed to providing a harassment-free workplace where all employees are treated with respect. Our Human Resources Manual outlines the complaint notification and handling system to deal with suspected cases of harassment or discrimination. Employees are encouraged to raise and discuss matters of concerns relating to their employment to their supervisors. In situations where the outcome of the discussion is less than satisfactory, employees can request for further discussion with higher levels of management. If necessary, employees are allowed to request a human resources representative to be present as a third party witness.

Our terms and conditions of employment, operational rules and workplace conditions are reviewed regularly to ensure we uphold anti-discrimination and anti-harassment standards. These standards are extended to our contractors and subcontractors.

PROMOTING HEALTHY LIFESTYLES

We have incorporated a fitness centre in our Pacific Century Place, Jakarta, offering of 2,700 square metres to all tenants and our staff members to use. The fitness centre provide various gym equipments, an outdoor swimming pool, jacuzzi and sauna. This fitness centre will be completed and available to staff in the early half of 2018.

This year we offered a series of wellness talks including the BUPA Health Lounge, a free medical check-up for employees age 40 and up, as well as free flu vaccination for employees in addition to discounted vaccination for family members.

GREEN MONDAY

This year we continued the collaboration with a local social enterprise through a series of activities to promote green and sustainability lifestyles. Staff from ISPML and Cyberport head office gathered to learn how to make raw chocolate and chia-seed pudding while a professional dietitian shared tips on healthy dieting. A pop-up market featuring healthy snacks and drinks was also set up at our head office where staff were invited for tasting and shopping. We also put forward a Shopping Bag Relay programme in which staff are encouraged to donate and/or reuse shopping bags placed in the pantry.



LABOUR STANDARDS

We have a zero-tolerance policy for any behaviour that is in breach of the law or our corporate policies. We operate in compliance with all relevant laws and regulations, including prohibiting the use of child or forced labour and minimum wage requirements. To address suspected incidents of unfair conduct, such as the use of child or forced labour, our staff adhere to our Unethical Conduct Notification Procedures Manual, which requires timely escalation of the incident to higher authority.

With businesses throughout different regions of the world, we are cautious in ensuring we meet or even exceed all local laws and regulations on labour and human rights. This includes performing due diligence to identify, prevent, mitigate and account for potential risk of human rights breaches. The Group pays due care and attention to new and emerging regulations and best practices worldwide when formulating our own policies and procedures.

ANTI-CORRUPTION

Our Bribery, Gifts and Entertainment Policy outlines our requirements and practices in regard to prevention, identification and handling of alleged or proven bribery or corruption. At the start of their employment, all employees are informed of PCPD's anti-corruption measures. ICAC trainings are provided periodically to update employees on the latest anti-corruption issues and developments.

To report suspected dishonest, unethical and illegal behaviour, our whistle-blowing policy and procedures are available on our intranet and public website. Reports are confidential and anonymous and extended to the Audit Committee for investigation.

No legal cases regarding unethical or corrupt practices were brought against the Group or its employees in 2017.

SUPPORTING LOCAL COMMUNITIES

Building and maintaining long-term relationships with our local communities and stakeholders is vital to our business. Fostering a close-knit relationship with the local communities in which we operate in allows our business and members of the community to grow. We respect local cultural values, historical backgrounds and geographic landscapes in which we work and continue to seek harmony with the local communities in which we influence.

Our primary focus for investing in the community cover arts and culture, education and environment programmes, innovation and entrepreneurship, and volunteer opportunities that benefit people who live, work in and visit the communities. This is done through sponsorships, and engagement with the community.

In 2017, PCPD took action to step up our involvement with the local community to bring positive impacts to the communities which we operate in. We established a new working group within our organisation to promote and encourage employees to be proactive in participating in community services. In the coming years, we hope to leverage the effectiveness of this working group to increase our capacity in giving back to the community.

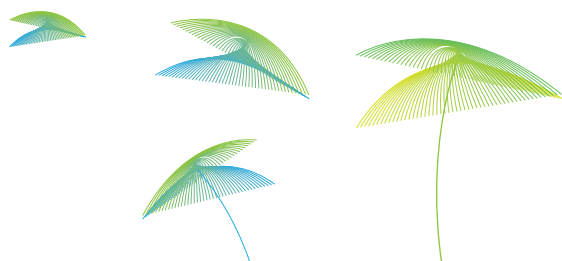
CARING FOR THE ELDERLY

To celebrate Mid-autumn Festival, a total of nine staff members along with their family members visited some elderly homes to share festive gifts with the elderly.

ENGAGING WITH JAPANESE LOCAL COMMUNITIES

In support of the Kutchan Tourist Association, we actively participated in three clean-up events in the months of May, June and August this year. Aside from clean-ups along roadside and common areas near the resort, our staff also helped with minor landscaping works involving trimming weeds and flowerbeds. Through these volunteering events, our staff got a chance to meet other volunteers from local companies and business owners.

In July 2017, a ground-breaking ceremony for the Park Hyatt Niseko Hanazono took place where prayers for construction safety were made by our senior management. Local communities of Kutchan and members of the Kutchan Tourist Association attended in support of the commencement of the construction works.



DEVELOPING THE NEXT GENERATION

Our Japan operation supports the language development of local youth by providing donations to the Young Learners Course Scholarship. Our donations provide resources to a local language school to enrol students in English courses to help students obtain Cambridge English Language Assessment qualifications.

With our support to this programme, the English skills of the local community are anticipated to improve for the years to come. By equipping the local community to be a part of the local tourism industry, we hope to include local residents as part of our operations in the long-term future. In 2017, this programme supported 58 students, of which, our Group provided donations to support five students within the programme.

Nagito, a young boy from Kutchan, is one of the students who benefited from this programme, and also demonstrated an accelerated speed of improvement in his English skills. His mother recognised the importance of English to Nagito's future success and supported his participation in the programme. As a third-year junior high student and having been enrolled in the programme for three years, Nagito's English skills are well beyond his peers and are three years ahead of the average student. Nagito passed the A2 level exam with merit during this third year of junior high. To put this into context, A2 level is a target by the Ministry of Education in Japan for students graduating from high school. At this rate, Nagito's English proficiency level should achieve a B2 level, meaning his English skills are sufficient enough for him at the working level. As a winner of the Winter's Rotary Club Competition for Information Guides at Kutchan Station, Nagito will be sent abroad to a language school in Sydney for a month where he will be fully immersed in an English-speaking country. This programme has provided the resources needed for students in the Kutchan area, like Nagito, to improve their English language skills.

BUSINESS-SCHOOLS PARTNERSHIP PROGRAMME 2016/17

As one of the participating companies in the Business-Schools Partnership Programme led by the Hong Kong General Chamber of Commerce, we held a series of workshops and site visits for students from Heep Yunn School to learn about our property management operations in Hong Kong. Our representatives engaged with students by sharing what career prospects are like at PCPD after an introduction to our business operations as part of the career talk. Students were invited to a guided-tour at Residence Bel-Air where they experienced premium customer services provided at the premises. This programme provides an excellent platform for direct communication between students/teachers and companies/business executives.



SUMMER INTERNSHIP PROGRAMME AT ISPML

Four students from Hong Kong Community College joined us at ISPML this summer as part of our internship programme. Students spent their summer holiday as interns at Residence Bel-Air where they gained first-hand experience working in the property management sector and practising their communication and customer service skills. This year's internship programme positively influenced the students and our interns provided positive feedback on the programme.

I am grateful for all the new skills I acquired during 3 months of internship. This opportunity allowed me to improve my communication skills and familiarise myself with the company's operating system. I am really thankful for my colleagues, supervisor and customers who taught me these skills. I believe this internship will be helpful for my future career

—
Lin Feng Yi

During these unforgettable months, I learned the operation of a club house and improved my communication skills. My colleagues were patient with me when I needed help to solve problems. I believe these 3 months of experience will be useful to my future studies and career

—
Chan Sin Yi

I am thankful for my colleagues and supervisor for believing in my ability to succeed and providing me direction in my future career. During these 3 delightful months, I improved my computer and customer service skills.

—
Fu Kin Man

These 2 months have been a valuable experience. My colleagues and supervisor were very nice and taught my many new skills. I was able to practise my customer service skills, which will help me excel in my studies and future career. Since the internship programme, I have become more confident and assertive. I enjoyed my internship very much

—
Hon Chi Kin



SUPPORTING INFORMATION

MATERIALITY PROCESS

In 2016, we undertook our first comprehensive materiality assessment exercise. This involved conducting focus groups, interviews and a survey of internal and external stakeholders to identify 'material issues' – defined as those issues that reflect the most significant economic, environmental and social impacts of our business and the issues that matter most to our stakeholders.

Figure 2: Materiality Process

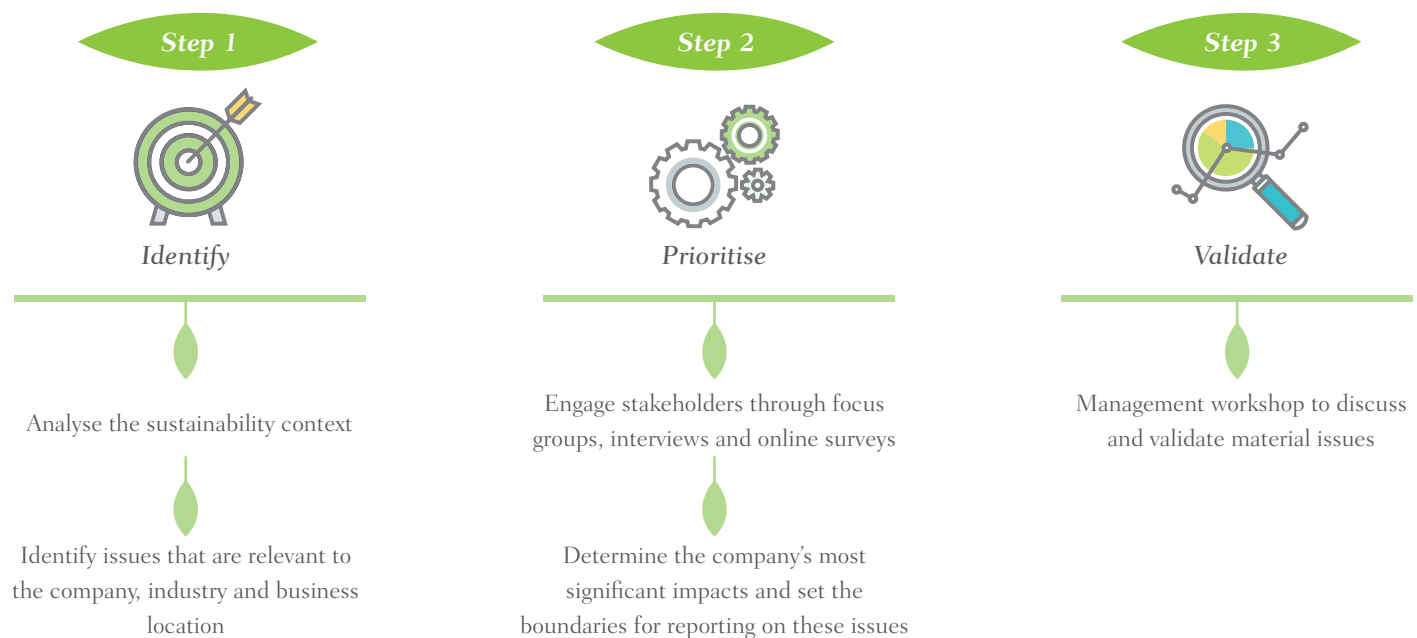


Figure 3: List of Material Issues

PCPD ESG Issues Materiality Matrix



#	Issues	Category
1	Greenhouse gas emissions	Environmental practices
2	Energy consumption	Environmental practices
3	Water consumption	Environmental practices
4	Waste	Environmental practices
5	Environmental impact of construction	Environmental practices
6	Green buildings certification	Environmental practices
7	Customer engagement in environmental issues	Environmental practices
8	Use of chemicals	Environmental practices
9	Local community engagement	Social
10	Community investment	Social
11	Occupational health and safety	Social

#	Issues	Category
12	Labour standards in supply chain	Social
13	Training and development	Social
14	Employee welfare	Social
15	Inclusion and equal opportunities	Social
16	Talent attraction and retention	Social
17	Economic value generated	Operating practices
18	Corporate governance	Operating practices
19	Anti-corruption	Operating practices
20	Supply chain management	Operating practices
21	Customer satisfaction	Operating practices
22	Customer privacy	Operating practices

SUSTAINABILITY POLICY

Scope

The purpose of this policy is to set clear commitments by Pacific Century Premium Developments Limited (“PCPD” or the ‘Company’) to foster a culture of sustainability within the Company, incorporate sustainability into our business strategy and carry out actions aligned with sustainable development.

This Sustainability Policy applies to the Company and all its subsidiaries, affiliates and associated companies, in Hong Kong and other parts of the world (the ‘Group’).

The commitments outlined in this policy define the Group’s framework for sustainability, and provide a reference for establishing corporate goals on sustainability in specific material areas. An implementation plan supports this policy outlining specific actions, targets, timeframes and indicators for tracking our performance.

Vision

Our sustainability vision is to conduct our business in a responsible manner that protects the environment, benefits the communities that we operate in, creates value for our customers, partners and employees while enhancing the long-term success of our business.

Our Commitments

- Protect the natural environment and respect the local culture of the communities where we develop and manage property, recreational and infrastructure projects;
- Minimise the extent of any adverse environmental or social impact our operations may have;
- Create an enabling environment that helps our employees take responsibility for delivering on our sustainability commitments;
- Engage our employees, customers, suppliers, contractors, shareholders and other stakeholders in an effort to work together to continually improve our environmental, economic and social performance; and
- Actively collaborate with governments and local forums to advance sustainable and responsible business practices in our industry.

Our commitments on specific topics:

OUR PARTNERS

Customers

- Provide the highest quality property development, management and recreation-related services and products, while considering the environmental and social benefits and impacts of our properties throughout their entire life cycle;
- Communicate with our customers about our green building standards and environmental considerations; and
- Advise our customers on sustainable actions they can take when using our services and properties.

Community

- Engage the local community to ensure sustainable development with mutual benefits;
- Create a harmonious, dynamic and liveable environment for the communities in which we operate by developing and managing properties that take into account local culture, environment and community priorities;
- Maintain a strong level of community involvement and provide support to community activities; and
- Encourage our employees to participate in community services.

Suppliers and Contractors

- Take into account environmental and social considerations in our procurement decisions; and
- Share our sustainability policy with our suppliers and contractors, support them in adopting sustainability initiatives aligned with this policy and seek constructive feedback from them to help us improve our sustainability performance.

OUR ENVIRONMENT

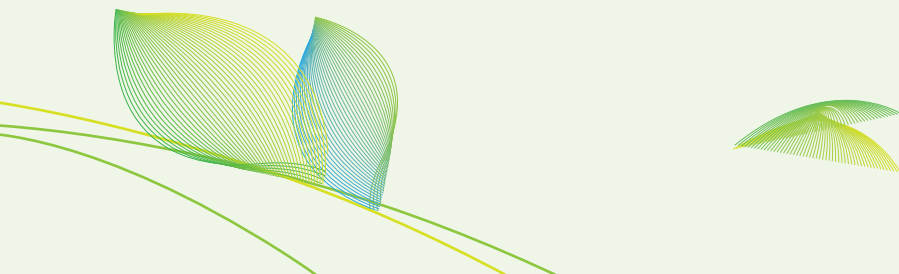
- Strive to achieve green building certification for all our new developments;
- Identify significant environmental impacts associated with our activities, adopt measures to manage and minimise the environmental impacts during design, construction and operation of all our properties;
- Reduce energy consumption and enhance energy efficiency in our properties;
- Minimise waste generated by our operations, and ensure that waste is reused or recycled as much as possible, with the disposal of any remaining waste occurring in a responsible manner;
- Ensure that we operate in a way that exceeds legal requirements, and integrate industry environmental best practices; and
- Monitor and measure our progress and set targets to continually improve our environmental performance.

OUR PEOPLE

- Provide a fair and supportive workplace, offer good working conditions for all our employees and strive to be employer of a choice;
- Ensure all our activities respect, promote and advance internationally recognised human rights;
- Ensure work done on our behalf is performed in a healthy and safe working environment; and
- Ensure that all our employees have access to development and training opportunities.

CORPORATE GOVERNANCE

- Uphold high standards of corporate governance and ethics, transparency and integrity in all aspects of our business;
- Promote ethical behaviour throughout our sphere of influence;
- Integrate social responsibilities within core management systems and decision-making processes; and
- Prevent any form of corruption in our business, including extortion and bribery.



AWARDS AND RECOGNITIONS

<i>Charter / scheme</i>	<i>Award</i>	<i>Entity/ property</i>	<i>Awarding organisation</i>	<i>Year of award</i>	<i>Jurisdiction</i>	<i>Voluntary/ mandatory</i>
Hong Kong Green Mark Certification Scheme	Green Mark Logo	ISPML	Hong Kong Q-Mark Council	2017	Hong Kong	Voluntary
Hong Kong Sustainability Award 2016/2017	Certificate of Excellence	ISPML	The Hong Kong Management Association	2016/2017	Hong Kong	Voluntary
Caring Company Scheme	10 Years Plus Caring Company Logo	ISPML	Hong Kong Council of Social Services	2017	Hong Kong	Voluntary
Family-friendly Employers Award Scheme	Family-friendly Employer	ISPML	The Family Council	2015/2016	Hong Kong	Voluntary
	Award for Breastfeeding support					
Quality Property & Facility Management Award (QPFMA)	Excellence Award – large scale Residential Property Management	ISPML / Bel-Air Phase 1 to Phase 6	The Hong Kong Association of Property Management Companies (HKAPMC) and The Hong Kong Institute of Surveyors (HKIS)	2016	Hong Kong	Voluntary
Quality Property & Facility Management Award (QPFMA)	Merit Award – small scale Residential Property Management	ISPML / ONE Pacific Heights	HKAPMC and HKIS	2016	Hong Kong	Voluntary
International Standard Certification	ISO 10002:2014 (Customer Complaint Handling System)	ISPML	Hong Kong Quality Assurance Agency	2017	Hong Kong	Voluntary
“Quality Management. Caring Buildings” Property Management Competition	Merit Award – small scale Residential Properties	ISPML / ONE Pacific Heights	The Organizing Committee of the Building Management Week 2017 (Water Supplies Department, Buildings Department, EMSD, Fire Services Department, FEHD, Home Affairs Department, HKIH & HKAPMC)	2017	Hong Kong	Voluntary
Green Office Awards Labelling Scheme (GOALS)	Green Office Label	Cyberport Office	World Green Organisation	2017	Hong Kong	Voluntary

HKEX REPORTING GUIDE CONTENT INDEX

HKEX ESG Reporting Guide SUBJECT AREAS and ASPECTS HKEX 'Comply or Explain' Provisions		Location of Disclosure in Sustainability Report 2017	Notes
A. Environment			
Aspect A1: Emissions	KPI		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	-	PRESERVING THE ENVIRONMENT	-
The types of emissions and respective emissions data	1.1	Data tables	-
Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	1.2	PRESERVING THE ENVIRONMENT -Energy and Greenhouse Gas Emissions; Data tables	-
Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	1.3	PRESERVING THE ENVIRONMENT -Waste Management; Data tables	-
Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	1.4	PRESERVING THE ENVIRONMENT -Waste Management; Data tables	-
Description of measures to mitigate emissions and results achieved.	1.5	PRESERVING THE ENVIRONMENT	-
Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	1.6	PRESERVING THE ENVIRONMENT -Waste Management	In Pacific Century Place, Jakarta, waste is handled by a contractor. In Thailand, waste only originates from our office and the amount generated is too low to hire a contractor.
A2 - Use of Resources	KPI		
General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials	-	PRESERVING THE ENVIRONMENT	-
Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	2.1	Data tables	-
Water consumption in total and intensity (e.g. per unit of production volume, per facility).	2.2	Data tables	-
Description of energy use efficiency initiatives and results achieved.	2.3	PRESERVING THE ENVIRONMENT -Energy and Greenhouse Gas Emissions	-

Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	2.4	PRESERVING THE ENVIRONMENT - Conserving Water	-
Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	2.5	-	This is not considered material to the Group
A3 - The Environment and Natural Resources	KPI		
General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.	-	PRESERVING THE ENVIRONMENT	-
Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	3.1	PRESERVING THE ENVIRONMENT	-

B1 - Employment	KPI		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	-	CARING FOR OUR PEOPLE	-
Total workforce by gender, employment type, age group and geographical region.	1.1	Data Tables	-
Employee turnover rate by gender, age group and geographical region.	1.2	Data Tables	-
B2 - Health and Safety	KPI		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	-	CARING FOR OUR PEOPLE	-
Number and rate of work-related fatalities.	2.1	Data Tables	-
Lost days due to work injury.	2.2	Data Tables	-
Description of occupational health and safety measures adopted, how they are implemented and monitored	2.3	CARING FOR OUR PEOPLE - Training and Development - Health and Safety	-
B3 - Development and Training	KPI		
General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	-	CARING FOR OUR PEOPLE - Training and Development	-

The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	3.1	Data Tables	-
The average training hours completed per employee by gender and employee category	3.2	Data Tables	-
B4 - Labour Standards	KPI		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	-	CARING FOR OUR PEOPLE - Labour Standards	-
B5 - Supply Chain Management	KPI		
General Disclosure Policies on managing environmental and social risks of the supply chain.	-	OUR COMMITMENT TO SUSTAINABILITY - Managing Our Value Chain Sustainably; MEETING CUSTOMER NEEDS - Product Quality - Supply Chain Management	-
Number of suppliers by geographical region.	5.1	Data Tables	-
Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	5.2	MEETING CUSTOMER NEEDS - Product Quality - Supply Chain Management	-
B6 - Product Responsibility	KPI		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	-	MEETING CUSTOMER NEEDS	-
Number of products and service related complaints received and how they are dealt with.	6.2	MEETING CUSTOMER NEEDS - Service Excellence	-
Description of consumer data protection and privacy policies, how they are implemented and monitored	6.5	MEETING CUSTOMER NEEDS - Protecting Customers' Privacy	-
B7 - Anti-corruption	KPI		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	-	CARING FOR OUR PEOPLE - Anti-corruption	-
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.	7.1	CARING FOR OUR PEOPLE - Anti-corruption	-

Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	7.2	CARING FOR OUR PEOPLE - Anti-corruption	-
B8 - Community Investment	KPI		
General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	-	SUPPORTING LOCAL COMMUNITIES	-
Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	8.1	SUPPORTING LOCAL COMMUNITIES	-
Resources contributed (e.g. money or time) to the focus area.	8.2	Data Tables	-

DATA TABLES

	Unit	Total	Properties under development	Properties under management	Ski operation ³	Offices			
			PCP, Jakarta	ISPML	NHR/ NMS	HK	Tokyo	Thailand	Jakarta

Air emissions

KPI A1.1 The types of emissions and respective emissions data

Emissions from gaseous fuel consumption¹

Town gas ²	GJ	7,928.2	-	7,270.8	565.6	-	91.8	-	-
NOx emission	kg	29.2	-	29.2	-	-	-	-	-
SOx emission	kg	0.1	-	0.1	-	-	-	-	-

Energy and carbon emissions

KPI A1.2 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)

KPI A2.1 Direct and/or indirect energy consumption by type e.g. electricity, gas or oil in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)

Electricity purchased	kWh	31,974,570.8	6,280,700.0 ³	21,652,198.0	3,402,832.0	421,853.1	83,687.1	55,096.0	78,204.6
Town gas	m ³	403,370.7	-	388,698.0	12,623.3	-	2,049.4	-	-
Indirect energy use⁴	GJ	123,036.6	22,610.5	85,218.7	12,815.7	1,518.7	393.1	198.3	281.5
Indirect CO2e emissions (Scope 2)⁵	tCO2e	25,720.2	5,596.1	17,338.1	2,304.6	333.3	46.4	32.0	69.7
Diesel	litres	60,457.5	- ⁶	14,058.7	42,887.3	1,804.3	-	1,707.2	-
Petrol	litres	70,442.8	-	-	36,534.6	31,080.5	-	501.3	2,326.4
Kerosene	litres	184,523.8	-	-	184,523.8	-	-	-	-
Fuel oil	litres	49,118.0	-	-	49,118.0	-	-	-	-
Direct energy use⁷	GJ	13,411.4	-	542.7	11,573.5	1,132.6	-	83.0	79.6
Direct CO2e emissions (Scope 1)⁸	tCO2e	913.2	-	37.0	788.0	76.9	-	5.8	5.5
Total energy consumption	GJ	136,447.9	22,610.5	85,761.3	24,389.2	2,651.3	393.1	281.4	361.1
Total greenhouse gas emissions	tCO2e	26,633.4	5,596.1	17,375.1	3,092.6	410.2	46.4	37.8	75.2
Total gross floor area (GFA) of all properties/ premises	m ²	585,836.9	148,375.0	403,681.0	28,469.2 ⁹	3,624.0	631.4	511.9	544.4
Energy consumed per square meter	GJ/m²	0.3	0.2	0.2	0.9	0.7	0.6	0.5	0.7
Greenhouse Gas Emission intensity from buildings	tCO2e/m²	0.05	0.04	0.04	0.11	0.11	0.07	0.07	0.14

	Unit	Total	Properties under development	Properties under management	Ski operation	Offices			
			PCP, Jakarta	ISPML	NHR/ NMS	HK	Tokyo	Thailand	Jakarta

Waste

KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)

KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)

Non-hazardous waste disposal to landfill

Construction and demolition waste	tonnes	88.3	1.11	-	87.2	-	-	-	-
Residential and domestic waste	tonnes	12,337.3	-	12,337.3	-	-	-	-	-
Grease trap waste	litres	1,440.1	-	-	-	1,440.1	-	-	-
Others (Foam/ rubber)	tonnes	5.4	5.4	-	-	-	-	-	-
Weight of waste disposed to landfill¹⁰	tonnes	12,431.0	6.5	12,337.3	87.2	-	-	-	-

^[1] We have set up systems to record the environmental data required for our vehicle uses at ISPML, offices (excluding Tokyo) and ski operations. We aim to report full-year air emission data from vehicle use starting from 2018.

^[2] According to Tokyo Gas Co., Ltd., town gas is produced from natural gas, which emits minimal amounts of NOx, SOx and PMs resulting from our ski operation and Tokyo office. The calculation of NOx and SOx emissions in ISPML is based on http://www.hkex.com.hk/-/media/hkex-market/listing/rules-and-guidance/other-resources/environmental-social-and-governance/how-to-prepare-an-esg-report/app2_kpis.

^[3] The permanent power supply was energised in late 2016; after that, the contractors conducted testing and commissioning for all mechanical, electrical, and plumbing systems before handover. This resulted in higher electricity consumption in 2017 as compared to that in 2016.

^[4] Energy consumption from electricity is calculated based on the conversion factor (1 KWh = 0.0036 Gigajoule) sourced from Electrical and Mechanical Services Department of HKSAR Government. Energy consumption from Towngas is calculated based on conversion factors provided by local suppliers: The Hong Kong and China Gas Company states its conversion factors on their bills and Toshi Gas's conversion factor is 0.0448 GJ/m³.

^[5] CO2e emission is calculated based on default factors provided by suppliers and governments: Electricity - Ministry of Energy and Mineral Resources of Indonesia (No.3783/21/600.5/2008 – 0.891 CO2e kg/kWh), HK Electric (0.79 CO2e kg/kWh), Thailand Greenhouse Gas Management Organization (0.5813 CO2e kg/kWh), Hokkaido Electric Power Co., Inc. (0.669 CO2e kg/kWh) and TEPCO (0.500 CO2e kg/kWh); Towngas - The Hong Kong and China Gas Company Limited (0.599 CO2e kg/Unit) and Toshi Gas (2.23 CO2e kg/m³).

^[6] The permanent power supply was energised in late 2016. The use of diesel for temporary power supply (by generator) is no longer required.

^[7] Energy consumption of fuels is calculated based on conversion factors provided by governments and research institutions: http://w.astro.berkeley.edu/~wright/fuel_energy.html (Diesel: 0.0386 GJ/L, Petrol: 0.0342 GJ/L) and <http://ghg-santeikohyo.env.go.jp/> (Kerosene: 0.0367 GJ/litre, Fuel oil: 0.0391 GJ/litre, Diesel: 0.0377 GJ/litre, Petrol: 0.0346 GJ/litre).

^[8] CO2e emission from fuels is calculated based on the default factors provided by fuel suppliers and governments: Shell (Diesel: 2.63 CO2e kg/L, Petrol: 2.32 CO2e kg/L), Thailand Greenhouse Gas Management Organization (Diesel: 2.7446 CO2e kg/L, Petrol: 2.238 CO2e kg/L), Ministry of Energy and Mineral Resources of Indonesia (No.3783/21/600.5/2008 – 0.00236 tCO2e/litre) and <http://ghg-santeikohyo.env.go.jp/> (Kerosene: 2.49 CO2e kg/litre, Fuel oil: 2.71 CO2e kg/litre, Diesel: 2.58 CO2e kg/litre, Petrol: 2.32 CO2e kg/litre).

^[9] The increased GFA compared to 2016 is because the data for the accommodation facilities under NMS's management in Ski Operation has been included in 2017.

^[10] Excluding grease trap waste (in litres)

	Unit	Total	Properties under development	Properties under management	Ski operation	Offices			
			PCP, Jakarta	ISPML	NHR/ NMS	HK	Tokyo	Thailand	Jakarta
Non-hazardous waste collected for recycling									
Paper	tonnes	195.6	1.7	151.2	37.6	3.9	0.6	0.2	0.4
Plastic	tonnes	27.3	4.0	6.9	16.4	-	-	-	-
Food	tonnes	41.0	-	-	41.0	-	-	-	-
Metal (aluminum)	tonnes	1.5	-	0.2	1.3	-	-	-	-
Metal (steel)	tonnes	7.7	1.5	3.8	2.4	-	-	-	-
Glass	tonnes	11.2	0.1	5.6	5.5	-	-	-	-
Toner cartridge	tonnes	0.2	-	0.01	0.1	0.1	0.02	-	-
Others (Styrofoam, wood, IT equipment)	tonnes	2,135.4	3.7	-	2,131.1	0.6	-	-	-
Weight of waste collected for recycling	tonnes	2,419.9	11.0	167.7	2,235.4	4.6	0.6	0.2	0.4
Total non-hazardous waste produced									
Total non-hazardous waste produced	tonnes	14,850.9	17.5	12,505.0	2,322.6	4.6	0.6	0.2	0.4
Non-hazardous waste intensity	tonnes/m²	0.03	0.0001	0.03	0.08	0.001	0.001	0.0004	0.001
Total hazardous waste produced									
Fluorescent light bulbs, tubes and batteries	tonnes	0.1	-	0.1	-	0.01	-	-	-
Total hazardous waste produced	tonnes	0.1	-	0.1	-	0.01	-	-	-
Hazardous waste intensity	tonnes/m²	0.0000001	-	0.0000002	-	0.000002	-	-	-
Water									
KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility)									
Total water consumption(fresh water)	m³	117,106.6	37,188.7¹¹	49,769.1	29,502.8	306.0¹²	-	340.0	-
Water Intensity	m³/sqm	0.2	0.3	0.1	1.0	0.1	-	0.7	-

¹¹ We started to collect water consumption data in 2017 as permanent water supply meters were installed in January 2017.

¹² We reported the consumption of bottled water only. Water consumption charges for the Hong Kong office are included in the office management fee.

Workforce

KPI B1.1 Workforce Profile

	No. of people									
			Hong Kong		Japan		Indonesia		Other locations	
By employment type	total	%	total	%	total	%	total	%	total	%
Permanent full-time staff	456	59.3%	357	84.2%	70	23.1%	16	66.7%	13	72.2%
Temporary staff	107	13.9%	67	15.8%	27	8.9%	8	33.3%	5	27.8%
Seasonal part-time staff	206	26.8%	0	-	206	68.0%	0	-	0	-
By gender										
Male	473	61.5%	274	64.6%	173	57.1%	17	70.8%	9	50.0%
Female	296	38.5%	150	35.4%	130	42.9%	7	29.2%	9	50.0%
By age group										
Under 30 years old	168	21.8%	42	9.9%	121	39.9%	4	16.7%	1	5.6%
30 to 50 years old	353	45.9%	191	45.0%	135	44.6%	16	66.7%	11	61.1%
Over 50 years old	248	32.2%	191	45.0%	47	15.5%	4	16.7%	6	33.3%
By employee category										
Operational staff	552	71.8%	288	67.9%	248	81.8%	10	41.7%	6	33.3%
Administrative staff	205	26.7%	128	30.2%	51	16.8%	14	58.3%	12	66.7%
Executive staff	12	1.6%	8	1.9%	4	1.3%	0	-	0	-
Total workforce	769		424		303		24		18	
Percentage		100.0%		55.2%		39.4%		3.1%		2.3%

STAFF TURNOVER

Workforce

KPI B1.2 Employee Turnover

	No. of people									
			Hong Kong		Japan		Indonesia		Other locations	
By gender	total	turnover rate	total	turnover rate	total	turnover rate	total	turnover rate	total	turnover rate
Male	46	16.4%	43	19.1%	2	5.0%	0	-	1	14.3%
Female	39	22.3%	38	28.8%	1	3.3%	0	-	0	-
By age group										
Under 30 years old	23	45.1%	23	54.8%	0	-	0	-	0	-
30 to 50 years old	41	16.3%	38	20.3%	3	6.4%	0	-	0	-
Over 50 years old	21	13.7%	20	15.6%	0	-	0	-	1	25%
No. of leavers	85		81		3		0		1	
Total turnover rate*		18.6%		22.7%		4.3%		-		7.7%

*Turnover rate = No. of leavers / Total no. of permanent full-time staff

OCCUPATIONAL HEALTH AND SAFETY

KPI B2.1 Number and rate of work-related fatalities

	No. of cases									
			Hong Kong		Japan		Indonesia		Other locations	
Work-related fatalities by gender	total	%	total	%	total	%	total	%	total	%
Male	0	-	0	-	0	-	0	-	0	-
Female	0	-	0	-	0	-	0	-	0	-
Total work-related fatalities	0	-	0	-	0	-	0	-	0	-

KPI B2.2 Lost days due to work injury

	Days									
			Hong Kong		Japan		Indonesia		Other locations	
Lost days for work-related injury	total	%	total	%	total	%	total	%	total	%
Male	231	-	225	-	6	-	0	-	0	-
Female	26	-	26	-	0	-	0	-	0	-
Total lost days for work-related injury	257		251		6		0		0	
Lost day rate*		0.149%		0.206%		0.016%		-		-

Number and rate of work-related injury rate

	No. of cases									
			Hong Kong		Japan		Indonesia		Other locations	
Work-related injury by gender	total	rate	total	rate	total	rate	total	rate	total	rate
Male/ Injury rate per 1,000 male employees	19	40.2	15	54.7	4	23.1	0	-	0	-
Female/ Injury rate per 1,000 female employees	7	23.6	7	46.7	0	0	0	-	0	-
No. of injured cases	26		22		4		0		0	
Injury rate per 1,000 employees		33.8		51.9		13.2		-		-

*Lost day rate = Total lost days for work-related injury / Total days scheduled to be worked for all headcount (days)

TRAINING HOURS

Workforce

KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management)

	No. of people									
			Hong Kong		Japan		Indonesia		Other locations	
Employees trained by gender	total	%	total	%	total	%	total	%	total	%
Male	252	53.2%	236	86.1%	12	6.9%	4	23.5%	0	-
Female	141	47.6%	135	90.0%	6	4.6%	0	-	0	-
Employees trained by employee category										
Operational staff	276	50%	267	92.7%	6	2.4%	3	30.0%	0	-
Administrative staff	113	55.1%	101	78.9%	11	21.6%	1	7.1%	0	-
Executive staff	4	33.3%	3	37.5%	1	25.0%	0	-	0	-
Total trained employees	393		371		18		4		0	
Percentage		51.1%		87.5%		5.9%		16.7%		-

KPI B3.2 The average training hours completed per employee by gender and employee category

	Hours									
			Hong Kong		Japan		Indonesia		Other locations	
Total and average training hours by gender	total	average	total	average	total	average	total	average	total	average
Male	2,059.5	4.4	1,918.5	7.0	109.0	0.6	32.0	1.9	0.0	-
Female	1,054.6	3.6	987.6	6.6	67.0	0.5	0.0	-	0.0	-
Total and average training hours by employee category										
Operational staff	1,885.0	3.4	1,805.0	6.3	56.0	0.2	24.0	2.4	0.0	-
Administrative staff	1,190.7	5.8	1,064.2	8.3	118.5	2.3	8.0	0.6	0.0	-
Executive staff	38.5	3.2	37.0	4.6	1.5	0.4	0.0	-	0.0	-
Total and average training hours completed by employee	3,114.1	4.0	2,906.1	6.9	176.0	0.6	32.0	1.3	0.0	-

Supply Chain

KPI B5.1 Number of suppliers by geographical region

	No.									
	Total		Hong Kong		Japan		Indonesia		Other locations	
By geographical region	total	%	total	%	total	%	total	%	total	%
Local	370	91.6%	287	92.0%	31	96.9%	22	73.3%	30	100.0%
Non-local	34	8.4%	25	8.0%	1	3.1%	8	26.7%	0	-
Total number of suppliers	404	100.0%	312	77.2%	32	7.9%	30	7.4%	30	7.4%

Community

KPI B8.2 Contributed resources (money / hours)

	No.	Total		Hong Kong		Japan		Indonesia		Other locations	
		total	%	total	%	total	%	total	%	total	%
Financial contributions	HK\$	120,734	100.0%	104,000	86.1%	16,734	13.9%	0	-	0	-
Charitable events	No.	7	100.0%	4	57.1%	3	42.9%	0	-	0	-
Organisation supported	No.										
NGOs/ Charitable organisations		6	100.0%	4	66.7%	2	33.3%	0	-	0	-
Government/ Local community		1	100.0%	0	0.0%	1	100.0%	0	-	0	-
	hour										
Volunteering hours		328	100.0%	88	26.8%	240	73.2%	0	-	0	-

