

REGAL REIT 富豪產業信託

Regal Real Estate Investment Trust

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

2022

ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT



Managed by

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

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ABOUT THIS REPORT

Reporting Standard

This report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

Reporting Principles

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

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

Reporting Scope and Boundary

This is the seventh annual standalone ESG report of Regal REIT prepared by Regal Portfolio Management Limited (the “REIT Manager”). This report covers the sustainability performance of ESG issues that are material to the hotel properties owned by Regal REIT and managed by Regal Hotels International Limited (the “Hotel Manager”).

Reporting Period

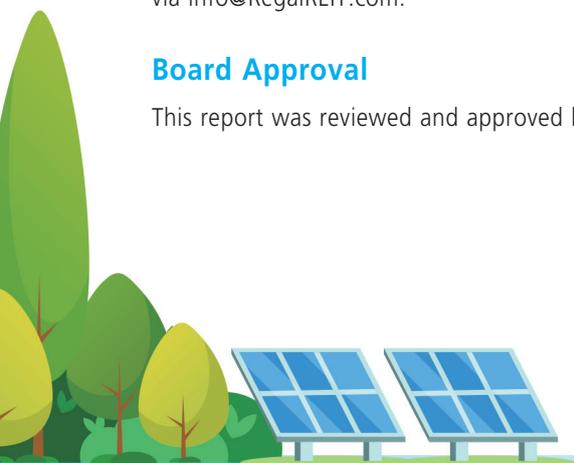
Unless otherwise stated, this report presents the highlights of the progress and performance of the hotel properties in Hong Kong on material ESG issues for the period from 1 January 2022 to 31 December 2022.

Accessibility of the Report and Feedback

An electronic copy of this report can be accessed on Regal REIT’s website at www.regalreit.com/annualrpt.html. Should you have any enquiries about the report or opinions regarding Regal REIT’s ESG performance, please feel free to contact us via info@RegalREIT.com.

Board Approval

This report was reviewed and approved by the Board of Directors of the REIT Manager (the “Board”) on 14 April 2023.





ABOUT REGAL REIT

Regal REIT is a collective investment scheme established in the form of a unit trust under the laws of Hong Kong. Listed on the Main Board of The Stock Exchange of Hong Kong Limited since 2007, Regal REIT is the only listed hospitality real estate investment trust (“REIT”) with market concentration in Hong Kong.

Property Portfolio

As of 31 December 2022, Regal REIT owns a total of nine hotel properties that are strategically located in different districts in Hong Kong. Regal REIT’s hotel portfolio consists of 4,918 guestrooms and suites, offering all-rounded hotel services. The diverse portfolio is comprised of two hotel types, namely, full-service hotels, which offer a wide range of services including food and beverage outlets and other facilities, and select-service hotels, which offer contemporary design and are equipped with tech-savvy facilities, catering to different types of demand from business travellers and leisure-seeking customers, both locally and from abroad.

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





Organisation and Structure





Regal REIT is managed by the REIT Manager and does not employ any employees directly. The respective property companies of Regal REIT entrust the Hotel Manager to manage the daily operations of the hotel properties. Apart from iclub Wan Chai Hotel (an owner-operated property without lease), all hotels under Regal REIT's property portfolio are leased to the Lessee, which is a wholly-owned subsidiary of Regal Hotels International Holdings Limited ("RHIHL", together with its subsidiaries, collectively, the "RHIHL Group"), with long-term lease agreements.

Meanwhile, the Hotel Manager, a wholly-owned subsidiary of RHIHL, provides management services to all the hotel properties through long-term hotel management agreements.

The REIT Manager is also a wholly-owned subsidiary of RHIHL and is licensed by the Securities and Futures Commission in Hong Kong (the "SFC") to undertake the regulated activity of asset management for Regal REIT's property portfolio. The REIT Manager oversees and supervises the performance of the Lessee and the Hotel Manager in the operation of the five Initial Hotels¹ and the four iclub Hotels. Through the Hotel Manager, Regal REIT's property portfolio meets high standards in relation to compliance with the relevant regulations and guidelines, including environmental, employment, procurement and anti-corruption aspects, in maintaining a sustainable business environment.

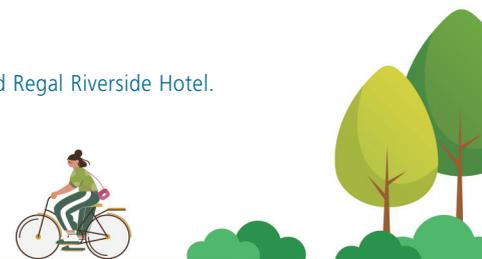
The Trustee of Regal REIT is DB Trustees (Hong Kong) Limited (the "Trustee"), a wholly-owned subsidiary of Deutsche Bank AG. The Trustee is responsible for holding the assets of Regal REIT in trust for the benefit of the unitholders of Regal REIT (the "Unitholders") and oversees the activities of the REIT Manager for compliance with all the regulatory requirements.

The Hotel Manager

The Hotel Manager is engaged in the daily business operations of all five Initial Hotels¹ and four iclub Hotels. The Hotel Manager operates, manages and promotes Regal REIT's hotel properties under the brand names of "Regal" and "iclub by Regal", respectively.

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

¹ Namely, Regal Airport Hotel, Regal Hongkong Hotel, Regal Kowloon Hotel, Regal Oriental Hotel and Regal Riverside Hotel.





OUR ESG APPROACH

Board Statement on ESG Matters

The Board of the REIT Manager is responsible for the oversight of the ESG matters of Regal REIT. The REIT Manager has responsibilities in guiding the development of Regal REIT's ESG values, approaches, strategies and policies, in addition to reviewing the identification, evaluation and management of ESG matters. The Board is also responsible for reviewing and monitoring the progress made against ESG related goals and targets. The Board reviews the ESG Report to ensure a balanced disclosure of ESG performance of Regal REIT and compliance with all applicable Listing Rules.

The REIT Manager is aware that climate change is posing significant threats to the hotel business. In accordance with the SFC's 'Circular to Licensed Corporations - Management and Disclosure of Climate-related Risks by Fund Managers' dated 20 August 2021 (the "SFC's Circular"), specifies that the Board, with the assistance of the management team of the REIT Manager, oversees climate-related risks and reviews climate-related goals and management policies regularly.

The REIT Manager works in collaboration with the Hotel Manager to identify, assess and prioritise ESG matters and their importance to Regal REIT and its stakeholders. While maintaining an oversight on the ESG matters which are material to Regal REIT, the REIT Manager entrusts the Hotel Manager to develop and implement ESG initiatives and measures to address the material ESG matters. Refer to "Stakeholder Engagement" section of this Report for details of the stakeholder engagement process and the results of the materiality analysis.





Our ESG Strategy

Regal REIT strives to operate in a sustainable and responsible manner and provides stable and sustainable growth for the Unitholders. Under the present operating framework, the Hotel Manager has been appointed to manage the daily operations of the hotels held by Regal REIT.

The Hotel Manager upholds its role as an internationally recognised hotel group that is strongly committed to sustainable development. Sustainability programmes and initiatives targeting environmental, social and economic performance have been implemented by the Hotel Manager throughout the past years and efforts are being deployed for continuous enhancements.

Environmental Responsibility Programmes

- Reducing carbon emissions
- Reducing energy consumption
- Enhancing energy and water conservation
- Implementing waste management programme and practices
- Implementing the 5-R Principle (Reduce, Reuse, Recycle, Replace and Reject)
- Exploring the implementation on renewable energy

Social Responsibility Programmes

- Employing minority and physically handicapped citizens
- Supporting health, medical and literacy projects in the community
- Bolstering youth development

Economic Responsibility Programmes

- Maximisation of revenue and minimisation of cost
- Delivering maximum profit to investors and Unitholders
- Creation of local employment
- Development of employees and implementation of equal employment opportunity
- Delivering quality products and services
- Enhancing work efficiency
- Exploiting technology and automation
- Implementing economies of scale and engaging with local partners





Corporate Governance

Regal REIT believes that a high standard of corporate governance is the cornerstone of sustainable development. As an SFC authorised REIT, Regal REIT is governed by the Code on Real Estate Investment Trusts and the Listing Rules, whenever they are applicable to Regal REIT and its operations. In addition, the REIT Manager has adopted a comprehensive compliance manual, a customary requirement for all REITs in Hong Kong, which sets out the guidelines for key processes, systems, policies and procedures applicable to Regal REIT's business and operations. The compliance manual also sets out the framework for corporate governance and is crucial to the management and operations of Regal REIT's business.

Regal REIT is a collective investment scheme authorised by the SFC and constituted by a trust deed. The responsibility of the Trustee is for the safe custody of the assets of Regal REIT for the benefit of the Unitholders as a whole and to oversee the activities of the REIT Manager for compliance with regulatory requirements. On the other hand, the REIT Manager ensures the assets of Regal REIT are professionally managed in all operational and financial aspects. The Trustee and the REIT Manager are functionally independent of each other. The Board oversees the overall governance of the REIT Manager and establishes a framework for maintaining effective management of Regal REIT on internal controls and business risk aspects. At the same time, sustainability issues are considered to optimise risk management in the business.

For more information regarding the REIT Manager's corporate governance and the Board, refer to Regal REIT's [Annual Report 2022](#).

Sustainability Governance

Regal REIT prioritises sustainable business practices in the management of its investment portfolio. The feedback and opinions of key stakeholders regarding the sustainability performance of the properties were highly valued and considered in the course of formulating goals and targets. Sustainability programmes are implemented by the Hotel Manager to address environmental, social and economic issues related to the operations of Regal REIT's hotels.

In order to strengthen the management of the environmental footprints of all hotels under Regal REIT's property portfolio, an Environmental Policy has been formulated by the Hotel Manager to guide the operational practices. The hotels' environmental and social performance are reviewed and monitored regularly by the Hotel Manager to evaluate the effectiveness of related sustainability measures and track the progress of the sustainability targets. To showcase the commitment to social responsibility and contribute to society, the Hotel Manager has proactively organised and promoted community programmes in the hotels, and supported volunteer programmes launched by external parties during the reporting period.





Stakeholder Engagement

In order to understand the opinions and needs of different stakeholder groups, several transparent and regular communication channels have been established. The REIT Manager and the Hotel Manager value the stakeholders' opinions and seek to ensure their views are collected effectively. The major communication channels for each group are listed as follows:

Stakeholder Group Engaged	Methods of Engagement ²
Engaged by the REIT Manager	
Unitholders	<ul style="list-style-type: none"> • General meetings • Annual and interim reports • Announcements and circulars • Regal REIT's website and email
Investors	<ul style="list-style-type: none"> • Analyst briefings • Investor meetings • Annual and interim reports • Announcements and circulars • Regal REIT's website and email
Hotel Manager	<ul style="list-style-type: none"> • Express concerns through letters and conference calls • Meet with the senior management of the Hotel Manager • Collective engagement
Community	<ul style="list-style-type: none"> • Media conferences • Face-to-face meetings
Engaged by the Hotel Manager	
Hotel Management	<ul style="list-style-type: none"> • Regular meetings • Ongoing engagement
Hotel General Employees	<ul style="list-style-type: none"> • Employee satisfaction questionnaires • Regular meetings • Orientation activities • Notice boards • Annual appraisal meetings • Employee engagement activities
Suppliers/Contractors	<ul style="list-style-type: none"> • On-site evaluation visits and meetings • Regular meetings
Community	<ul style="list-style-type: none"> • Media conferences • Face-to-face meetings • Volunteer activities
Hotel Guests	<ul style="list-style-type: none"> • Guest satisfaction surveys • Loyalty clubs, e.g. 925 Club • Website and social media • Day-to-day communication with front-line employees • Customer feedback mechanism • Hotlines
Industrial Associations	<ul style="list-style-type: none"> • Industry forums

² Due to the pandemic and social distancing restrictions, most events involving physical gatherings have been temporarily suspended during the reporting year.





Materiality Assessment

The REIT Manager is responsible for reviewing ESG issues that are material to its business. The outcome of the stakeholder engagement exercise is used as the basis for the materiality assessment. The prioritisation of the material topics followed the principles defined in the ESG Reporting Guide, and the steps are summarised as follows:





The REIT Manager has prioritised the following 14 material ESG issues which are considered to be relevant to Regal REIT’s business and operations. They form the basis of this report and are addressed in detail. Other ESG issues such as employee related matters are not considered to be directly relevant to Regal REIT’s business and operations and, therefore, are not covered in this ESG Report, as Regal REIT does not have any employees.





ENVIRONMENTAL RESPONSIBILITY

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

During the reporting period, Regal REIT's hotels have complied with all relevant laws and regulations³ relating to air and greenhouse gas emissions, energy efficiency, water use and generation of hazardous and non-hazardous waste.

Environmental Management

Regal REIT endeavours to foster a tranquil and pleasant environment for every individual through maintaining a highly environmentally conscious hospitality operation. To actively monitor and manage the environmental impact, the REIT Manager collaborates with the Hotel Manager to implement a comprehensive environmental management approach. The Hotel Manager adheres to the environmental policies which stipulate the RHIHL Group's internal expectations and guidelines on minimising adverse environmental impacts. These policies set forth the RHIHL Group's environmental missions, which include compliance, monitoring and reporting, employee awareness, enhancement initiatives and risk management. Green committees have been established by the Hotel Manager to monitor the hotels' performances and to implement various environmental management initiatives on a regular basis to achieve continuous enhancements in environmental performance.

Regal REIT has evaluated the hotel operations and identified four key aspects, including energy consumption, water consumption, waste management and climate-related risk management, which are prioritised in our environmental management approach. A number of measures have been put into practice, ensuring that the hotel operations meet the RHIHL Group's environmental pledges in the long run and fulfill the environmental goals defined by the governmental bodies.

EarthCheck and Achievement

For the hotel operations in Hong Kong, the Hotel Manager has systems in place to carry out diverse sustainability initiatives to minimise the use of resources and enhance waste management. The REIT Manager ensures that the Hotel Manager strictly complies with all relevant environmental laws and regulations. To demonstrate the environmental commitment, the REIT Manager strives to align its expectation in the environmental performance of hotels in aspects such as energy and water consumption, carbon emissions and waste management with the best industrial practices.

³ The environmental laws and regulations that might be significant to Regal REIT include Air Pollution Control Ordinance (Cap. 311 of the Laws of Hong Kong), Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong), Water Pollution Ordinance (Cap. 358 of the Laws of Hong Kong) and Noise Control Ordinance (Cap. 400 of the Laws of Hong Kong).





As a case in point, the REIT Manager works with the Hotel Manager by adopting a systematic approach to managing environmental issues and aligning the environmental performance of the hotel properties of Regal REIT with the EarthCheck Certification standards, which is the world’s leading international sustainability benchmarking and certification service in the travel and tourism industry. The EarthCheck standards align with global frameworks such as the United Nations Sustainable Development Goals (UNSDGs), the IPCC Guidelines for National Greenhouse Gas Inventories, the International Organisation for Standardisation (ISO) and the Global Reporting Initiatives (GRI), as well as industry practices such as the Global Sustainable Tourism Criteria (GSTC), which examines hotel environmental and social performances in several key criteria during hotel operations. To facilitate the management of environmental issues in adhering to the EarthCheck standards for the hotel operations, the Hotel Manager has implemented various initiatives to identify the material environmental issues associated with the hotel operations. EarthCheck assures the hotel properties of Regal REIT comply with relevant laws and ongoing improvement of our environmental and social performances, including energy and water usage, carbon emissions and waste management. EarthCheck Certification is a crucial measure of performances for Regal REIT’s hotels. The Hotel Manager has also engaged with the Global Tourism Advisory Group to conduct independent third-party verification, and has adopted a systematic and process-driven method for continuous improvement of performance in all criteria that EarthCheck is looking into.

The Hotel Manager is committed to improving EarthCheck ratings by meeting its criteria to drive improvements in minimising environmental impacts and maximising social return in the operating communities. The REIT Manager collaborates with the Hotel Manager to set targets in achieving EarthCheck Certification “Platinum” & “Master” ratings for all five Initial Hotels by 2033 and 2038, respectively. In recognition of our efforts in environmental protection, Regal REIT’s hotels in Hong Kong were awarded a number of well-recognised awards and certifications.

List of EarthCheck Certification earned over the year



Hotel	Earned awards and certifications
Regal Airport Hotel	EarthCheck Gold Benchmarking Certification
Regal Hongkong Hotel	EarthCheck Gold Benchmarking Certification
Regal Kowloon Hotel	EarthCheck Gold Benchmarking Certification
Regal Oriental Hotel	EarthCheck Gold Benchmarking Certification
Regal Riverside Hotel	EarthCheck Gold Benchmarking Certification
iclub Wan Chai Hotel	EarthCheck Silver Benchmarking Certification
iclub Sheung Wan Hotel	EarthCheck Silver Benchmarking Certification
iclub Fortress Hill Hotel	EarthCheck Silver Benchmarking Certification
iclub To Kwa Wan Hotel (formerly known as iclub Ma Tau Wai Hotel)	EarthCheck Silver Benchmarking Certification



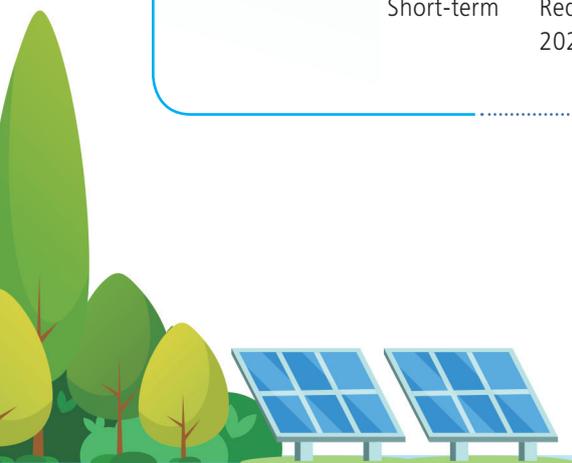


Environmental Targets

In consideration of the hotels' historical environmental data, guidance from the local government, as well as findings from internal control reviews, key environmental aspects and improvement opportunities were identified. During the reporting year, the REIT Manager worked with the Hotel Manager to establish progressive environmental targets aimed to effectively track and monitoring the hotel environmental footprints.

The Hotel Manager takes the responsibility to closely monitor the progress on the achievement of the targets and drive continuous improvements in hotel environmental performances. The environmental targets presented below align with those stipulated by the RHIHL Group. The REIT Manager collaborates with the Hotel Manager to formulate action plans to achieve the targets over the short, medium to the long term to mitigate impacts brought by climate change.

Key Aspects	Targets	Detail	Status as reported by the Hotel Manager 
Greenhouse Gases Emissions	Long-term	Achieve Carbon Neutrality by 2050	Achieved 32% reduction in absolute greenhouse gases emissions in 2022 compared to 2018 as the baseline year
	Mid-term	Achieve 15% reduction in greenhouse gases emissions intensity by year 2035, with 2018 as baseline year	The intensity increased in 2022 despite the absolute value decreased, we will continue to monitor the progress of reduction
Energy Efficiency	Mid-term	Achieve EarthCheck Certification "Platinum" and "Master" Rating for five Initial Hotels by 2033 and 2038, respectively	Achieved "Gold" Rating for five Initial Hotels in 2022
		Achieve 15% reduction in electricity consumption intensity by year 2035, with 2018 as baseline year	An increase of energy efficiency has been observed in 2022, we will continue to monitor the progress of energy reduction
Waste Reduction	Mid-term	Minimise the use of single-use plastic packaging and toiletries gradually, and replace with biodegradable materials by 2028	Recycled 1,731 kg of plastic bottles in 2022
	Short-term	Reduce food waste generation by 25% by 2025, with 2023 as baseline year	Progressively reducing food waste by 5% by 2024 to provide a foundation for development of other initiatives





The REIT Manager will closely monitor the progress and drive continuous improvements in environmental performance. The “We Love Our Planet” campaign was also initiated by the Hotel Manager in supporting the concept of green workplaces. Under this concept, the Hotel Manager is committed to fully consider environmental factors such as energy reservation and emission reduction, pollution prevention and control, resource use and biodiversity protection in all aspects of hotel operations, and to actively engage in environmental protection education and publicity to promote environmental awareness in the workplace and in daily life. The Hotel Manager advocates the use of environmentally friendly materials, such that excessive space and different configurations should be avoided to save costs and energy and to achieve low carbon environmental protection, while still meeting office demands. The Hotel Manager continues to motivate various departments, including engineering, finance, human resources, marketing, operations, project development, purchasing and sales to incorporate environmental considerations into their daily hotel operations, ensuring alignment with environmental targets defined by the RHIHL Group.

Our Response to Climate Change

Regal REIT recognises the impact of potential climate-related risks on hotel operations. Thus, the REIT Manager actively engages with the Hotel Manager to implement comprehensive management approaches and action plans to strengthen the hotel portfolio’s resilience against climate change.

The REIT Manager engaged a third-party consultant to conduct climate-related risk analyses across the hotel operations. In terms of physical risks, storms, flooding and sea level rise were identified as potential physical risks influencing the hotel business operations. Among the transitional risks identified, policy and legal risks are considered to be the most material to the hotel operations. Following the introduction of Hong Kong’s Climate Action Plan 2050, the government is expected to implement more stringent environmental policies to meet carbon neutrality targets. The risks identified for the hotel property portfolio of Regal REIT will be reviewed regularly by the REIT Manager.

The REIT Manager recognises that managing climate-related issues and aligning them with its climate-related targets can reduce risks and enhance the long-term value of hotel properties. Thus, it integrates climate change considerations into its investment strategies, risk management procedures and portfolio management processes. The Board works in conjunction with the management team of the REIT Manager to oversee climate-related risks and assess climate-related targets and policies on a regular basis.

For all hotel properties in the portfolio of Regal REIT, the responsibility for implementation of climate-related risk management approaches on daily operation has been delegated to the Hotel Manager. The REIT Manager acts as an active owner to monitor the Hotel Manager’s performance and receives updates on the subject matter on an on-going basis. The REIT Manager constantly provides support in upgrading the facilities in the hotel properties to high energy efficiency models, in order to reduce carbon emissions. In 2022, the Hotel Manager began replacing non-LED lighting with LED lighting and diesel-powered equipment with natural gas-powered ones. The Hotel Manager also encouraged signing performance-based contracts with specialist contractors to implement energy saving programmes in Regal REIT’s hotels. During the year, Regal Airport Hotel replaced all fluorescent ceiling down light with LED down light at its function rooms. The REIT Manager communicates with senior management of the Hotel Manager on a regular basis to ensure climate-related risks are taken into consideration in its risk management procedures, and to seek continuous improvement on the climate-related performance of hotel properties of Regal REIT over time. The Hotel Manager’s engineering department also provides trainings to equip its engineering staff with the ability to solve problems and deal with emergencies. New facilities have been installed in the hotel properties to improve the adaptive capacity of Regal REIT’s assets.





The carbon footprint⁴ of Regal REIT's hotel properties was calculated in accordance with item 19 of the SFC's Circular by taking into account all Scope 1 and Scope 2 emissions.

Portfolio carbon footprint ⁴	Unit	2022
Total Scope 1 and Scope 2 Emissions	tCO ₂ e	30,246
Total Value of Hotel Properties	HK\$ Million	23,553
Ownership of Hotel Properties on Value Basis	%	100%
Portfolio Carbon Footprint	tCO ₂ e/HK\$ Million	1.28

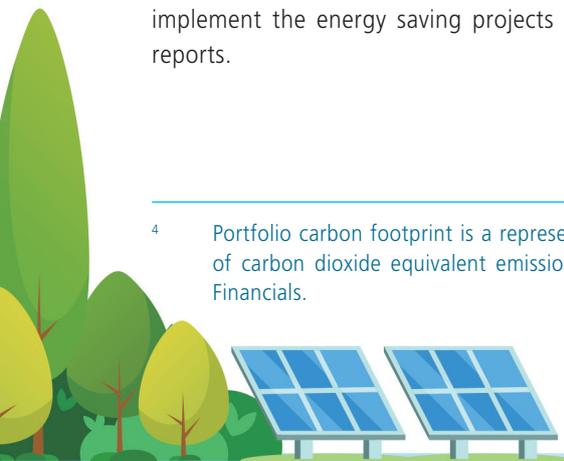
Looking forward, the REIT Manager will continue to conduct climate change impact assessments to understand the impact of climate-related risks on its investment strategies, risk management procedures and portfolio management processes. In addition, the Hotel Manager will implement mitigation and adaptive measures to respond to current and future climate change impacts. The REIT Manager will also enhance disclosures with reference to the recommendations of the Task Force on Climate-related Financial Disclosures and will continue to conduct climate change assessment to understand the impact of climate-related risks on its investment strategies, risk management procedures and portfolio management processes, including utilising scenario analyses to map the impacts of climate change on Regal REIT's hotel operations.

Energy Efficiency and Emissions

Regal REIT acknowledges that reducing carbon emissions is an integral part of global climate action, which is closely linked with energy usage. As a responsible investor, the REIT Manager aims to improve energy efficiency and reduce carbon emissions of Regal REIT's hotels, and incorporate the pledge into its investment strategy. The REIT Manager collaborates with the Hotel Manager to initiate a feasibility study about the deployment of an energy management system. The preparation of energy consumption data to identify key hotspots and improvement areas paves the way for the implementation of Intelligent Building Management System (iBMS) in all Regal REIT's hotels by 2030. At the moment, if energy consumption exceeds the specified range, the underlying causes will be analysed by the Hotel Manager, and prompt corrective actions will be taken to ensure compliance with operational needs while aligning with industrial best practices. In recognition of our efforts in maintaining high standards in the energy management approach, Regal Airport Hotel was the first hotel in Hong Kong to obtain both internationally recognised ISO 50001 Energy Management System certification and ISO 14064 Greenhouse Gas Accounting and Verification certification.

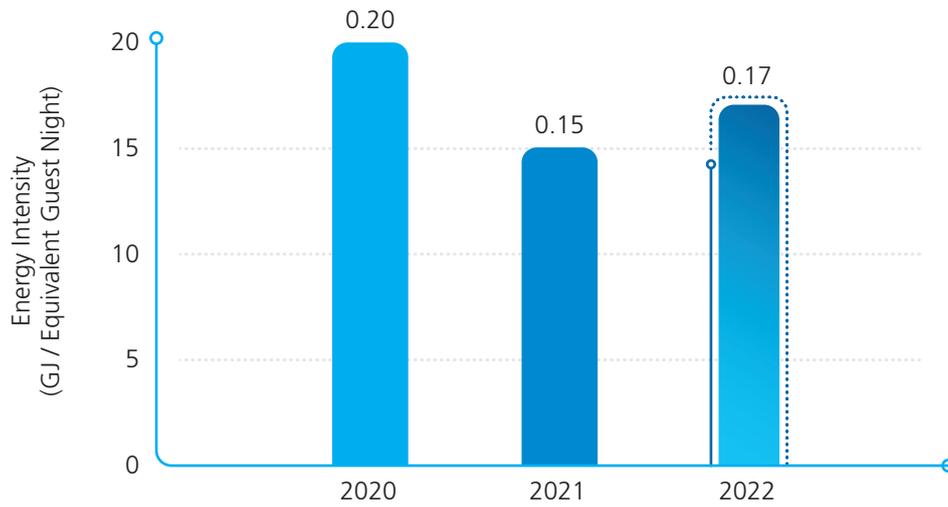
To further align with standards in energy management, the Hotel Manager plans to conduct carbon audit for the five Initial Hotels and four iclub Hotels in Hong Kong by year 2025 and 2028, respectively. In addition, the Hotel Manager will implement the energy saving projects progressively in the hotels according to the recommendations in the energy audit reports.

⁴ Portfolio carbon footprint is a representation of carbon emissions normalised by the portfolio's market value and expressed in tons of carbon dioxide equivalent emissions (CO₂e) per million dollars invested with reference to Partnership for Carbon Accounting Financials.

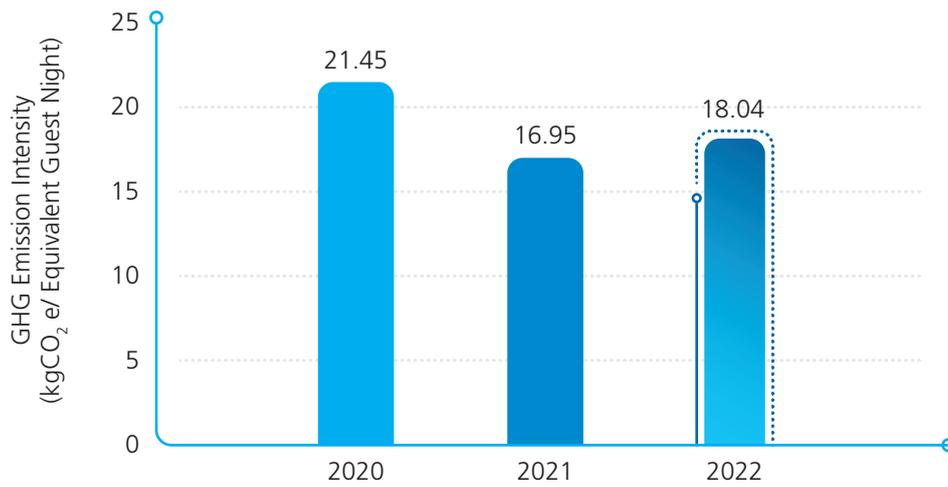




Energy Intensity during 2020 to 2022



GHG Emission Intensity during 2020 to 2022





With the commitment to move to a low carbon future, the Hotel Manager continues to refine energy management, enhance energy efficiency, and focus on decarbonising of hotel operations through engineering solutions and transition to renewable energy in Regal REIT's hotels. To achieve carbon neutrality goal and energy saving targets, the Hotel Manager implements various improvement measures in Regal REIT's hotels, including:

Upgrading equipment

- retrofitting all lighting fittings with more energy efficient LED lighting fittings with motion and daylight sensors by 2028

Engagement

- initiating the "We Love Our Planet" campaign in supporting the concept of green workplaces

Energy management

- implementing Intelligent Building Management System (iBMS) by 2030

Alternative energy

- performing feasibility studies for the installation of solar panels at selected hotels by 2025

The Hotel Manager will continue to implement various measures to improve energy performance of Regal REIT's hotels, and the progress of the energy efficiency and greenhouse gases emissions targets will be closely monitored.

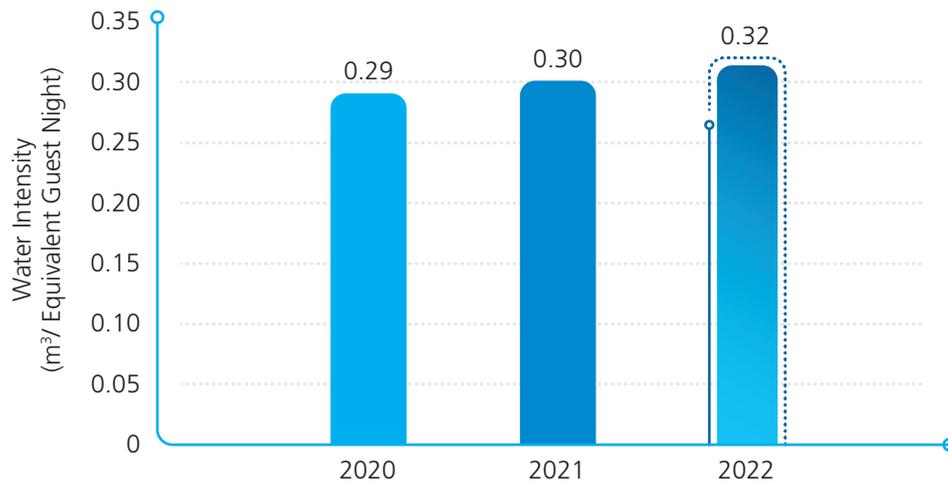




Water Management

Water remains a significant resource during the operation of hotel businesses. Whenever economically viable and practicable, the Hotel Manager is motivated to explore and initiate different measures to enhance performances in water saving across hotel operations.

Water Intensity during 2020 to 2022



Regal REIT’s hotels mostly use municipal water for hotel operations, and no water supply issues have been identified at any hotel operational sites. Nevertheless, given the worsening environmental circumstances that may in the future restrict the supply of freshwater, the REIT Manager collaborates with the Hotel Manager to lessen the potential strain on municipal water supplies by advocating water savings in hotel operation. The Hotel Manager will continue to support local and regional initiatives to increase water awareness and propose community-wide solutions. For example, swimming pools are the most water-intensive among all hotel facilities. Hence, the Hotel Manager focuses on minimising water consumption in pools through modification projects. In Regal Airport Hotel and Regal Riverside Hotel, the Hotel Manager adopts quartz sand in boiler tanks for water filtration to reduce the frequency of pool water refill and enables water conservation, as well as enhancing the water quality of the swimming pools.

Whenever economically viable and practicable, the Hotel Manager will explore and initiate water management practices and water-saving initiatives to enhance performance in water saving initiatives across hotel operations.





Waste Minimisation and Recycling

In recent years, waste has been redefined as a valuable resource given its potential to be recovered and reprocessed. Waste has, therefore, become one of the most material environmental concerns in the hospitality industry. With the acknowledgement of its importance in environmental responsibility, the REIT Manager has worked with the Hotel Manager to define targets to enhance the hotel performances in waste prevention and diversion. Starting from the stage of consumption to waste disposal, the Hotel Manager works in collaboration closely with its employees, guests and non-profit organisations to reuse and recycle waste.

Food waste and room amenities are the largest sources of waste in hotel operations, whereas paper is the largest source of waste in office operations. The hospitality operations do not generate significant amounts of hazardous waste, except chemicals from cleaning products and their containers, electronic appliances and retired lighting fittings. To avoid water and land contamination induced by improper handling of hazardous waste, the Hotel Manager has implemented a protocol on hazardous materials, waste storage and waste handling to provide guidance for its employees on the proper procedures and precautions. The REIT Manager also seeks to divert waste from landfills and incineration facilities where possible with the 5R Principle. To this end, a number of initiatives have been implemented by the Hotel Manager as follows:

Reduce

- Reducing the consumption of disposable plastic bottles by offering refillable water jugs and setting up water stations with sliced fruit
- Utilising MICE App to deliver promotional materials or information electronically to reduce paper consumption from printing

Reuse

- Using papers on both sides at office

Recycle

- Offering pencils made from recycled materials to replace plastic ball pens
- Installing recycling bins at hotel meeting rooms
- Employing EPD registered chemical waste contractor to collect the fused fluorescent tubes/compact lamps/HID lamps and empty paint material cans from Regal REIT's hotels

Replace

- Providing a designated stationery zone with different sizes of paper to reduce wastage

Reject

- Prohibiting the use of harmful pens and adopting the use of non-toxic whiteboard markers

During the course of the hotel operations, the Hotel Manager strictly adheres to internal waste management procedures and applicable laws and regulations to ensure that waste collection, categorisation and disposal are carried out properly and responsibly, while maximising the opportunity to recycle materials whenever possible.





SOCIAL RESPONSIBILITY

The RHIHL Group, of which Regal REIT and the REIT Manager form part, values corporate social responsibility and regards social responsibility as a pillar of its long-term sustainability programme. The Hotel Manager is delegated with responsibilities to monitor the RHIHL Group's approach and effort in fulfilling its social responsibility. A Social Responsibility Steering Committee has been established and chaired by the chief operating officer of the Hotel Manager and supported by all function heads. Two social responsibilities have been identified to focus on as follows:

- Youth Development; and
- Health Enhancement.

The Hotel Manager is committed to integrating local culture and benefiting the local community where the hotel properties are located, which is considered to be essential to the success of Regal REIT's business. Regal REIT's businesses depend on the resources, infrastructure, and markets they supply. In turn, the Hotel Manager strives to achieve a positive, long-lasting result that adds shared value for all parties involved. To foster a peaceful, harmonious and inclusive society in the neighbourhoods and to exhibit concern and support for the underprivileged and elderly, the Hotel Manager strives to contribute to community well-being. Highlights of community investment by the RHIHL Group in 2022 were as follows:

- Number of partnering non-profit organisations and other institutes: 6
- Number of organised volunteer activities: 15
- Total volunteer hours contributed by employees: 292 hours
- Amount of donation and sponsorship: Approximately HK\$9,500,000 (including the donations of approximately HK\$4,000,000 on various charitable events by the REIT Manager)

While providing quality accommodation service, the Hotel Manager also emphasises creating social benefits to the society in order to become a socially responsible corporate citizen. The Hotel Manager strives to make the community and society a better place for all by actively participating in different community programmes. The Hotel Manager participates in charitable activities and encourages employees to do the same, under circumstances that comply with applicable laws and regulations.





ECONOMIC RESPONSIBILITY

The REIT Manager is accountable for overseeing that the business activities of Regal REIT adhere to good operating standards, such as quality of service, supply chain management and business ethics. The Hotel Manager has the responsibility in monitoring the success of the hotels in the two key economic areas of employment and customer relations.

The RHIHL Group is devoted to being a caring employer and recognises the importance of its employees to corporate progress. In order to recruit, cultivate and retain talent, the Hotel Manager has created robust employment rules that seek to provide competitive remuneration and benefit packages, as well as adequate training programmes and employee initiatives.

In accordance with the core values of the RHIHL Group, the Hotel Manager is committed to provide high-quality hotel services and connects with guests via an extensive array of communication channels and loyalty programmes in order to create and maintain positive relationships with guests.

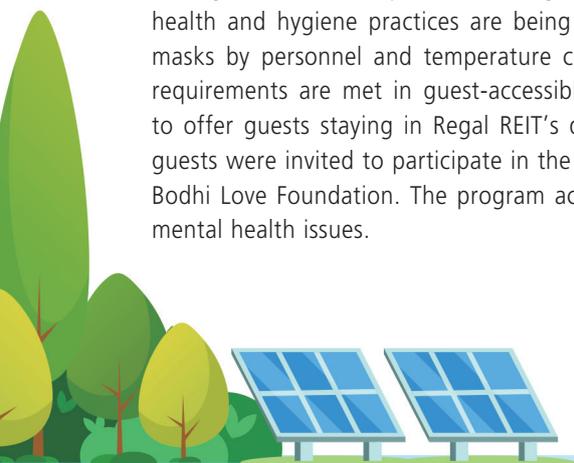
To ensure adherence to high ethical standards in its operating procedures and to maintain an efficient supply chain, the REIT Manager and the Hotel Manager have cooperated in the setting up of related operating procedures. The supply chain management approaches and strategies are expected to bring positive impact to the value chain, including the hotels, their customers and the community at large.

Caring for Our Guests

The REIT Manager and the Hotel Manager believe that the expectations and understanding of sustainability of hotels visitors are growing, and are always seeking to enhance our offerings and services. Over the long term, Regal REIT aims to produce unitholder value via the gain in capital value of hotel properties of Regal REIT and the rise in operational value as the customers' acceptance of our offerings grows. The REIT Manager works with the Hotel Manager to manage the hotels with the customer at the heart of hotel operations, integrating their stay with their overall impressions of the city they are visiting. The Hotel Manager has also been integrating cutting-edge technologies into hotel operations in order to create a revolutionary hotel atmosphere by streamlining guests' travel arrangements. With continuous enhancements, the Hotel Manager ensures that the design and amenities of hotels are improving, and will explore opportunities to expand our offerings and services and, therefore, enhance the value of our brands over time.

The Hotel Manager has set up the Guest Comments Reply Standards and feedbacks will be delivered to relevant business units to follow up accordingly and follow-up actions are taken whenever necessary. The REIT Manager communicates with the Hotel Manager on market feedbacks to improve the service quality provided to customers in the dramatically changing global environment and hospitality industry. The Hotel Manager also engages with guests actively to maintain connections and to enhance brand loyalty. A wide range of rewards, including enriched and tailor-made services, are offered to frequent travelers and loyal customers.

Apart from hospitality services quality, guests' health and safety is another prime concern. The REIT Manager and the Hotel Manager ensure the operation of Regal REIT's hotels are in compliance with relevant laws and regulations. For example, health and hygiene practices are being deployed from time to time, including the separation of tables, the use of face masks by personnel and temperature checks. These procedures are in place to ensure that strict cleanliness and safety requirements are met in guest-accessible areas in Regal REIT's hotels. Since December 2021, the Hotel Manager began to offer guests staying in Regal REIT's quarantine hotels in Hong Kong complimentary nightly mindfulness classes. Hotel guests were invited to participate in the zoom mindfulness lessons led by professional instructors from a registered charity, Bodhi Love Foundation. The program acts as an extra wellness perk for guests throughout their stay, alleviating potential mental health issues.





Supply Chain Management

The Purchasing Department for the RHIHL Group is solely responsible for procurement management. The Department monitors suppliers' compliance with applicable laws, rules and standards using a well developed system, as well as the number of suppliers by geographical region.

In addition to managing a vast network of hotel vendors and suppliers, the Hotel Manager is responsible for ensuring contractors and suppliers adhere to stipulated standards and requirements, including the RHIHL Group's anti-corruption and fair competition rules and its Green Purchasing Policy. The procurement process aims to deliver positive impacts across the entire supply chain. Eco-friendly and local items in the procurement process are encouraged to minimise negative environmental and social repercussions that would otherwise result from the procurement process. For example, the Hotel Manager sources printing and copying paper certified by the Forest Stewardship Council or equivalent council, cleaning chemicals that are ISO 14001 certified, and replaces plastic takeaway items with those made by Cornstarch Based bio-degradable materials and replaces plastic bags with bio-degradable materials.

During the reporting period, selected suppliers of Regal REIT's hotels were audited as part of the risk management process designed to analyse and monitor possible supply chain risks. The responsible departments from the Hotel Manager also evaluate suppliers' product quality, timeliness in product delivery, certifications obtained, etc. with its supplier annual evaluation form. During the pandemic, the Hotel Manager has tightened the supply chain controls that are more critical to ensure the quality and safety of all products. Supplies delivered to the hotel were required to show their 14-day travel code to enhance the traceability of products delivered. With the increase of visibility in the supply chain, it will help to ensure that the products and services offered to the hotels' customers are compliant with relevant regulations, while maintaining ethical labour and environmental practices.

An extensive network of vendors and suppliers and a well-managed procurement systems are crucial to hotel operations. The REIT Manager overall monitors the performance of the Hotel Manager in the management of the supply chain for the hotels owned by Regal REIT.





Business Ethics

The RHIHL Group upholds high standard regarding business integrity and fair competition and, in so doing, requires all employees and business partners to share the same commitments. Policies and guidelines preventing any bribery and corruption from occurring are built into standard operating procedures in the hotel business operations. To that end, all suppliers and employees along the supply chain management must comply with the Supplier Code of Conduct included in the supplier/distributor registration application form. As a prerequisite of cooperation with the RHIHL Group, it provides guidance on managing corruption and bribery incidents in a proper manner. The RHIHL Group strictly prohibits any forms of gift-giving among employees and business partners as it affects the fairness and integrity of the partnership. Employees who request or receive gifts from a supplier, in money or any other forms, during business dealings, may be subject to termination of employment.

The RHIHL Group has formulated anti-corruption, conflict of interest and fair competition related internal standards, policies and control measures. All the employees of the RHIHL Group, including those employed by the REIT Manager and the Hotel Manager, are clearly aware of the requisite business ethics standards and code of conduct through multiple channels, including the Employee Handbook and awareness training, which provide clear guidance in avoiding anti-competitive conduct and preventing corruption in daily operations, such as gifts and gratuities. The Employee Handbook outlines anti-corruption measures and controls to enhance employees' understanding and awareness of the requirements and standards on anti-corruption, including prohibition on improper payments, soliciting and/or accepting advantages, and offering advantages, charitable contributions and sponsorships that act as a means of bribery and corruption, entertainment, and conflicts of interest. The Handbook also defines and describes scenarios on topics such as gifts and gratuities to help employees in understanding how to prevent corruption in daily operations. Any employee who is found to be involved in corruption or bribery is subject to disciplinary action or immediate dismissal.

The RHIHL Group aims to achieve fairness through eliminating any anti-competitive behaviour within its supply chain and avoiding any conflicts of interest. In the course of hotel business operations, all business partners and suppliers are required to declare an anti-collusion confirmation on the Hotel Manager's tendering documents. In addition, the Hotel Manager's employees are required to disclose any affiliations with any business dealings outside the RHIHL Group, or else disciplinary action or immediate dismissal may apply.

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





APPENDIX I – AWARDS, RECOGNITIONS, QUALIFICATIONS AND MEMBERSHIP

Regal Hotels International Limited, the Hotel Manager



Awards and Recognitions	Organisations
20 Years+ Caring Company	The Hong Kong Council of Social Service

Regal Airport Hotel



Awards and Recognitions	Organisations
MASTERCHEF Recommendation Restaurant 2022 – Rouge	Asia Art of Cuisine Society
ISO 22000: 2018 Accreditation on Food Safety Management System	SGS

Regal Hongkong Hotel



Awards and Recognitions	Organisations
HACCP Certification	SGS
ISO 22000: 2018 Accreditation on Food Safety Management System	SGS
Trusted Cleanliness Badge	TrustYou
Caring Company 15 Years+ Award	The Hong Kong Council of Social Service
Quality Restaurant Certification (10 years+) – Café Rivoli – Regal Palace – Alto 88	Hong Kong Tourism Board
MASTERCHEF Recommendation Restaurant 2022 – Regal Palace	Asia Art of Cuisine Society
2022 Top Producing Hotel	Trip.com





Regal Kowloon Hotel

Awards and Recognitions	Organisations
Anti-epidemic Hygiene Measures Certification	Hong Kong Quality Assurance Agency
Caring Company 2021/2022	The Hong Kong Council of Social Service
HACCP Certification	SGS
MASTERCHEF Recommendation Restaurant 2022 – Regal Court – Mezzo	Asia Art of Cuisine Society
Hong Kong Asian Culinary Exchange Competition 2022 Gold Award and Silver Award – Regal Court	Asian Culinary Exchange
ISO 22000: 2018 Accreditation on Food Safety Management System	SGS
Travellers' Choice Award	TripAdvisor

Regal Oriental Hotel

Awards and Recognitions	Organisations
Halal Certificate (2013-2022)	The Incorporated Trustees of The Islamic Community Fund of Hong Kong

Regal Riverside Hotel

Awards and Recognitions	Organisations
Anti-epidemic Hygiene Measures Certification	Hong Kong Quality Assurance Agency
Halal Certificate (2022-2023)	The Incorporated Trustees of The Islamic Community Fund of Hong Kong
Quality Restaurant Certification (15 years+) – Avanti Pizzeria – L'Eau – Regal Terrace	Hong Kong Tourism Board
MASTERCHEF Recommendation Restaurant – Dragon Inn – Vi	Asia Art of Cuisine Society
2022 Meituan Hotel Popular Hotel of the Year	Meituan Hotel
Outstanding QTS Merchant Silver Award – L'Eau	Hong Kong Tourism Board
ISO 22000: 2018 Accreditation on Food Safety Management System	SGS

iclub Sheung Wan Hotel

Awards and Recognitions	Organisations
Anti-epidemic Hygiene Measures Certification	Hong Kong Quality Assurance Agency
Traveller Review Award	Booking.com

iclub Wan Chai Hotel

Awards and Recognitions	Organisations
Anti-epidemic Hygiene Measures Certification	Hong Kong Quality Assurance Agency

QUALIFICATIONS

- EarthCheck (Gold)**
 Regal Airport Hotel, Regal Hongkong Hotel, Regal Kowloon Hotel, Regal Oriental Hotel and Regal Riverside Hotel.
- EarthCheck (Silver)**
 iclub Fortress Hill Hotel, iclub Wan Chai Hotel, iclub Sheung Wan Hotel, iclub To Kwa Wan Hotel and iclub Wan Chai Hotel.
- ISO Certifications:**
 ISO 22000: Regal Airport Hotel, Regal Hongkong Hotel, Regal Kowloon Hotel and Regal Riverside Hotel are certified.

Membership

The Hotel Manager has been a member of the Hong Kong Green Purchasing Charter of the Green Council since 2012, advocating green and local purchases.





APPENDIX II – PERFORMANCE TABLE

Environmental Responsibility Performance⁵

	Units	Performance in 2021	Performance in 2022 ⁶
Air Emissions			
Nitrogen Oxide (NOx)	kg	317.73 ⁷	275.76
Sulphur Oxide (SOx)	kg	6.56 ⁷	6.98
Particulate Matters (PM)	kg	0.32	0.42
Greenhouse gas (GHG) emissions			
Total GHG emissions⁸	tonnes of CO ₂ equivalent (tonnes CO ₂ e)	32,937	30,246
Direct GHG emissions (Scope 1)⁹	tonnes CO ₂ e	5,048	4,594
Indirect GHG emissions (Scope 2)¹⁰	tonnes CO ₂ e	27,598	25,652
Indirect GHG emissions (Scope 3)	tonnes CO ₂ e	291	– ¹¹
GHG emission intensity	kg CO ₂ e/equivalent guest night ¹²	16.95	18.04
Energy consumption			
Total energy consumption	GJ	294,364	279,596
Electricity	kWh	202,934	197,338
Towngas	GJ	78,352	67,520
Fuel	GJ	13,078	14,738
Energy intensity	GJ/equivalent guest night ¹²	0.15	0.17
Water consumption			
Total water consumption	m ³	580,188	531,684
Water intensity	m ³ /equivalent guest night ¹²	0.30	0.32

⁵ The performance data only covers the hotel operations, including the five Initial Hotels (Regal Airport Hotel, Regal Hongkong Hotel, Regal Kowloon Hotel, Regal Oriental Hotel and Regal Riverside Hotel) and four iclub Hotels (iclub Fortress Hill Hotel, iclub To Kwa Wan Hotel, iclub Sheung Wan Hotel and iclub Wan Chai Hotel) in 2022.

⁶ Five of Regal REIT's hotels were enrolled in different cycles of the Designated Quarantine Hotel Scheme and the Community Isolation Facility scheme during 2022 and there were no hotel activities for the period from March to May in 2022 due to the participation of Community Isolation Facility scheme. These five hotels have resumed their normal hotel business operations in the 4th quarter of 2022. The number of guest night in 2022 were overall lower than the levels in 2021.

⁷ 2021 figures have been restated for consistency.

⁸ Indirect GHG emissions (scope 3) are included into the calculation of total GHG emissions.

⁹ Direct GHG emission generated from fuel consumption.

¹⁰ Indirect GHG emissions generated from electricity and Towngas consumption.

¹¹ Scope 3 GHG emissions are not calculated during the reporting period.

¹² Equivalent guest night includes the total number of guests stayed overnight in the hotels and one third on total number of guest patron in the restaurants and banquet/function rooms.





	Units	Performance in 2021	Performance in 2022 ⁶
Waste disposal and recycled			
General waste disposed	tonnes	3,449 ¹³	1,784
Waste recycled			
Used cooking oil	Liter	3,857	4,680 ¹⁴
Aluminium cans	kg	17	9
Plastic bottles	kg	1,652	1,693
Paper	kg	40,219	38,447
Food waste and donations	kg	43,139	61,973 ¹⁴
Glass bottles	kg	4,282	589 ¹⁵
Soap	kg	70	97
Hazardous waste disposed			
Retired lighting fitting	pieces	308	828 ¹⁶
Electronic Appliances	pieces	30	–
Cleansing Chemicals	kg	25	200 ¹⁶

¹³ Five of Regal REIT's hotels were enrolled in the Designated Quarantine Hotel Scheme in 2021. Significant amount of waste including meal boxes were generated during the period, which were disposed of due to health and safety concerns.

¹⁴ Increase in used cooking oil and food waste due to resumption of business activities in catering services in all hotels in the 4th quarter of 2022.

¹⁵ Number of glass bottles reduced in the reporting year due to reduction in wine consumption.

¹⁶ Retrofitting and cleansing activities were conducted prior to the re-operating of business.





APPENDIX III – THE STOCK EXCHANGE OF HONG KONG LIMITED'S ESG REPORTING GUIDE CONTENT INDEX

Indicators		Section/Statement
A. Environmental		
Aspect A1: Emissions	<p>General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p>	Environmental Management; EarthCheck and Achievement; Energy and Emissions; Waste Minimisation and Recycling
	<p>KPI A1.1 The types of emissions and respective emissions data.</p>	Environmental Responsibility Performance
	<p>KPI A1.2 Direct (scope 1) and energy indirect (scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p>	Environmental Responsibility Performance
	<p>KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p>	Environmental Responsibility Performance
	<p>KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p>	Environmental Responsibility Performance
	<p>KPI A1.5 Description of emissions target(s) set and steps taken to achieve them.</p>	Environmental Targets; Energy and Emissions
	<p>KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.</p>	Environmental Targets; Waste Minimisation and Recycling





Indicators		Section/Statement
A. Environmental		
Aspect A2: Use of Resources	<p>General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.</p>	Environmental Management; EarthCheck and Achievement; Energy and Emissions; Water Management
	<p>KPI A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).</p>	Environmental Responsibility Performance
	<p>KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).</p>	Environmental Responsibility Performance
	<p>KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.</p>	Environmental Targets; Energy and Emissions
	<p>KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.</p>	Water Management
	<p>KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.</p>	Not applicable to the core business of Regal REIT as hotel operations do not consume significant amount of packing materials.
Aspect A3: The Environment and Natural Resources	<p>General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.</p>	Environmental Management; EarthCheck and Achievement
	<p>KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.</p>	Environmental Management; EarthCheck and Achievement





Indicators		Section/Statement
A. Environmental		
Aspect A4: Climate Change	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Our Response to Climate Change
	KPI A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Our Response to Climate Change
B. Social		
Employment and Labour Practices		
Aspect B1: Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Regal REIT does not employ any staff in its own right. Employment and labour practices are not material to our business. There were no non-compliance incidents regarding labour practices during the reporting period.
	KPI B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Refer to remarks for Aspect B1 General disclosure.
	KPI B1.2 Employee turnover rate by gender, age group and geographical region.	Refer to remarks for Aspect B1 General disclosure.





Indicators		Section/Statement
B. Social		
Employment and Labour Practices		
Aspect B2: Health and Safety	<p>General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.</p>	<p>Regal REIT does not employ any staff in its own right. Health and safety issues are not material to our business.</p> <p>There were no non-compliance incidents regarding workplace health and safety during the reporting period.</p>
	<p>KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.</p>	<p>Refer to remarks for Aspect B2 General disclosure.</p>
	<p>KPI B2.2 Lost days due to work injury.</p>	<p>Refer to remarks for Aspect B2 General disclosure.</p>
	<p>KPI B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.</p>	<p>Refer to remarks for Aspect B2 General disclosure.</p>
Aspect B3: Development and Training	<p>General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p>	<p>Regal REIT does not employ any staff in its own right. Development and training issues are not material to our business.</p>
	<p>KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).</p>	<p>Refer to remarks for Aspect B3 General disclosure.</p>
	<p>KPI B3.2 The average training hours completed per employee by gender and employee category.</p>	<p>Refer to remarks for Aspect B3 General disclosure.</p>





Indicators	Section/Statement
B. Social	
Employment and Labour Practices	
Aspect B4: Labour Standards	<p>General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.</p> <p>Regal REIT does not employ any staff in its own right. Labour standards issues are not material to our business.</p> <p>There were no non-compliance incidents regarding child and forced labour during the reporting period.</p>
	<p>KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.</p> <p>Refer to remarks for Aspect B4 General disclosure.</p>
	<p>KPI B4.2 Description of steps taken to eliminate such practices when discovered.</p> <p>Refer to remarks for Aspect B4 General disclosure.</p>
Operating Practices	
Aspect B5: Supply Chain Management	<p>General Disclosure Policies on managing environmental and social risks of the supply chain.</p> <p>Supply Chain Management</p>
	<p>KPI B5.1 Number of suppliers by geographical region.</p> <p>Supply Chain Management</p>
	<p>KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.</p> <p>Supply Chain Management</p>
	<p>KPI B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.</p> <p>Supply Chain Management</p>
	<p>KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.</p> <p>Supply Chain Management</p>





Indicators		Section/Statement
B. Social		
Operating Practices		
Aspect B6: Product Responsibility	<p>General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	<p>Regal REIT does not directly manage the operations of its hotel properties. Product responsibility issues are not material to our business.</p> <p>There were no non-compliance incidents regarding product responsibility during the reporting period.</p>
	<p>KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.</p>	<p>Refer to remarks for Aspect B6 General disclosure.</p>
	<p>KPI B6.2 Number of products and service-related complaints received and how they are dealt with.</p>	<p>Refer to remarks for Aspect B6 General disclosure.</p>
	<p>KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.</p>	<p>Refer to remarks for Aspect B6 General disclosure.</p>
	<p>KPI B6.4 Description of quality assurance process and recall procedures.</p>	<p>Refer to remarks for Aspect B6 General disclosure.</p>
	<p>KPI B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.</p>	<p>Refer to remarks for Aspect B6 General disclosure.</p>





Indicators		Section/Statement
B. Social		
Operating Practices		
Aspect B7: Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Business Ethics
	KPI B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Business Ethics
	KPI B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Business Ethics
	KPI B7.3 Description of anti-corruption training provided to directors and staff.	Business Ethics
Community		
Aspect B8: Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Social Responsibility
	KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Social Responsibility
	KPI B8.2 Resources contributed (e.g. money or time) to the focus area.	Social Responsibility



The background features several overlapping, curved, and flowing shapes in various shades of blue and teal, creating a sense of movement and depth. The colors range from light, airy blues to more saturated, vibrant teals. The shapes are layered, with some appearing more prominent than others, giving the overall composition a dynamic and modern feel.

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