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Doreen Lee, Executive Director, The Wharf (Holdings) Limited (right), receives the President's Award from The Community Chest's President Mrs Selina Tsang

Harriman Management Services, i-CABLE Communications and The "Star" Ferry have been recognised with the "5 Years Plus" logo of the "Caring Company" logo 2009/2010 by the Hong Kong Council of Social Service



Sustainability is intrinsic to the way we do business. Rooted in Hong Kong since 1886, Wharf strives to fulfil its corporate social responsibility commitment with the vision 'Building for Tomorrow'.

With a portfolio that includes investment properties, development properties, logistics, hotels, communications, media and entertainment, Wharf incorporates CSR principles and practices in the whole host of businesses the Group participates in and maintains a high level of ethical standard and code of conduct.

We endeavor to find a proper balance between corporate, social, environmental and economic responsibility with appropriate involvement of key stakeholders including customers, employees, suppliers, partners, society, governments, regulators and investors.

We do not discriminate. We are committed to contributing to the sustainability of the communities in which we conduct business and where our associates live.

Wharf's approach to CSR is in four folds – Community Investment, Environment, Workplace and Corporate Governance – taking into consideration social welfare, art & culture; efficient use of resources such as energy, water, emissions and effluents and policies, staff development and

communications, stakeholders' expectations and compliance with legislation and international standards and practices etc., backed by strong support from senior management. Appropriate channels are in place to communicate the Group's efforts in these areas.

A Caring Company

In addition to monetary aid, the Group continues to support community activities through various means. In 2009 alone, the Group's shopping malls and The "Star" Ferry for example together supported more than 100 charitable events through venue sponsorship. Various business units mobilised staff members to serve the community through a number of voluntary programs throughout the year. We are particularly proud of The "Star" Ferry which remains the only public transport operator in Hong Kong that offers complimentary rides to holders of a valid senior citizen card. Fare concessions are also offered to disabled ferry passengers.

In recognition of their good corporate citizenship, various business units within the Group were awarded the "Caring Company" status in 2009/2010 by the Hong Kong Council of Social Service. Among them, Harriman Management Services, i-CABLE Communications and The "Star" Ferry were recognised with the "5 Years

Plus” status whilst Harriman Property Management received the “5 Consecutive Years Logo” in appreciation of their sustainable commitment.

Most recently, Wharf T&T’s commitment to CSR has been recognised by the Hong Kong Quality Assurance Agency (“HKQAA”). As the first ICT service provider awarded the HKQAA-HSBC CSR Index Advocate Mark, Wharf T&T continues to embrace CSR in its operation and creates a favourable business environment that fosters sustainable development while pursuing genuine long term business values.

COMMUNITY INVESTMENT

We at Wharf believe in the fundamental dignity and value of individuals. We believe that supporting the communities in which we operate is integral to running a successful business. Key areas supported over the years include helping the underprivileged, providing immediate disaster relief for the needy, promoting art and culture, youth development, volunteering and enabling a quality workplace for our staff.

The Group’s focus and effort in community investment is well demonstrated via a broad array of self-initiated programs and partnerships with various reputable organizations.



“Star” Ferry’s (above) and Modern Terminals’ (below) volunteers teams actively participate in various community service programs

Staff Volunteerism

Community service through volunteering is a critical component of CSR@Wharf. To walk the talk of being a good corporate citizen, we encourage employees and members of the community to support organizations and initiatives that cultivate meaningful opportunities for civic engagement.

Various business units have established their own volunteering teams where regular community services are conducted. The types of community services include but are not limited to house-keeping for the solitary seniors before Chinese New Year, festive celebrations with the elderly, flag selling to raise funds for various non-governmental organisations and offering tour services for children and the youth.

In 2009, Modern Terminals volunteers were recognised with a Certificate of Appreciation from the Agency for Volunteer Service for their dedication in volunteering work. i-CABLE volunteers received a Certificate of Appreciation from Hong Kong Red Cross and a Certificate of Recognition of Corporate Partnership from Tung Wah Group of Hospitals.

Partnerships

Over the years, the Group has been supporting a host of charitable organizations in good and challenging times. The Community Chest, one of the most important charities in Hong Kong, has been a long-term beneficiary and partner of Wharf for more than a decade. This was evidenced by the Group’ winning a *Top Donor Award* and becoming one of the top

10 donors in the 2008/2009 campaign year. In addition, Wharf was recognised with a *Distinguished Award* under the Corporate and Employee Contribution Programme 2008/2009 (“CECP”) and additionally a *President’s Award* for the significant overall contribution by the Group and its members during the same period. Meanwhile, participation in the Dress Special Day has been popular among our subsidiaries. Wharf became the event’s *Overall Third Top Fund Raiser* and clinched the *Third Top Fund Raiser* in the Companies & Organisations Category of Dress Special Day 2009. For year 2009/2010, the Wharf Group pledged a donation to the CECP again to continue its support for The Chest’s work in local social welfare.

The Group’s other contributions included the numerous charitable initiatives undertaken by our shopping malls and other subsidiaries around the year. Other charitable organizations we have worked with include but are not limited to UNICEF, HK Red Cross, World Vision, ORBIS, St James Settlement, HK Blood Cancer Foundation, HK Anti-Cancer Society, HK Against Child Abuse, and End Child Sexual Abuse Foundation etc.



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Art & Culture

The Group believes that art and culture form a vital part of a quality life and we strive to promote people's interest in and appreciation for art and culture by various means including bringing masterpieces of international standards to Hong Kong and nurturing local young talents.

Harbour City has devoted a 1,000-square-foot prime retail space on Level 2 of Ocean Centre for the establishment of a unique art gallery – the Gallery by the Harbour – since 2007. Commanding an unrivalled view of the Victoria Harbour, this admission-free gallery showcases works by artists from around the world. During 2009, numerous art exhibitions were held to bring a wide variety of world-renowned artists' collections to the people of Hong Kong. Other than art exhibitions, art talks were given to Fine Art students from local tertiary institutions, enabling them a wider exposure on various art origins, forms and styles.



Shanghai Times Square and Harbour City support and regularly organise various art and culture events in their premises

(above) Makoto Ozone Jazz Piano Solo Concert at Shanghai Times Square

(below) "Chocolate Museum by Chef Koo", one of the exhibitions of "Chocolate Trail @ Harbour City"

Located at the heart of the city with unmatched neighbourhood and high foot traffic, the Group's shopping malls undoubtedly are the ideal venues for first-class art exhibitions and events. Supported by Harbour City, the "Reborn – The Silk Road Arts Exhibition" organised by Leisure and Cultural Services Department and other local cultural organisations, was held at Ocean Terminal Main Concourse and forecourt, where a fascinating collection of Silk Road-themed installations were displayed.

Similarly, Times Square spares no efforts in bringing art and cultural activities to the people of Hong Kong. A dozen of art exhibitions and events were held during the year, in particular, the works of contemporary artists Chocolate Rain and Jimmy Liao were presented to the public in a lively environment.

In support of art and music performance in Hong Kong, the Group has been sponsoring Hong Kong Philharmonic Orchestra's Club Maestro since 2003 as a Platinum member. Other forms of sponsorships were also provided by the Group's members to various art groups, for example, Marco Polo Hotels offered complimentary hotel accommodation for performance groups, while the "Star" Ferry provided media and publicity support to art organisations, with Hong Kong Repertory Theatre being one of the beneficiaries.

Emergency Relief

The Group extends its helping hands beyond the geography of Hong Kong. It provides immediate funding support for emergency, enabling victims and people affected to recover from the tragedy or natural disasters such as earthquakes, floods and health hazards, and resume normal course of lives as soon as possible. For example, i-CABLE and its staff raised a total of HK\$1 million for relief effort immediately after Typhoon Morakot slammed Taiwan on 8 August 2009.

ENVIRONMENTAL PROTECTION

The Group strives to contribute to the sustainability and long term development of our environment for the many future generations. Across various business units, the Group has established a set of environmental policy and practices which are extended to all operations, business



We believe that supporting the communities in which we operate is integral to running a successful business.

associates and the chain of supply. We are committed to internal and external initiatives supporting the sustainable use and protection of natural resources. As applicable, our businesses employ and manage our environmental impacts through the use of an environmental management system (EMS) and have proper procedures in place to record the performance and measure the effectiveness against targets. Green initiatives by Wharf and its members are multi-faceted and covering a spectrum of programs. They are on top of our associates' active participation in community activities in support for protecting biological diversity and integrity of restoration and conservation projects.

With parent company Wheelock and Company Limited being a founding member of the Business Environment Council, the Group has long been aware of the critical importance of environmental protection in Hong Kong as well as the pivotal role of the private sector in helping to conserve the environment. To support the preservation of the long-term economic, social and environmental interests of the Harbour, the Group has joined the Harbour Business Forum as a Patron member since its launch in 2005. Moreover, Wharf and its various business units have endorsed the Clean Air Charter initiated by the Hong Kong General Chamber of Commerce and the Hong Kong Business Coalition on the Environment to make a contribution to combat air pollution and improve air quality in the Greater Pearl River Delta. The Woo Wheelock Green Fund (WWGF) has pledged its support to the Environment and Conservation Fund since 1994 and supported result-oriented research projects worth more than HK\$1.7 million in 2009.

Green Policy and Practices

The Group has established a green policy and practices throughout its diversified operations. Regular monitoring and review of the environmental protection performance is conducted. During the year, the Group made encouraging achievements in reducing the usage of energy, water and paper as well as the emission of greenhouse gases.

In particular, Modern Terminals has been aggressive in energy saving and achieved a significant drop in energy, water and paper consumption by around 10%, 17% and 33% respectively, compared with 2008.

i-CABLE in the meantime achieved a substantial reduction in paper usage by 27% and energy usage by 10%.

Reduction of greenhouse gas emission is also one of the Group's major targets. Various business units have become a Carbon Audit • Green Partner by signing the Carbon Reduction Charter and pledged to carry out activities to support the reduction of greenhouse gas emission. Participating business units included Gateway Apartments, Gateway Hotel, Harbour City,

Harriman Property Management, Harriman Management Services, i-CABLE, Marco Polo Hongkong Hotel, Marco Polo Hotels, Pacific Club, Plaza Hollywood, Prince Hotel and Times Square.

Harbour City, for instance, reduced approximately 1,600 tons of CO₂ emission in 2009 after introducing a number of energy saving initiatives such as replacing Chiller plant and pumps, implementing upgrading work for capacity banks, replacing LED fluorescent tubes, replacing energy saving lamp bulbs and installing frequency inverter and replacing FCU energy saving motors.

The "Star" Ferry has worked together with the University of Hong Kong to develop a tailor-made 'wet scrubber' for its own fleet which effectively removed about 90% of SO₂.

- ▶ Modern Terminals' achievements in energy saving earn the company an award in the Power Smart Contest organised by The Friends of the Earth
- ▼ Wharf has been a long-time supporter of the World Wide Fund for Nature Hong Kong



Corporate Social Responsibility



Prince Hotel's colleagues walk for the underprivileged school children in China

Other individual operating units have made equally interesting green moves. Gateways Apartments has kicked off its solar energy plan in June 2009. A hundred solar panels were installed at its rooftop to replace the existing heat pump system. During a six-month period, a total of 28.3 tons of CO₂ emission was reduced.

Externally, a Purchasing Policy has been in place to ensure that its procurement practices are carried out by taking green, health and safety considerations. Where appropriate, our business units extend their green policies to their suppliers through guidelines, terms and conditions in contracts to ensure that their suppliers are qualified to run the business and provide products and services in a green manner.

Partnering with Green Groups

The Group teams up with green advocates to promote environmental conservation. Wharf is a long-time supporter of World Wide Fund for Nature Hong Kong ("WWFHK"). The Group has been a WWFHK corporate member since 2001 and is currently a Double Diamond member. Additionally, Modern Terminals, a subsidiary of the Group, also supports WWFHK as a Silver member.

During 2009, the Group also supported programs organised by other green groups including Friends of the Earth's "Dim It 6.21" campaign in June 2009. External lights of the Groups' shopping malls Harbour City, Times Square and Plaza Hollywood were switched off during a designated period of time to demonstrate our commitment to promoting green awareness.

Promoting Green Awareness

The Group does not only think green for itself, but it also supports and promotes environmental awareness among the general public. During 2009, our shopping malls were venue sponsors for various promotional activities held by green organisations or the government to help spread the eco messages. Further, The "Star" Ferry is a co-organiser of One Tonne Challenge Carnival, which is held regularly at its Central Pier with an aim to call upon Hong Kong people to reduce carbon dioxide emissions. Meanwhile, Modern Terminals' volunteers continued to participate in the Hong Kong Reef Check 2009 organised by the Agriculture, Fisheries and Conservation Department to help promote sustainable management of coral reefs.

Green Recognitions

Green efforts by the Group's various operating units are duly recognised. Modern Terminals was awarded *ISO14001 accreditation* for its EMS in 2009, demonstrating that the system currently in place is highly effective as well as comprehensive enough to constantly improve the company's environmental performance. Honours, certificates of appreciation and more were received from Environmental Protection Department, Water Supplies Department, Environmental Campaign Committee, Hong Kong Quality Assurance Association and more by Group members during 2009 in recognition of their zealous engagement in maintaining high standards of indoor air quality, water quality, hygiene control, source separation of waste and waste reduction.

WORKPLACE

People Development & Diversity

In addition to Community Investment, the Group has also demonstrated its respect for Human Rights by implementing appropriate procedures and frameworks in our business process. The Group is an equal opportunity employer where a policy on equal opportunities is in place to ensure non-discrimination against gender, disability, family, age and race. We promote equal opportunities to applicants and existing employees, scrutinizing staff promotion and development in accordance with individual performance and the genuine job requirements, and support with on-going training programs and development opportunities.

Staff Training

Human resources are the most valuable asset of the Group. In 2009, the Group and its members provided some 250 in-house training programs to more than 6,500 staff members. A comprehensive array of training programs are available which include foreign language learning, Putonghua training, stress management, negotiation skills, leadership training, first aid, team building and communications, problem-solving and decision-making workshops, health talks and more. Orientation program and on-the-job training are offered to new staff to assist them to adapt to new job and work environment. Continuing education is encouraged. During 2009, more than 800 staff received education or training subsidies for taking external courses to upgrade their skills.

Occupational health and safety are also among our key concerns for staff. Circulars, guidelines and procedures are issued with training held on a regular basis to continuously promote workplace safety among staff at all levels. The Group's property management arm has also established Safety Committees to review and implement new measures with cross centre audit of work safety.

Our people development efforts are extended to outsourced staff. Wharf Institute of Service Excellence (WISE) is an example. Supported by full-time trainers, this in-house training academy offers regular core competence programs and refresher courses for our malls' direct employed and outsourced staff. It aims to train and shape their service attitudes, service delivery standards and technical skills, ensuring a premier property management service is brought to customers.

Intra-Group Communications

To keep staff in various business units abreast of the latest developments within the Group, an intranet is regularly updated with latest happenings. A bilingual staff bulletin *The Link* is another important channel for internal communications with

featured story, business updates, news on community involvements, awards and recognitions, staff activities and personal interviews.

A Balanced Life

The Group encourages staff to pursue a balanced work life. To ensure the health and wellness of staff, Wharf Staff Recreation Committee provides a variety of activities for staff and their families meeting different interests and needs. In 2009, the Committee organised a wide range of interest classes, sports and recreational activities such as Ocean Park visit, horse-back riding, squid fishing, karaoke, Chinese checkers competitions, cooking classes and more.

CORPORATE GOVERNANCE

Policies and Code of Business Conduct

Wharf is committed to full compliance of standards of conduct across our businesses. Each and every associate of Wharf must conduct their business in an ethically responsible manner and behave in accordance with Wharf's norms and values as well as regulatory requirements. All employees are required to sign the Code of Conducts and adhere to the Code. Policies

on a range of subjects like Safety and Security Alertness, Office Safety and Health Regulations, Equal Opportunities, Office Harassment, Privacy, Purchasing policy and holiday gifting etc are circulated among our staff in addition to regular communication via training and in written form to promote awareness of Group's standards and requirements across all business units, suppliers and contractors.

The management has been closely involved in the Group's Business Conducts & Ethics, Risk Management, Audit and Compliance as well as Shareholder Rights & Reporting. The Group has instituted a sound internal controls system. The Group's Board of Directors, through the Audit Committee, conduct annual review of the effectiveness of the system and report to shareholders. Involving executives of each business units and corporate units, the internal control system presents a well-defined organisational structure with specific limits of authority in place, while areas of responsibility of each business and operational units are also clearly defined to ensure effective checks and balances.

A full Corporate Governance Report is available from page 59 to 64 of this annual report.



◀ The Group encourages staff to pursue a balanced work life by organising a host of activities for staff and their family member via the Wharf recreational club