

Earth Hour  
# Shanghai Times Square  
地球熄灯一小时 人人都有份!

Hand by Hand! You and Me  
# Shanghai Times Square  
手牵爱心 你我同行!



# Corporate Social Responsibility

“Through our “Business-in-Community” initiative, Wharf is committed to making a difference by promoting staff volunteerism, building a better Hong Kong and fostering sustainability of the community.”

2011 marks the 125<sup>th</sup> anniversary for Wharf. Over the years, “Building for Tomorrow” has been the mission for Wharf. A distinguished track record culminated not just in financial performance but also corporate citizenship.

While we are proud of our past achievements, we look forward passionately to continuing to grow with Hong Kong and to realise our vision of “Building for Tomorrow”. We shall spearhead our “Business in Community” work with clear objectives of balancing the corporate, social and economic responsibilities, instigating fundamental dignity and value of all citizens, and building a better Hong Kong.

As a responsible corporate citizen, the Group is committed to fulfilling its CSR as and when it deems appropriate. Its diversified businesses, from property development, logistics, hotels, communications, media and entertainment to public transportation, adopt the best practices with a view to maintain a high level of ethical standard.

Any CSR vision would not have been meaningful without engaging stakeholders including customers, partners, society, governments, regulators and investors. At Wharf a set of policies and practices are in place to ensure our CSR initiatives are implemented properly by our staff, business associates and the chain of supply across our business units.

The Group’s CSR pursuit deals with four key dimensions – Social, Environment, Workplace Practices and Corporate Governance – taking into consideration social welfare, art and culture; efficient use of resources such as energy, water, emissions and effluents and policies; staff development and communications; stakeholders’ expectations, compliance with legislation, international standards and practices, etc., and is backed by strong support from senior management. Various channels such

as corporate website, annual and interim reports, announcements, press releases, Internet, internal circulars, staff newsletters, training and seminars are used to effectively communicate the Group’s related efforts and policies.

## A Caring Company

The Group continues to support a wide variety of charitable and community programmes through various means. In 2010 alone, the Group and its business units together supported more than 150 charitable events through cash donations or venue sponsorships and promotional opportunities. Staff members are encouraged and have performed volunteer service throughout the year.

In recognition of their good corporate citizenship, Wharf along with its subsidiaries and fellow subsidiaries have been awarded the “Caring Company 2010/2011” status by The Hong Kong Council of Social Service (HKCSS). Among them, The “Star” Ferry received the “8th Consecutive Years Logo”, whilst i-CABLE Communications, Harriman Management Services and Harriman Property Management were repeatedly complimented for more than five years. We are particularly proud of The “Star” Ferry which remains the only public transport operator in Hong Kong to offer complimentary rides to holders of a valid senior citizen card in addition to providing concessionary fare to the physically-challenged. This initiative brought the company a recognition award in the Age-friendly Hong Kong Measure 2010 by HKCSS.

Wharf T&T and Modern Terminals’ contributions to the well-being of the community and the sustainability of the industry has also been recognised by the Hong Kong Quality Assurance Agency (“HKQAA”), with Wharf T&T being awarded for the second year in a row the HKQAA-HSBC CSR Index Advocate Mark in 2010 while Modern Terminals is the first local terminal operator in Hong Kong receiving such accolade.



## Social

We at Wharf believe in the fundamental value and dignity of individuals. 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, fostering youth development, encouraging volunteering and more.

### Staff Volunteering

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

Various business units have established their own volunteering teams with regular community services organised. The types of community services include but are not limited to home visits and sending goodies bags for the underprivileged children and the senior citizens, supporting the elderly with gate oil

painting before Chinese New Year, festive gathering, accompanying the elderly and mentally challenged people for day trips, as well as promotions of road safety.

### Partnerships

Over the years, the Group has been supporting numerous charitable organisations in good and challenging times. The Group has been supporting The Community Chest, one of the leading NGOs in Hong Kong, for more than a decade. In the 2009/2010 campaign year, the Group was named Top Donor and among the top 10 donors. The Group was recognised with a Distinguished Award for its support for the Corporate and Employee Contribution Programme ("CECP"). Our subsidiaries have been actively supporting the annual Dress Special Day for which the Group clinched the Overall Third Top Fund Raiser award in the Companies & Organisations Category of Dress Special Day. In 2011, the Group has again pledged a donation to the CECP to support The Chest's work in local social welfare.



The Group and its subsidiaries have supported numerous initiatives of different charitable nature throughout the year working with dozens of other NGOs including Art in Hospital, Caring for Children Foundation, Children's Cancer Foundation, Christian Action, Crossroads Foundation, End Child Sexual Abuse Foundation, Heep Hong Society, Hong Kong Blood Cancer Foundation, Hong Kong Federation of Youth Group, Hong Kong Red Cross, ORBIS Hong Kong, Po Leung Kuk, St. James Settlement, Suicide Prevention, The Salvation Army, UNICEF and World Vision etc.

### Emergency Relief

The Group extends its helping hands beyond the geography of Hong Kong by providing immediate relief support for emergency, enabling victims and people affected to recover and resume normal course of lives from tragedies or natural disasters such as earthquakes, floods and health hazards. In April 2010, the catastrophic 7.1-magnitude earthquake striking Yushu, Qinghai caused immense casualties. The Group's shopping malls – Harbour City, Times Square and Plaza Hollywood promptly kicked-start a series of donation appeals and

co-organised charity concerts, sales events and auctions with various NGOs for fund raising. More than HK\$2 million in total were collected within one month.

### Art & Culture

Art and culture form a vital part of a quality life. The Group strives to promote people's interest in and appreciation for art and culture by way of bringing masterpieces of international standards to Hong Kong and nurturing opportunities for young talents.

Located at the heart of the city with unmatched neighbourhood and high foot traffic, the Group's landmarks Harbour City and Times Square play a leading role in bringing and enabling first-class art exhibitions and events by turning some of their spaces into platforms for free art appreciation among wider audience. The Group has achieved a few firsts on this front for example, by staging "The Skirt Story" sculpture series by Taiwan's best known sculptor Ju Ming as well as Japanese artist, Yayoi Kusama's works in Hong Kong for the first time. Other internationally-renowned artists include Chinese artist Huang Yong-yu, Jimmy Liao from Taiwan and local talents such as Michael Lau and Carrie Chau etc.



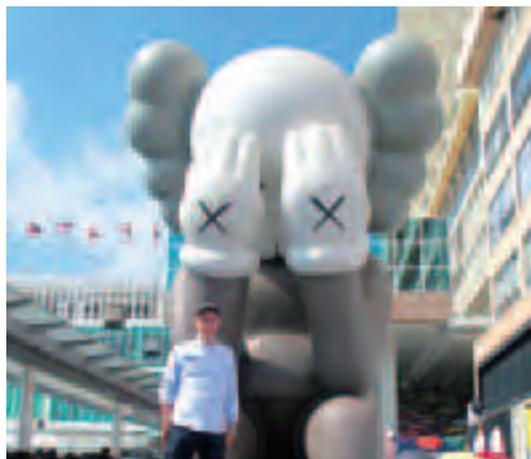
Harbour City is among the first malls in Hong Kong to incorporate art elements into the mall events, making art appreciation part of people's daily lives. Among others, the annual "Chocolate Trail" exhibition started in early 2010 created much interest among both chocolate fan and the general public. The 2011 exhibition proved to be a marvelous fusion of art and culture with realms of contemporary fashion design and world cultural heritage made in jumbo size of chocolate. Other popular art events included American artist KAWS' exhibition where a five-metre tall giant figure namely "COMPANION" was prominently staged.

It has also devoted a 1,000-square-foot prime retail space on Level Two of Ocean Centre for the establishment of a unique art gallery. Commanding an unrivalled view of the Victoria Harbour, Gallery by the Harbour is an admission-free gallery showcasing a wide variety of world-renowned artists' collections. In 2010 alone, 18 art exhibitions such as glass painting exhibition by Italian artist Massimo Cruciani, painting exhibition by German artist Juergen Wolf and art exhibition by Japanese artist Yoko Furusho. Complimentary art talks were given to Fine Art students from local tertiary institutions, enabling them a wider exposure on various art origins, forms and styles.

**"Apart from visual art, Harbour City initiated Music In the City providing a platform for singers and musicians alike to perform."**

Similarly, Times Square spares no efforts in bringing art and cultural activities to the people of Hong Kong. In 2010, Times Square collaborated with local and internationally-acclaimed artists and brought a dozen of exciting art exhibitions and events to the public. Among them were "In Between Imagination and Reality" art exhibition by Korean contemporary artists Ji Yong Ho and Yi Hwan Kwon as well as Michael Lau Gardener 10th Anniversary Exhibition.

Shanghai Times Square held a variety of art and cultural activities including "Fashion Meets Art", "The 9th German Week" as well as an exhibition of conceptual Chinese calligraphy and seal cutting artworks throughout the year to promote appreciation of art among people's in the Mainland China.



The Group has been a Platinum member of the Hong Kong Philharmonic Orchestra's Club Maestro since 2003 to further its support for art and culture. Other forms of support provided include complimentary hotel accommodation for performance groups by Marco Polo Hotels, free advertising space and complimentary harbour tour trips by The "Star" Ferry for the Hong Kong Repertory Theatre and Asian Youth Orchestra respectively. The Group's fellow subsidiary Wheelock Properties (Hong Kong) Limited sponsored an annual charity auction organised by Asia Art Archive for the fourth year in 2010. Proceeds generated are used for promoting contemporary Asian art.

## Environmental Protection

The Group is devoted to contributing to the sustainability and long term development of the environment for the many generations to come. A set of environmental policies and practices have been set across various business units with an aim of minimising the impact on environment when as they conduct their businesses. The policies and practices are well extended to all business associates and the chain of supply.

Numerous internal and external initiatives supporting the sustainable use and protection of natural resources have been implemented. Wherever possible, our business units strive to manage their environmental impacts through the use of an environmental management system (EMS) and proper procedures to measure the performance and effectiveness against targets. Green initiatives by Wharf and its members are multi-faceted. 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 ("Wheelock"), a founding member of the Business Environment Council, the Group embraces the importance of environmental protection in Hong Kong as well as the pivotal role of 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 been a Patron member of the Harbour Business Forum since its launch in 2005. 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 in an effort 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 provided monetary support for result-oriented research projects amounted nearly HK\$1 million in 2010.

## Green Policies and Practices

The Group has established a set of green policies and practices throughout its diversified operations with green committees or task forces led by senior management established.

Where appropriate, our business units extend their green policies to their suppliers through guidelines, terms and conditions in contracts to ensure that suppliers are in full compliance with the Group's stringent requirements. For example, a Purchasing Policy has been in place to ensure that the procurement practices of our business units are carried out taking into considerations factors like green, health and safety.

## Energy Saving and Carbon Reduction

During the year, the Group made encouraging achievements in reducing the usage of energy, fuel, water and paper as well as the emission of greenhouse gas.

Led by Wheelock, the Group together with its subsidiaries and fellow subsidiaries participated and attained "gold status" in the Take a "Brake" Low Carbon Action, co-organised by Friends of the Earth, Green Power and World Wide Fund Hong Kong ("WWF") to promote green driving practices. The recognition reflects the Group's substantial achievement in fuel consumption with about 6% reduction in the average fuel usage and an increase of more than 8% in the overall fuel efficiency for the Group's vehicle fleet during the one-month designated campaign period in 2010.

Our business units have also been aggressive in reducing the use of energy and other resources. In particular, i-CABLE successfully reduced its annual energy usage by 5% and water and paper usage by 21% when compared with 2009. Our shopping malls and Gateway Apartments as a whole lowered their usage in energy, water and paper by around 3.5%, 5.4% and 4.3%, respectively. In 2011, the Group and its business units supported the World Water Day 2011 by encouraging staff and tenants to reduce fresh water consumption.

In terms of energy saving, we spread the message among our tenants by encouraging them, especially those occupying entire floors, to switch off the air conditioning on weekends. The 10-block office



complex received recognition in 2010 for its efforts. In China, our newly launched Wheelock Square in Shanghai has integrated environmental-friendly architecture with state-of-the-art specifications and advanced facilities. The low-emissivity glass façade maximises the natural light penetration into the building and helps prevent heat loss. Other green design elements include water-saving taps, independent fresh air intake on all floors, and a 24/7 building management system that controls the efficiency of lighting, air-conditioning and energy usage. Green gardens are also designed to improve the workplace environment. With these eco-conscious features, one of its tenants was recently awarded a gold certificate in the Leadership in Energy and Environmental Design ("LEED") by the US Green Building Council.

Reduction in greenhouse gas emission is one of the Group's major targets. Our subsidiaries and fellow subsidiaries including Gateway Apartments, Gateway Hotel, Harbour City, Harriman Management Services, Harriman Property Management, i-CABLE, Marco Polo Hongkong Hotel, Marco Polo Hotels, Pacific Club, Plaza Hollywood, Prince Hotel and Times Square, 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.

It is worth-noting that in 2010 our shopping malls reduced more than 4,500 tons, or 3.4% of greenhouse gas emission after implementing a number of green initiatives in the likes of recycling programmes for paper, toner, used computer devices and equipment, plastic products and glass bottle; collecting and properly disposing of used cooking oil and spent mercury-containing lamp; as well as promoting environmental protection and green living among tenants through seminars and green tips.

Harbour City in particular made big strides to reduce its carbon footprint in 2010. After enrolling to the Conscientious Recycling Charter organised by Friends of the Earth, it gathered more than 733,000 kg of waste paper and 17,000 kg of plastic waste for recycling, while almost 5,000 kg of used fluorescent tubes and 300 pieces of used computer devices and equipment were disposed safely. Times Square on the other hand collected and properly handled about 9,500 litres of wasted cooking oil, 6,200 kg of spent mercury-containing lamp and 4,300 kg of plastic waste in the year. Compared with 2009, it reduced more than 900 tons, or 3%, of greenhouse gas emission in 2010.

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The three shopping malls also introduced a water saving initiative in 2010. After replacing traditional flushing tanks with sensor-based units, a total of nearly 47 million litres of flushing water is saved per year.

To support the use of electric-powered vehicles, Harbour City, Times Square and Plaza Hollywood installed electric vehicle charging stations at their parking lots in 2010 with a target of having 100 stations in total to be in service in 2012.

The iconic "Star" Ferry in the meantime continues its effort to keep air clean with its collaboration with the University of Hong Kong to study ways to further improve the emission level of its fleet.

## Promoting Green Awareness

The Group teams up with green advocates to promote environmental conservation. Wharf is a long-time supporter of WWF and has been its corporate member since 2001, and in recent years a Double-Diamond member. The Group's subsidiary Modern Terminals also supports WWF as a Silver member. In addition to cash donation, the Group actively participated in WWF's events such as Earth Hour for which the Group and its business units render full support for the event by switching off external lights of the various shopping malls and

properties during the designated time, offering advertising opportunities and promoting it to customers and staff. Besides, eco tours with WWF were arranged every year for our staff to promote nature conservation and enrich their knowledge about Hong Kong's landscape.

The Group also supported Friends of the Earth's Power Smart Energy Saving Contest 2010 with 14 properties managed by the Group's fellow subsidiary Harriman Property Management were complimented for achieving a substantial reduction in energy consumption during a designated period of time in 2010. The "Star" Ferry has been a long-time supporting company offering free advertising spaces at the piers to help promote the event. The "Star" Ferry is also 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.

Our shopping malls were venue sponsors for various promotional activities held by green organisations or the government to help spread the eco messages.

The Group believes that nature conservation begins with every individual. The Group supported the Conservancy Association's Walk for the Environment to help promote green awareness among staff. In addition to monetary aid, more than 100 staff



and their family members participated in the Walk. Modern Terminals supported the CS4Schools programme organised by Business Environment Council as a Corporate Partner and hosted a visit for students to convey the corporate sustainability message as far as the company is concerned. Modern Terminals' volunteers also participated in the Hong Kong Reef Check 2010 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 again in 2010, demonstrating the effectiveness and comprehensiveness of the system to constantly improve the company's environmental performance.

In 2010, Wharf T&T became Hong Kong's first ICT service provider awarded the Gold Label in the Low-Carbon Office Operation Programme (known as "LOOP") Labelling Scheme organised by WWF. This accolade signified Wharf T&T's achievements and commitment to environmental sustainability.

Most recently, One Island South, the brand new commercial project under the Group's fellow subsidiary Wheelock Properties (Hong Kong) was awarded the Certificate of Registration – Code of Practice for Energy Efficiency of Lighting Installations by Electrical and Mechanical Services Department in 2010.

Furthermore, a number of honours, certificates of appreciation and more are obtained across various

business units from governmental departments and various organisations such as Environmental Protection Department, Water Supplies Department, Hong Kong Productivity Council, Environmental Campaign Committee, Hong Kong Awards for Environmental Excellence throughout the year in recognition of their zealous engagement in maintaining high standards of resource practice such as indoor air quality, water quality, hygiene control, source separation of waste and waste reduction.

## Workplace Practices

### People Development & Diversity

Human resources are the most valuable asset of the Group. Wharf and its subsidiaries have demonstrated their 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 etc. We promote equal opportunities to job applicants and existing employees, scrutinising staff promotion and development in accordance with individual performance and the genuine job requirements, support with ongoing training programmes and development opportunities.

The Group's shopping malls launched the "Bright Senior Ambassador Programme" in 2010. Backed by six half-day training, this ongoing programme offers re-employment opportunities for the retired senior citizens from all walks of life who wish to continue their contributions to the society.

# Corporate Social Responsibility



## Staff Training

The Group encourages life-long learning. A proper appraisal process is in place where training needs of each staff member will be discussed and planned for staff member's continued improvement. In 2010, the Group and its members provided more than 300 in-house training for their staff, covering language learning, business writing, PC software, law and regulations, business ethics, occupational safety and health, first aid, health talks, stress management, lateral thinking, negotiation skills, problem-solving, customer service, leadership training, team building, mentor programme and more. Orientation programme and on-the-job training are offered to new staff to enable them to adapt to the new work environment as easy as possible. Subsidies for external training courses are also provided. In total, more than 12,000 participants received nearly 66,000 hours of in-house and external training in 2010.

People development efforts are well extended to outsourced staff. Supported by full-time trainers, Wharf Institute of Service Excellence (WISE) serves as an in-house training academy offering regular core competence programmes and refresher courses for the malls' direct employed and outsourced staff. The programme aims to train and shape staff's service attitudes, service delivery standards and technical skills, ensuring a premier property management service is maintained.

## Occupational Safety and Health

Occupational safety and health ("OSH") are among our key concerns for staff. Policies, manuals, guidelines, procedures and circulars are issued with training held regularly to continuously promote workplace safety among staff. OSH committees constituted of staff from all levels have been established at various business units to review OSH policies, formulate safety management plans, monitor OSH performance and implement new preventive measures with clear targets and objectives set. Where applicable, regular site inspections and independent or internal audits are conducted to ensure workplace safety.

Among others, our shopping malls have appointed a Safety Coordinator at each property to look after OSH matters as well as coordinate training on site. Apart from weekly safety tips, a Safety Day is held annually with an aim to raise awareness on workplace safety among staff. In 2010, additional effort was made by our shopping malls and Gateway Apartments who took the lead to pledge with 40 contractors by signing an "Occupational Safety Charter" to pursue "zero accident", with support by Labour Department and Occupational Safety and Health Council.

## Staff Communications

To foster better understanding of corporate strategy and happenings among staff across the board, the Group makes use of various channels to keep staff from different business units abreast of the latest developments of the Group. A wealth of information ranging from the Group's latest happenings, code of ethics, policies and practices, rules and procedures, to health tips are made available on company's Intranet. A bilingual staff bulletin The Link is another important channel for internal communications with featured stories, business updates, news on community involvements, awards and recognitions and staff activities etc.

Respective business units also communicate with their staff through various means and regularity. Modern Terminals for instance, maintained open communications with its staff through 16 sessions of Town Hall meeting, "Monthly Get Together" and bi-monthly staff newsletter in 2010. Employee Satisfaction Surveys are conducted by various business units on a regular basis to solicit staff opinions about further improvement of work environment, procedures, services, etc.

## Work-life Balanced

The Group encourages staff to pursue a balanced work life. To ensure staff wellness, Wharf Staff Recreation Committee has been set up since 20 years ago. The Committee is charged to provide a variety of activities for staff and their families meeting different interests and needs. In 2010, the Committee organised 13 interest classes, sports and recreational activities such as firefly tour, round Hong Kong Island tour, bowling and badminton competitions, photography, glass making and cooking classes etc. Numerous staff activities were also held by various business units throughout the year.

## Corporate Governance

### Policies and Code of Business Conduct

Wharf is committed to full compliance of code of conduct across our businesses. Each and every associate is required to conduct their business in an ethically responsible manner and behave in accordance with Wharf's norms and values as well as regulatory requirements. Staff is well-briefed on the code of conduct with a set of documents including Statement of Business Integrity and Code of Conduct, Insider Dealing in Listed Securities, Non-disclosure of Confidential Information and Central Purchasing Procedures, etc provided on the date of appointment. Policies in 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. These internal documents are also available in the Intranet and are reviewed on a regular basis.

The management has been closely involved in the Group's Business Conduct & Ethics, Risk Management, Audit and Compliance as well as Shareholder Rights & Reporting. The Group has instituted a sound internal control system. The Group's Board of Directors, through the Audit Committee, conducts annual review of the effectiveness of the system and reports 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 81 to 95 of The Wharf (Holdings) Limited Annual Report 2010.