

# 2019

## SUSTAINABILITY REPORT

REACHING  
**NEW HEIGHTS**  
SUSTAINABLY



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### THE BUND CENTER

The Heart  
of the Bund

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### THE WESTIN BUND CENTER

World-class luxury hotel  
offering premium services

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**Bund Center Investment Ltd**  
Listed on the Singapore Exchange

“

**Sustainable development is the kind of development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”**

”

#### OUR CORE VALUES

- **Positive Attitude**
- **Integrity**
- **Commitment**
- **Continuous Improvement**
- **Innovation**
- **Loyalty**



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# MESSAGE FROM THE CHAIRMAN AND CEO

**“We are gradually evolving into an organisation whose operations are sustainable and anchored on the United Nations Sustainable Development Goals.”**



**Dear Stakeholders,**

Last year, we published our second Sustainability Report in which we described our corporate social responsibility initiatives, an aspect that is garnering increased significance in long-term value creation. Our desire to be a responsible company - one that promotes policies to create ever more value for all our stakeholders - has strengthened even further, with a commitment that is expressed, primarily, in the sustainable management of our business in the long term. Sustainability is not just an opportunity but for Bund Center Investment Ltd and our subsidiaries, it is a genuine mission to represent a model of excellence.

This year, in our third Sustainability Report, we have refined our Sustainability Framework with four pillars on which our strategies, targets and programs for sustainability are built. Since Bund Center Investment Ltd started monitoring and measuring our performance indicators for our material issues, we are gradually evolving into an organisation whose operations are sustainable and anchored on the United Nations Sustainable Development Goals. Our hotel, The Westin Bund Center, Shanghai, has been assessing and mitigating environmental risks, while continuing investments to minimise negative environmental impacts, including reduction of greenhouse gas emissions. I am pleased to announce that through a combination of infrastructure improvements and monitoring methods, The Westin Bund Center, Shanghai has achieved a 0.98% improvement in energy intensity and a 2.6% reduction in water intensity by GFA<sup>1</sup> compared to 2018.

We believe that safety is a top priority that cannot be compromised. Across all entities within the Group, safety culture is in place that conforms to the basics and principles of safety. We are also driven to positively contributing to the communities where we live and work and will continue our activities for local community development and social contribution, in particular, support for youth educational programs in the hospitality industry. Lastly, we are bolstering ethics and compliance management to nurture a transparent and sound corporate culture.

While our improvement efforts are constant and ongoing, the Sustainability Report is an opportunity to take stock, assess our position and share with all our stakeholders what has been achieved so far – as well as define new targets and objectives ahead.

The publication of this Sustainability Report comes at a time when the world is facing enormous economic, health, and social challenges brought about by the COVID-19 pandemic. Bund Center Investment Ltd is doing everything it can to support its employees and reaching out to help frontline healthcare workers and affected communities. Notwithstanding the challenges the world and our country are facing today, we remain optimistic of the long-term prospects as we continue to create value for our stakeholders while delivering sustainable growth.

And to all of you, to our customers, to our shareholders, our communities, thank you for your support and trust.



**FRANKLE (DJAFAR) WIDJAJA**  
Executive Chairman and Chief Executive Officer

<sup>1</sup> GFA: Gross Floor Area

# AT A GLANCE

Bund Center Investment Ltd (“BCI” or “the Company”) and its subsidiaries (collectively “the Group”), listed on the Singapore Exchange and headquartered in Singapore, are principally involved in the investment holding property businesses in People’s Republic of China (“PRC”). Currently, it is engaged in the ownership of the Westin Bund Center Shanghai, a five-star hotel that is managed by Westin Hotel Management, LP.; and the ownership and management of commercial and retail properties, namely the Bund Center Office Tower in Shanghai and the Golden Center, a six-storey retail complex in Ningbo, Zhejiang Povince, PRC. BCI, through its subsidiary, Shanghai Golden Bund Real Estates Co., owns the acclaimed brand, namely Westin Bund Center.

Our unwavering commitment to architectural and quality excellence is reflected in our development, winning us prestigious prizes such as the FIABCI Prix d’Excellence Award and Top Ten Best Office Building in PRC. Our hotel, currently the only flagship Westin hotel in Shanghai, has won many accolades and established itself as a world class luxury hotel, having received the Star Diamond Award from The American Academy of Hospitality Sciences and Top 500 hotels in the world by Travel + Leisure magazine.

BCI achieved a commendable operating performance with a total profit of S\$28.4 million and recorded a revenue of S\$110.3 million with an EBITDA of S\$63.3 million for FY2019.

Please refer to our Annual Report 2019 for additional details on our corporate structure and our financial results.



# BOARD STATEMENT



We are pleased to present BCI's third sustainability report for the period 1 January to 31 December 2019 ("FY 2019"), which has been prepared with reference to the Global Reporting Initiative ("GRI") Standards and is aligned to the SGX Sustainability Reporting Guidelines. This Report covers our performance from our hotel Westin Bund Center Shanghai and the office Bund Center Office Tower. We will continue to implement our sustainability processes across the Group and will seek to provide additional disclosures on our material topics as our sustainability matures over time.

This Sustainability Report, which has been approved by the Board of Directors ("Board"), presents BCI's material environmental, social, and governance ("ESG") issues, and our continuing approach in managing these issues. The Board is supported by the Audit Committee as well as the Enterprise Risk Management Committee in managing the Group's sustainability initiatives and programs.

We recommend reading this report together with our Annual Report 2019, which provides key information on our financial performances as well as additional details on our corporate governance and risk management. Both reports are critical communication pieces in the ongoing and transparent engagement of our stakeholders.

BCI's sustainability report will be published on an annual basis and is also available on our corporate website.

For any comments and feedback regarding this report, please contact John Woo, Chief Risk Officer, Bund Center Investment Ltd at [john.woo@bundcenter.com](mailto:john.woo@bundcenter.com)

# OUR SUSTAINABILITY APPROACH

At BCI, the pursuit of sustainability guides our approach to doing business. We recognise that sustainable development is fundamental to our long-term success and growth. We continually work to integrate sustainability into all aspects of our operations and have aligned our efforts with the UN Sustainable Development Goals (SDGs). While we prioritise the interests of all our stakeholders, we also create longterm value for our shareholders, with the goal to create a positive social economic and environmental impact for the local communities and the wider societies which we operate in.

## HOW WE CONTRIBUTE TO THE SUSTAINABLE DEVELOPMENT GOALS

### Climate Action

We recognise the need to mitigate climate change and are committed to continuous monitoring of our energy and water use.

In line with our energy efficiency initiatives, we recorded a reduction of 0.9% in our GHG emissions intensity per square meter of GFA between 2018 and 2019.

Building water intensity by GFA occupied decreased from 3.11m<sup>3</sup>/m<sup>2</sup> in 2018 to 3.03m<sup>3</sup>/m<sup>2</sup> in 2019.



### Sustainable Communities

A total of 611 employees employed at Bund Center Office Tower and Westin Bund Center.

As of 31 December 2019, each employee has achieved an average of 47.6 hours of training.

Overall turnover rate of 17.8% which is 3% less than the average turnover rate of 20.8% for employees in China<sup>1</sup>.



*Global Running Day and Run to Give 2019 on healthy, wellness and clean lifestyle campaign.*

<sup>1</sup> 2016 study by Human Capital Intelligence (HCI), Aon Hewitt.

<https://apac.aonhewitt.com/document-files/media/oct-nov-2016/china-human-capital-intelligence-survey.pdf>

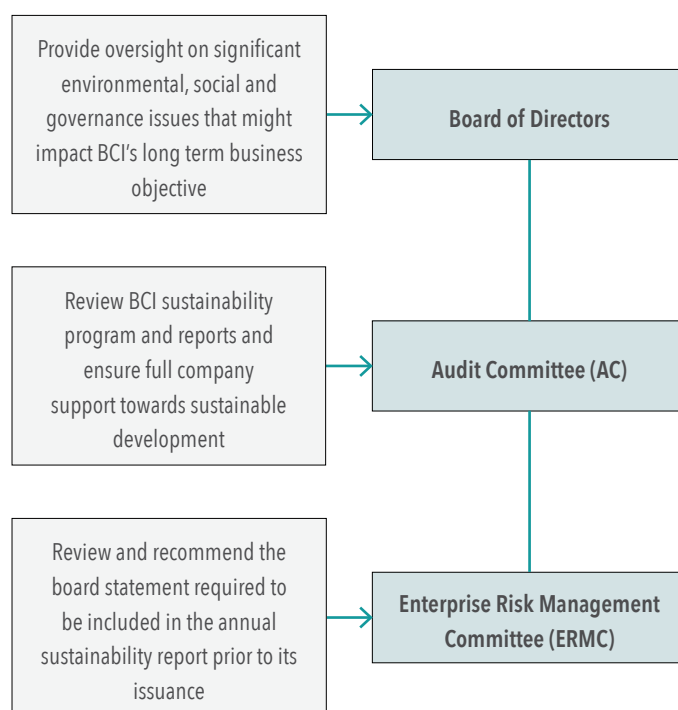




## SUSTAINABILITY GOVERNANCE

The Company's Enterprise Risk Management Committee ("ERMC") oversees the sustainability initiatives and directions of the Company, making sure that they are followed and are aimed at creating value for the Company and its stakeholders, which is central to the Company's effort in building a sustainability culture. The ERMC champions sustainability principles, initiatives, and programs during the year and helps to establish departmental sustainability objectives and performance indicators, and is instrumental in the production of the annual sustainability report. The ERMC comprises representatives from the company's business units, brought together to work collectively on driving the value of sustainability across the Company.

Our sustainability structure consists of senior management, middle management and employees from various functions. The senior management of various operation departments is responsible for guiding each department to work towards to achieving common sustainability goals and targets.

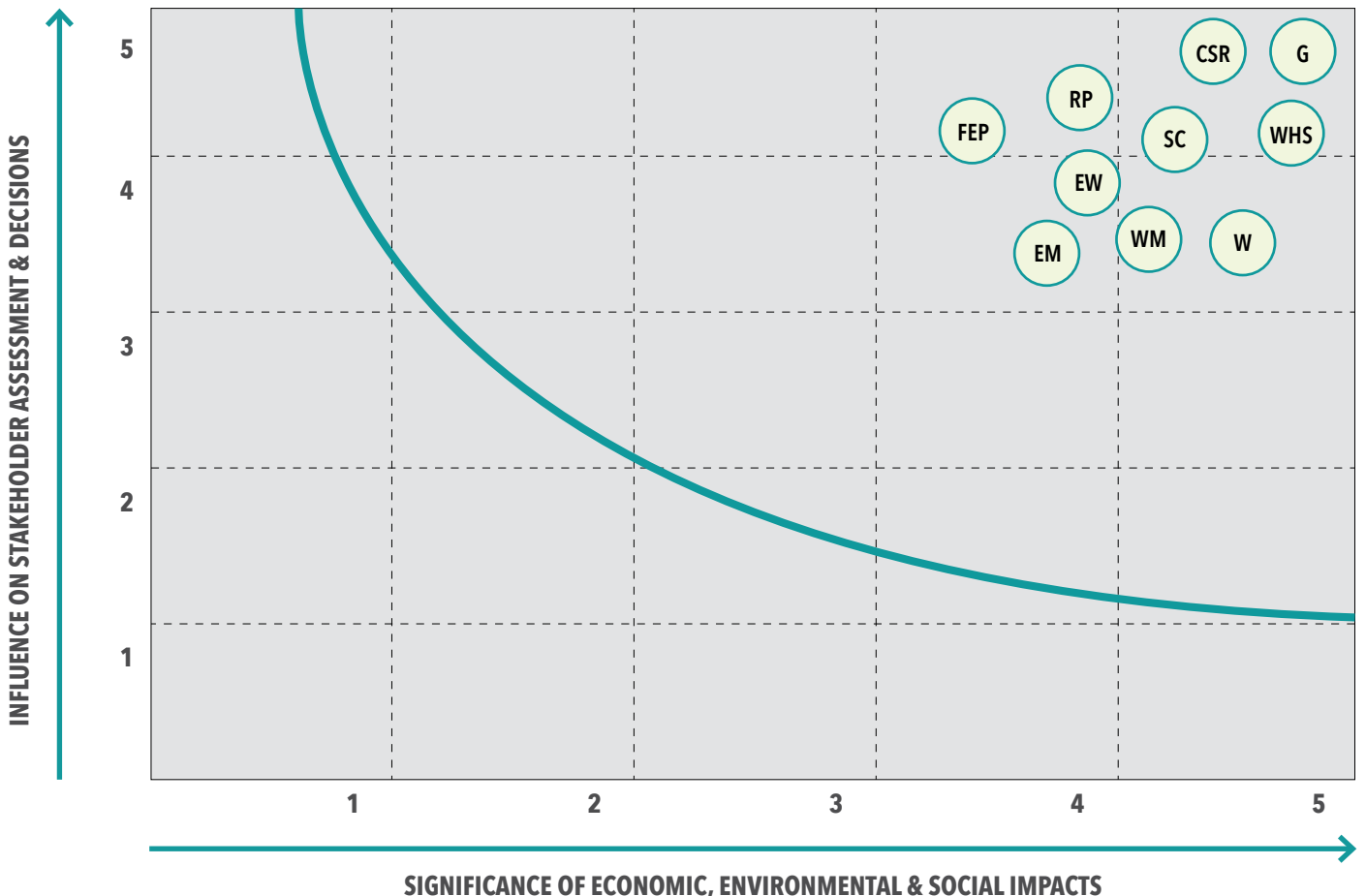


# OUR SUSTAINABILITY APPROACH



## MATERIALITY

Our material topics were identified in 2017 when we conducted our first materiality assessment. The materiality matrix below maps out the economic, environmental and social topics that are material to BCI after an internal review in 2019. The criteria for BCI's material analysis were explored and selected based on industry international standards, peer benchmarking based on companies with similar operations, media analysis, internal responses and management awareness. The 17 United Nations Sustainable Development Goals (SDGs) were also considered when identifying these material topics.



We have identified the following four Sustainability Pillars for BCI, and have grouped the prioritised material topics to be reported under each Pillar.

SUSTAINABILITY PILLAR	MATERIAL TOPICS	RELEVANT GRI STANDARD (WHERE APPLICABLE)
Our Business	Governance (G)	GRI 205 Anti-Corruption
	Responsible Procurement (RP)	GRI 419 Socioeconomic Compliance
	Services Quality, Customer well-being (SC)	GRI 418 Customer Privacy
Environmental Responsibility	Energy Management (EM)	GRI 302 & 305 Energy and Emissions
	Water Management (W)	GRI 303 Water
	Waste Management (WM)	GRI 306 Effluents and Waste
People and Culture	Employee Welfare (EW)	GRI 401 Employment
	Fair Employment Practices (FEP)	GRI 405 Equal Employment Opportunity GRI 406 Non-Discrimination
	Workplace Health & Safety (WHS)	GRI 403 Occupational Health and Safety
Community	Corporate Social Responsibility (CSR)	

## OUR STAKEHOLDERS

BCI uses a broad range of communication channels to communicate with each of our stakeholder groups. Stakeholder requirements collected through these channels are addressed in a timely manner through collaboration with related business unit heads. Our stakeholders identified include office tenants, hotel guests, employees, investors, regulators and the local community. These stakeholder groups are defined by the various businesses we engage in, and the people that we interact with and are accountable to. The engagement with various stakeholders is summarised below.

STAKEHOLDER GROUP	FREQUENCY OF ENGAGEMENT	MODE OF ENGAGEMENT
Office tenants	Continuous	Emails Annual satisfaction surveys Marketing surveys
Potential tenants and hotel guests	Continuous	Marketing surveys
Employees	Continuous	Face-to-face feedback with supervisors Annual employee satisfaction surveys
Investors	Continuous	Quarterly announcements on stock exchange Emails Face-to-Face discussions
Regulators	Continuous	Quarterly meetings Face-to-Face discussions
Other members of the public	Annual	Annual corporate brand awareness survey
Local community	Continuous	Corporate social responsibility programs

# OUR BUSINESS

## OUR BUSINESS

A robust governance and risk management framework guides BCI in conducting our business fairly and ethically with a zero-tolerance approach towards corruption. Compliance to relevant laws and regulations as well as standards and policies remains the foundation of our business practices. We are committed to ensuring that our supply chain continues to practice responsibility and accountability in their procurement process.

### Governance

We are committed to upholding the highest standards of governance in our business operations. To guide us in our commitment, we exercise integrity and honesty in all aspects of our operations. Compliance to regulatory requirements is the primary basis of good governance.

### *Anti-Corruption (GRI 205-3)*

We have established policies to guide us in ensuring that our business practices are conducted ethically with a firm stance against corruption. We adopt a zero-tolerance policy towards fraud, corruption and unethical actions. Our Code of Conduct provides our employees direction on the standards of ethical behaviour required of them. In addition, our whistle blowing policy ensures all our internal or external stakeholders can report any suspected breach of conduct, bribery, corruption, fraud or any other misconduct through our whistleblowing channels without fear of repercussion.

For the Westin Bund Center, our anti-corruption policy aligns with our operator, Marriott International. The anticorruption policy<sup>1</sup> of Marriott International complies with the U.S. Foreign Corrupt Practices Act ("FCPA") and the UK Bribery Act. All new employees are required to attend mandatory awareness training on the company's policies.

In 2019, there were no legal cases regarding corruption which were brought against the Group, or its subsidiaries during the year under review. We aim to have zero incident of corruption in 2020. We are also introducing a Global Anti-Corruption training for our employees in 2020.

### *Socioeconomic Compliance (GRI 419-1)*

Compliance is not only a legal obligation but also an ethical and moral requirement. We continue to pursue this as our top priority, ensuring that our business practices are conducted in accordance to local and international laws as well as to standards and policies. Employees receive regular training to keep up to date with any changes to relevant laws, regulations and policies. We have implemented the "Risk Management: Security is Everyone's Responsibility" training for our employees to assess the potential risks that can materialize.

In 2019, there was no fines from non-compliance with any laws, regulations, codes, standards and policies. We aim to maintain a clean record with no incident of regulatory non-compliance in 2020.

### *Customer Privacy (GRI 418-1)*

Our customers' data is treated with strict confidentiality at BCI. With the ever-changing technological advances and increasing data security threats, we have put in place robust system controls to safeguard our customers' information. We comply with the requirements in the Chinese Standard on Personal Information Security Specification, which covers the collection, storage, use, sharing, transfer, and disclosure of personal information, so as to reduce the risks of data breach and exposure. In 2020, we will also be introducing the Information Security and Protection Training (ISPT) for our employees to understand the protocols of dealing with sensitive information.

<sup>1</sup> Any person acting on behalf of Marriott International or any of its affiliates ("Marriott") must engage in honest competition and observe applicable anti-corruption and anti-bribery directives set forth in the Marriott Corporate Policy Manual [Ethical Conduct, Global Anti-Corruption (Foreign Corrupt Practices Act and U.K. Bribery Act), Enterprise Records Management and Centralized Procurement Services], the Foreign Corrupt Practices Act and related U.S. laws, and, outside the United States, the anti-corruption/anti-bribery laws established by any country in which we are conducting business.



### **Services Quality, Customer Well-Being**

We pride ourselves in providing a quality and secure experience for our customers. Looking after the safety and well-being of our customers is of utmost importance, to create a sense of security and comfort to navigate their daily lives. We continue to review and benchmark our safety standards against the industry best practices and strive to improve our safety measures in our buildings.

#### *Customer Satisfaction*

Through a system of guest/tenant feedback and other forms of stakeholder engagement, we formulate policies and best practices for a positive and enriching experience and environment for our stakeholders and local communities. The ability to retain existing customers and attract new customers is critical to business sustainability. We prioritise our strong relationships with our guests and customers by continually striving to improve our service standards and making our customers feel completely at home. Our senior management teams are fully committed to reading every feedback form submitted by our customers and will take the necessary follow-up action.

#### *Customer Well-Being*

In Westin Bund Center, we adhere strictly to regulated food safety standards to ensure the highest levels of food safety. To raise health and safety awareness among our hotel guests, we have included safety signage in public spaces and constantly engaged our hotel guests through talks, activities and fire drills. In 2019, there were 16 injuries involving members of the public. Most of the reported incidents were due to human error caused by visitors. After each incident, a detailed investigation is carried out and results of the investigation will clearly spell out the cause and repercussions, as well as the corrective action taken to prevent recurrence of similar incidents. These reports are subsequently presented and discussed at the Monthly Operations Meeting.

### **Responsible Procurement**

We are aware of the broad impact of our everyday activities on our operating ecosystem and we are committed to ensuring that our supply chain serves us in a responsible and sustainable manner. At BCI, our operations are dependent on a reliable supply chain that includes food suppliers, building equipment and hotel suppliers.

#### *Responsible Sourcing*

Westin Bund Centre is committed to upholding the responsible business practices as laid out by our managing operator, Marriott International. We follow the Global Procurement Supplier Conduct Guidelines<sup>2</sup> as guidance and expect our vendors and suppliers to operate with the same high standards of compliance and ethics, delivering a sustainable sourcing approach across our supply chain. We ensure that human rights are respected throughout the supply chain without any form of forced or exploitative labour. In our commitment to fight against human trafficking, we became a signatory of the ECPAT<sup>3</sup> Code of Conduct and made human trafficking awareness training a requirement for our employees.

In 2019, Westin Bund Center worked closely with our suppliers and launched an internal education and awareness campaign on responsible seafood at our dining facilities.

<sup>2</sup> Marriott's Global Procurement Supplier Conduct Guidelines ("Supplier Guidelines") set forth the principles, standards and guidelines that we expect our suppliers to uphold and that are applicable to all Marriott officers, managers and employees in Marriott's global operations.

<sup>3</sup> The Tourism Child-Protection Code of Conduct (The Code) is the world's first and only voluntary set of business principles travel and tour companies can implement to prevent sexual exploitation and trafficking of children. The Code provides awareness, tools, and support to the travel and hospitality industry. The Code is a joint venture between the tourism private sector and ECPAT. Companies that endorse The Code are supported by ECPAT-USA

# ENVIRONMENTAL RESPONSIBILITY

At BCI, we understand the significant impacts of climate change and thus our responsibility to protect and conserve our environmental ecosystem. We recognise that our activities could potentially have an adverse impact on the environment and we are committed to reducing our energy and water usage as well as managing our waste more responsibly.

As part of the environmental compliance and ongoing operational permit, BCI abides by stringent health, safety and environmental ("HSE") regulations such as liquid waste management, fire safety certification and equipment licenses. Audits are conducted on our operational feasibility and permit certificates issued upon compliance with these requirements.

## ENERGY MANAGEMENT

### Energy & Emissions (GRI 302-1, GRI 305-1)

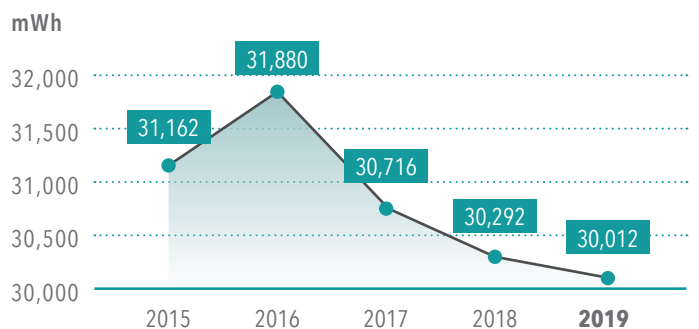
Nature serves as an inspiration in our design process and as a commitment to minimising our footprint, our buildings are designed with green architectural features to conserve energy, and water. By blocking direct sunlight penetration, our buildings reduce solar heat thus boosting energy efficiencies and optimise air circulation. The sun also provides natural light to our buildings and outdoor common walkways, thus reducing the use of lighting energy consumption.

In 2019, Bund Center Office Tower and Westin Bund Center continued our efforts to switch to energy saving and sensor-activated LED lightings in common areas, guest rooms, carpark, basements, IT rooms and back of house. This resulted in a 0.9% decrease in energy usage and carbon footprint. We continued with several other initiatives to reduce consumption of energy across our buildings such as an electrical switchboards replacement, and other gradual implementation of control timing function for our air-conditioning systems. Every little act goes a long way, even switching off lights during the lunch period reduces energy wastage. Beyond 2019, BCI is looking towards increasing energy efficiency by implementing LED lightings system on a level-to-level basis.

The PRC government is also promoting the use of more electric vehicles to reduce carbon emission and has required office buildings to have at least 15% of car park lots to be installed with electrical chargers by 2020. We are also exploring obtaining the Green Building Certification for our existing buildings.

### Total Energy Consumption

for Bund Center Office Tower and Westin Bund Center  
Bund Center Office Tower and Westin Bund Center Buildings Water Consumption\*

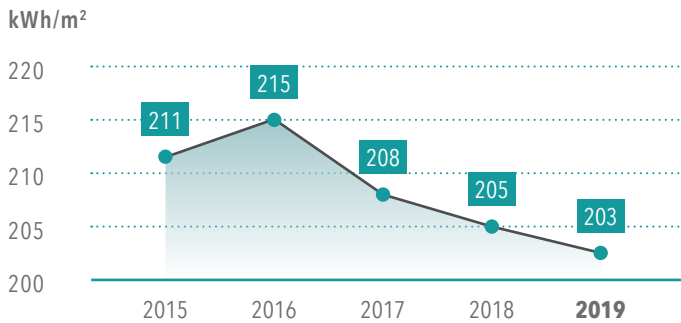


Total energy consumption has decreased from 30,292 mWh in 2018 to 30,012 mWh in 2019



## Total Energy Use by Gross Floor Area

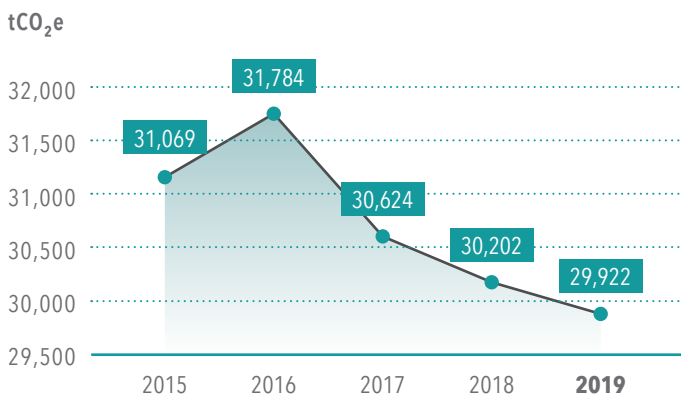
for Bund Center Office Tower & Westin Bund Center



Energy intensity per GFA occupied improved by 0.98%, from 205 kWh/m² in 2018 to 203 kWh/m² in 2019.

## Total GHG Emissions

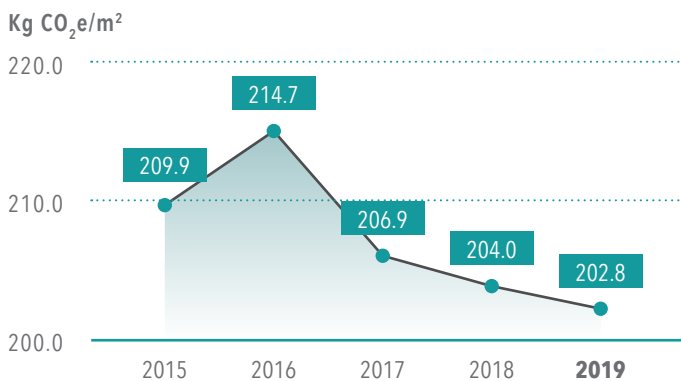
for Bund Center Office Tower and Westin Bund Center



Total GHG emissions decreased by 0.9% between 2018 and 2019.

## Total GHG Emissions % Intensity per GFA

for Bund Center Office Tower & Westin Bund Center



We recorded a reduction of 0.6% in our GHG emissions intensity per square meter of GFA between 2018 and 2019.

**The Westin Bund Center and Bund Center Office Tower will continually seek opportunities to reduce our GHG emissions, maximise our energy efficiency and reduce our carbon footprint.**

All figures in this section are based on the two buildings, Bund Center Office Tower and Westin Bund Center. Our current system of data collection does not provide for separately reporting of our electricity and water consumption for Bund Center Office Tower and Westin Bund Center. Hence, the reported total energy consumption includes consumption from both buildings.

The Westin Bund Center and Bund Center Office Tower will continually seek opportunities to reduce our GHG emissions, and aim to install the low nitrogen emission burner for our boilers, which will maximise our energy efficiency and reduce our carbon footprint.

Indicators	Scope	Target	Performance in 2019
Total Energy Consumption	Bund Center Office Tower and Westin Bund Center	1% reduction of energy intensity (Base year: 2018)	Achieved 0.98% improvement in energy intensity

# ENVIRONMENTAL RESPONSIBILITY

## WATER MANAGEMENT

### Water (GRI 303-1)

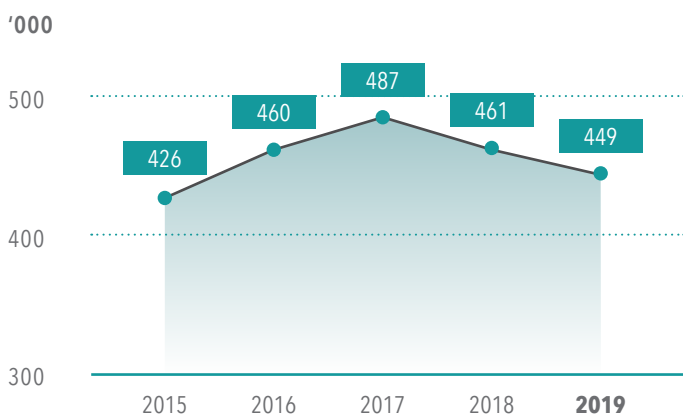
Water is a valuable resource. We recognise that our business operations have an impact on water consumption. The constraints on the quality and quantity of water available will limit our ability to operate effectively.

Our efforts at reducing water consumption include a number of initiatives. We installed water tap fittings with sensors to reduce loss due to overflows. Our water consumption for the cooling tower was optimised through water recirculation. Rainwater was collected and recycled to water plants and wash common areas.

In 2019, Bund Center Office Tower and Westin Bund Center recorded a total water consumption of 449,000m<sup>3</sup>. Our buildings recorded a reduction of 2.6% in water consumption as compared to 2018. This is due to the upgrading project on water saving devices in our office towers and at the same time, the average occupancy rates also dropped which resulted in a reduction of water consumption.

We continue to monitor our water consumption to minimise water wastages and are planning to implement water use monitoring to detect abnormal usage patterns by respective business units. We also plan to install a new air-con cooling water system to split the IT room and chiller on a level-to-level basis, and target to upgrade our water saving devices in order to reduce the water intensity by 1% in 2020.

### Bund Center Office Tower and Westin Bund Center Buildings Water Consumption\*

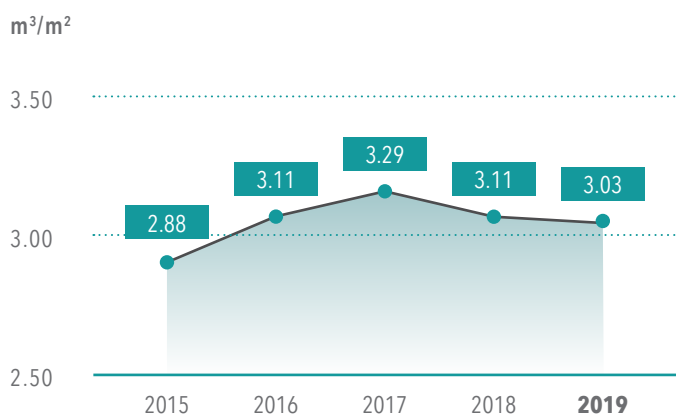


Total buildings water consumption has reduced by 2.6% in 2019 compared to 2018.



BCI senior management with local Shanghai grassroots leaders at the Carnival Day

### Bund Center Office Tower and Westin Bund Center Buildings Water Intensity by GFA

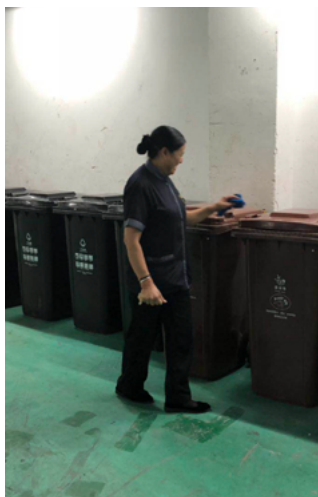


Building water Intensity by GFA occupied recorded a decrease of 2.6% in 2019 compared to 2018.

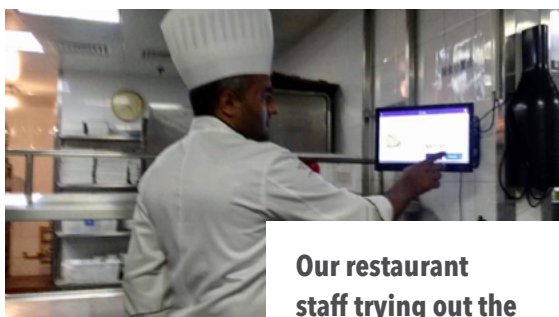
Indicators	Scope	Target	Performance in 2019
Water Intensity	Bund Center Office Tower and Westin Bund Center	1% reduction of water intensity (Base year: 2018)	Achieved 2.6% reduction in water intensity by GFA

\* All water consumed is municipal water (third party water).





In conjunction with the implementation of new local regulations in Shanghai on waste segregation, Bund Center and our tenants participated in a Carnival Day to raise awareness and promote waste segregation among the tenants



**Our restaurant staff trying out the Winnow system**



**Restaurant staff attending an explanation of the Winnow system**

## WASTE MANAGEMENT

### Effluents and Waste (GRI 306-2)

Proper waste disposal methods are necessary to prevent any contamination in our water systems. We practice waste segregation in our buildings and ensure that no hazardous wastes are sent to the landfill. Examples of hazardous waste generated on site include batteries from lamps and dry cleaning slag, which are disposed by authorised, licensed waste disposal contractors.

To improve the recycling initiatives in our buildings, we have rolled out a food waste monitoring system – Winnow, in our restaurants in late 2019. This system will help us to monitor the type and amount of food waste which is being generated, which can help us to better understand where and how we can reduce the amount of food waste generated in our restaurants.

Since 2018, we have moved towards a paperless environment in all our business units. iPads are used at board meetings, which reduced the amount of paper used for printing. Apart from reducing the types and amount of wastes that can be reused and recycled across our operations, we will continue to work with and engage our tenants and the local authorities to strengthen our overall approach to waste segregation and management.

In 2019, we recorded 743 tonnes of waste disposed of in our hospitality business, with 50 tonnes of waste recycled. The amount of non-hazardous waste generated in 2019 was reduced by 11.9%, from 843 tonnes in 2018 to 743 tonnes in 2019. The lower occupancy rates of our hotels and higher volume of recycled items from guest rooms contributed to the reduced figure.

Indicators	Scope	Target	Performance in 2019
Waste Management	Westin Bund Center	Reduce the food waste, the usage of plastic bags and plastic straws, disposable plastic amenity bottles in the hotel bathroom, restyling the florals, and manage the food waste	6.7% of waste generated 2019 was recycled
Waste Management	Bund Center Office Tower	Reduce the usage of plastic bags and paper, and increase recycling of renovation waste	

# PEOPLE & CULTURE



People are our most important asset. Our “People First” culture drives our efforts to care for both our employees and customers. We pride ourselves in providing an inclusive working environment with equal employment opportunities based only on objective factors. Any form of discrimination based on color, race, religion or any other type of distinguishing characteristic is not tolerated.

Our people culture is based on cultivating a relationship of understanding and mutual respect. At BCI, we work hard to ensure that we have the right people in the organisation who share our values and are passionate to do the right thing. We strive towards creating a working environment where our employees take pride in their work and are equipped with the right tools to perform their tasks and provided opportunities for skills development. Keeping our workers engaged is critical for a continued sustainable growth of our business.

We encourage a diversified workforce and hire people from different age groups, including the re-employment of persons aged above 50. The relatively higher ratio of male to female employees is mainly due to the nature of our business of real estate and property management and the supply of manpower available to us on internship. As an equal opportunity employer, a balanced gender composition of our workforce is reflected in middle management and higher.

In 2019, BCI employed a total of 611 employees in our operations in Shanghai, of whom 58% are males and 42% are females. Overall, a total of 85.9% are hired on a permanent basis and 14.1% of our employees are hired on a temporary basis, with the gender breakdown between permanent and temporary employees illustrated in the charts on the following pages. Temporary employees typically have a term of 6 months.

## EMPLOYEE WELFARE



### *Employment (GRI-401-1, GRI 401-2, GRI 401-3)*

We recognise that it is our responsibility as an employer to provide a conducive and inclusive workplace for our employees’ development, well-being and satisfaction, in turn, boosting employee morale. Employee retention is crucial to maintain a continuous success at BCI. Through our engagement activities, we observed significant levels of satisfaction among our employees. BCI recorded a total voluntary turnover of 109 with an overall turnover rate of 17.8% in 2019 which is lower than the national average. This serves as a testament to our initiatives in improving employees’ well-being and satisfaction.

BCI prioritises employees’ welfare. We believe in providing a competitive remuneration package guided by legal standards and based on their experience, position, and competency. Other benefits including insurance coverage, healthcare benefits, parental leave, subsidy for marriage and grievance, and retirement provisions are provided for all our employees. As at 31 December 2019, all female employees and male employees took their parental benefits have returned to work at the end of their maternity leave and paternity leave respectively. Therefore, we recorded a return to work rate of 100% for both our female and male employees.

**BCI prioritises employees' welfare. We believe in providing a competitive remuneration package guided by legal standards and based on their experience, position, and competency.**

Other Employee Benefits:

**1. Work Injury**

All workers' compensation will be made in accordance with China Labour Law.

**2. Social Insurance & Housing Fund**

All permanent employees will be entitled for the individual social insurance according to the Social Insurance Law of the People's Republic of China. BCI will also bear the individual housing fund for all entitled permanent employees according to the Regulations of Shanghai Housing Provident Fund.

**3. Retirement**

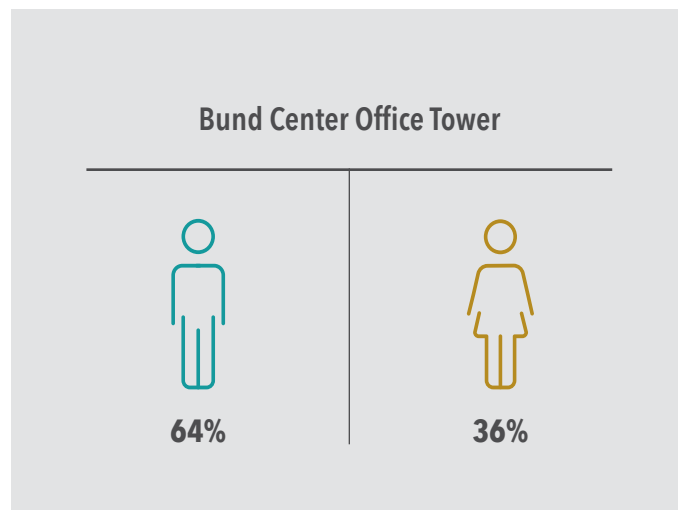
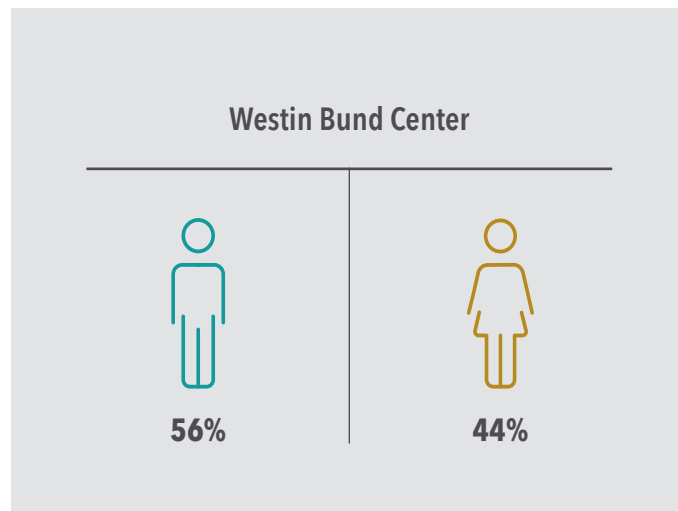
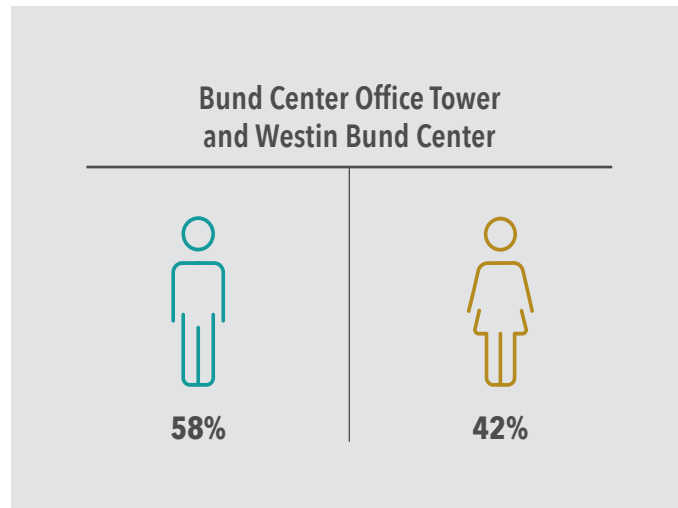
All permanent employees' retirement schemes will be accorded in accordance to the People's Republic of China's retirement ordinance.

We are guided by the PRC Government's regulation which allows trade unions to represent our employees for collective bargaining, providing our employees with an avenue to seek redress for disputes. All permanent employees from the Bund Center Office Tower and Westin Bund Center are covered by collective bargaining agreements

We have implemented various initiatives to promote a healthy lifestyle for the well-being of our employees:

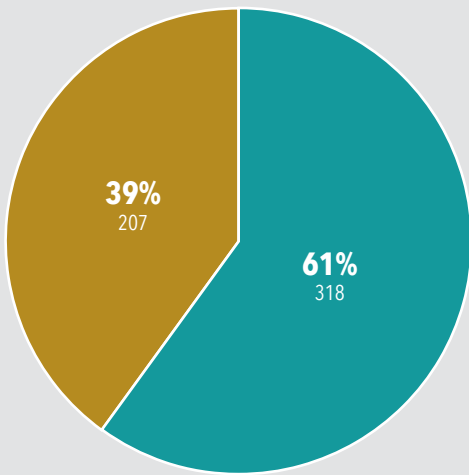
- Discounted gym memberships for permanent employees
- Employees' Running Club
- After work sports activities (basketball, futsal, badminton, volleyball, etc.)

**Workforce by Gender in 2019**

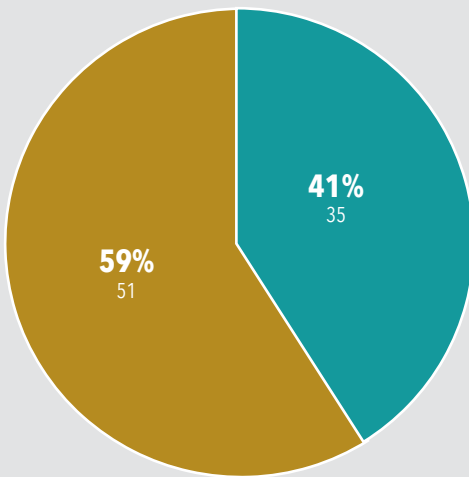


# PEOPLE & CULTURE

## Permanent Employees



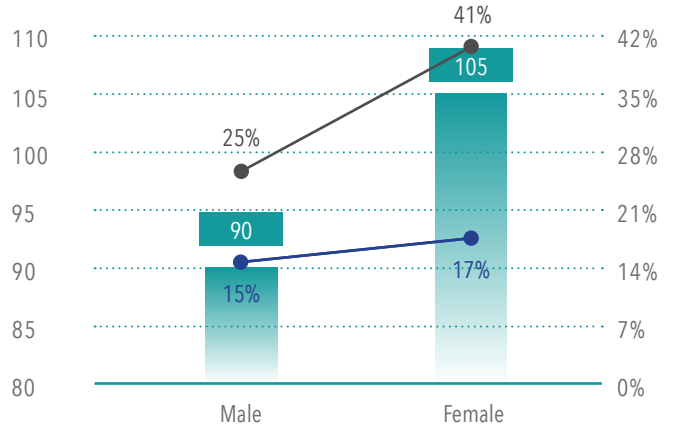
## Temporary Employees



● Female ● Male

## New Hires by Gender

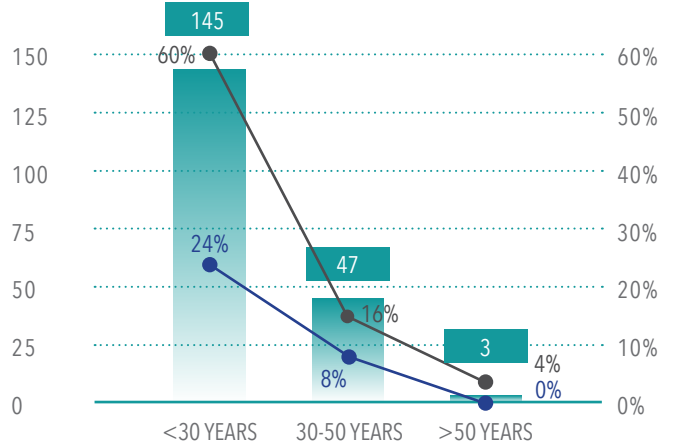
No. of New Hires



- No. of new hires
- Rate of new hires (Denominator : total number of employees)
- Rate of new hires (Denominator :no. of employees in Gender group)

## New Hires by Age Group

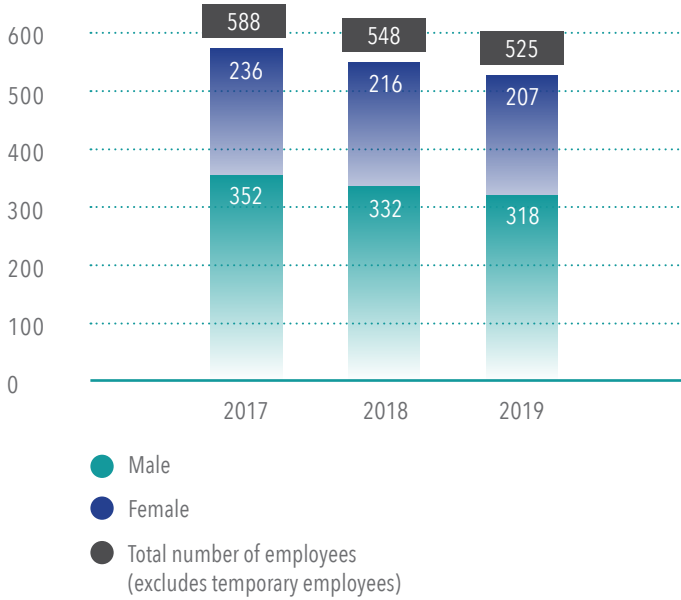
No. of New Hires



- No. of new hires
- Rate of new hires (Denominator : total number of employees)
- Rate of new hires (Denominator :no. of employees in age group)

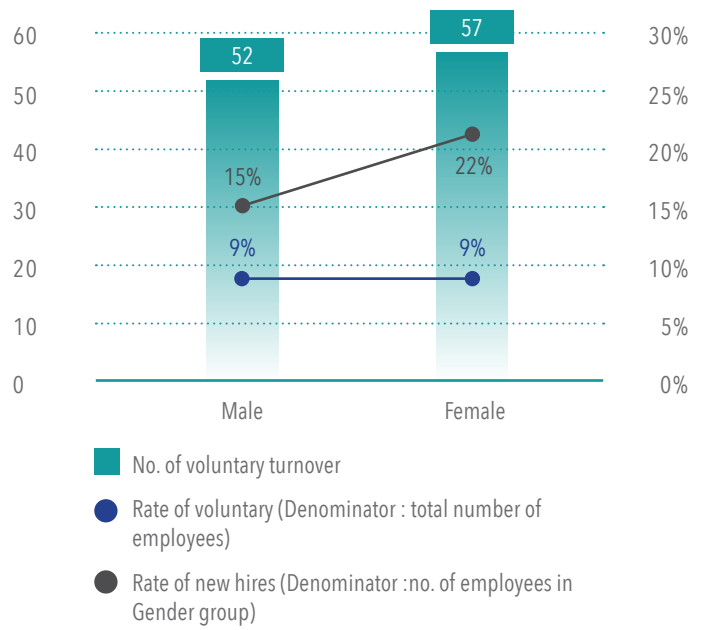
## No. of Employees Entitled to Parental Leave

No. of Employees



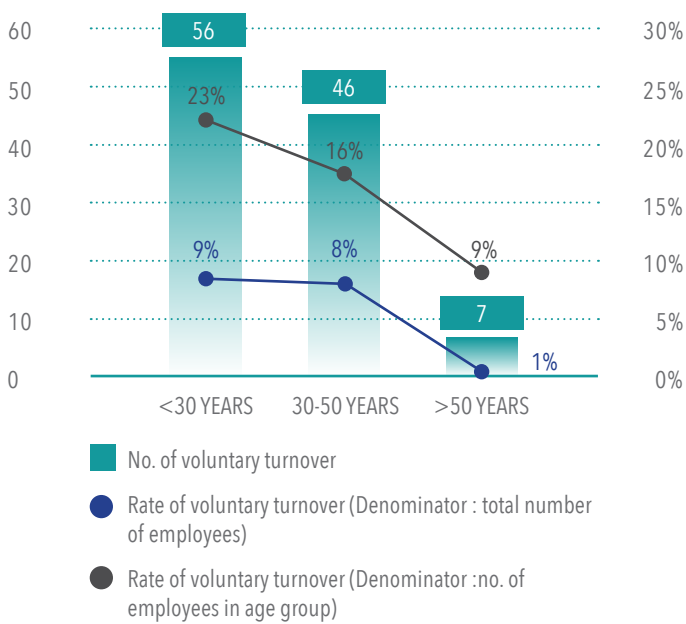
## Turnover by Gender

No. of Employee



## Turnover by Age Group

No. of Employee



# PEOPLE & CULTURE

## FAIR EMPLOYMENT PRACTICES

A diverse working environment encourages an exchange of perspectives, driving innovation and delivers better results. We seek to create an inclusive, open work environment that fosters collaboration and cohesiveness based on mutual respect.

### Equal Employment Opportunity (GRI 405-1, GRI 405-2)

Our hiring process is based only on merit and objective factors. We encourage diversity and equal opportunity in our offices regardless of age, gender, nationality, qualification, culture and industry knowledge. With years of experiences and a wealth of knowledge, mature workers continue to be a valuable addition to our workforce. In 2019, about 13% of our employees are above the age of 50. Women made up approximately 42% of our workforce in 2019. 10 different nationalities and 4 disabled employees were represented in our workforce in 2019.

### Non-discrimination (GRI 406-1)

A fair working environment should be one that is free of discrimination, harassment, bullying and victimisation. Our commitment to having fair labour practices is emphasised in our employee handbook and employment practices. Our equal opportunity policy on employment does not tolerate any form of discrimination and all employees should be treated fairly and with equal respect. There were no incidents of discrimination in 2019.

## TALENT MANAGEMENT

### Training & Development (GRI 404-1, GRI 404-2)

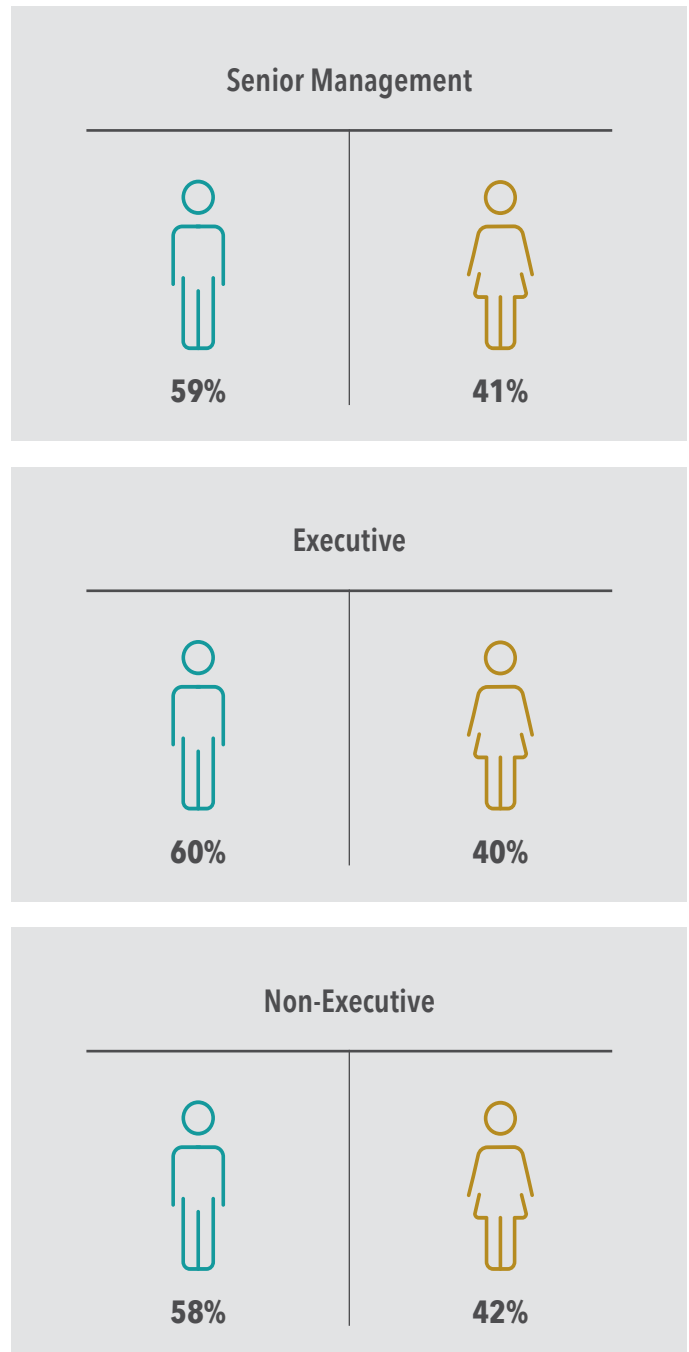
Talent management and succession planning are vital components of our human resource strategy. It is therefore imperative for us to better manage our people and maintain our talent pool. We are committed to investing in our talent and allocating an annual training budget. Our skills development program is developed to support their career growth and align the career aspirations of our employees. We believe that equipping our employees with the skills they require will ensure a continued growth of our business and will also allow our employees in their personal development.

All employees are required to undergo training as part of their annual skills enhancement that is related to their job function. In 2019, each employee has benefitted from an average of 47.6 hours of training. We also provide other on-the-job training opportunities and sponsor qualified employees for relevant professional courses. Our skills development programs cover three core areas: developing core competence to ensure we are an effective and efficient organisation; providing opportunities for skill development to support career development; and line management and leadership development to create a talent pipeline.

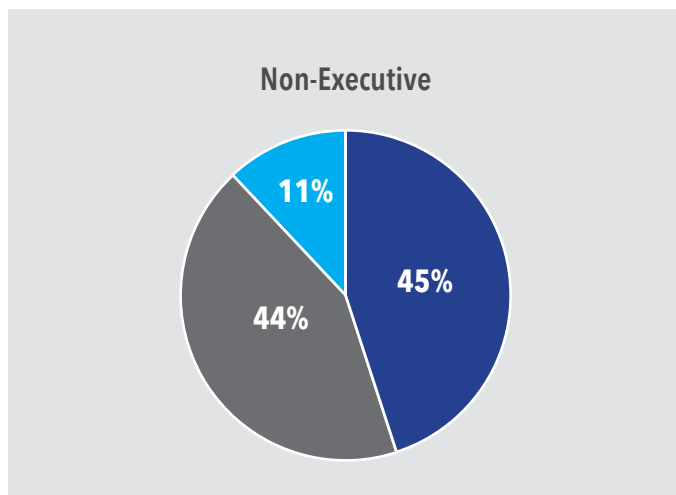
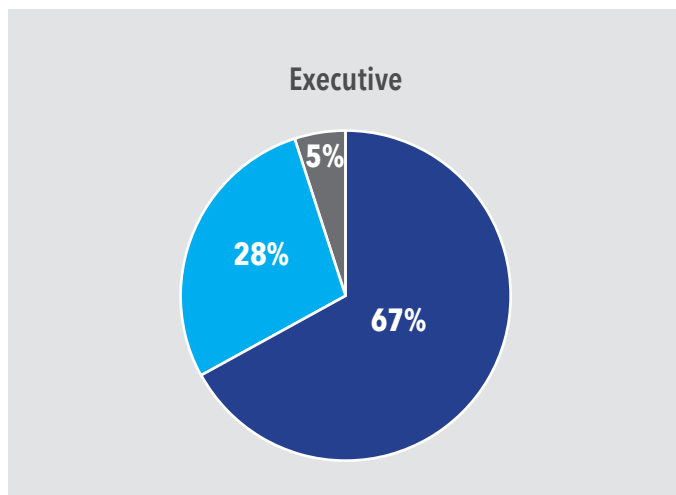
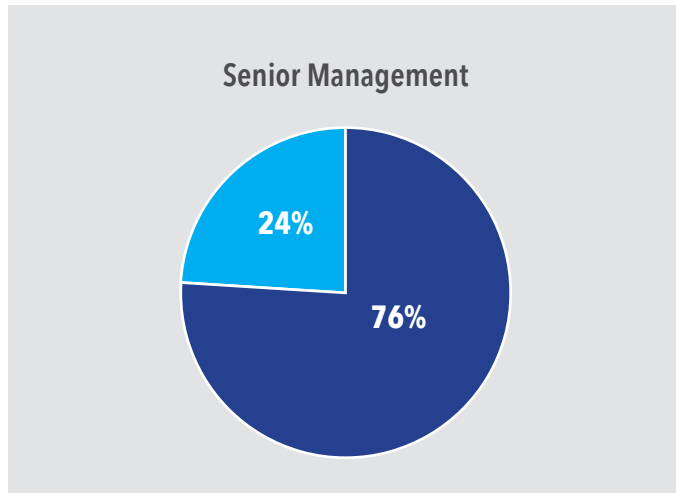
### Performance Appraisal

We conduct semi-annual performance and career development review on our employees. This KPI-based formal review is an important milestone in our employees' career as their performances, strengths and areas of improvement are evaluated objectively, which will then form the basis for our employees' promotion.

## Workforce by Employment Category & Gender

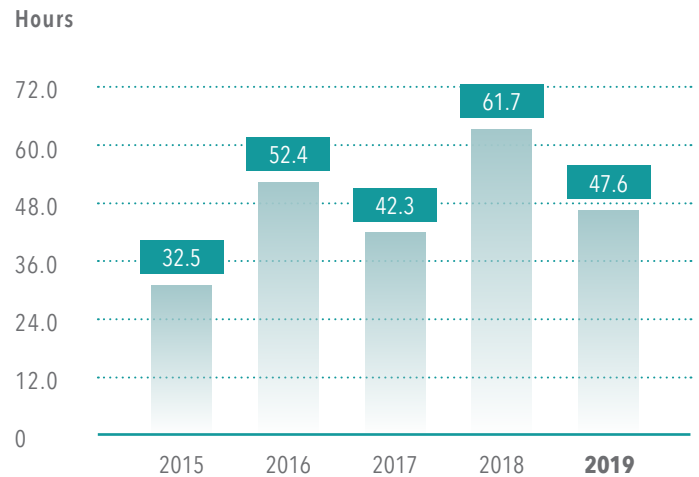


## Workforce by Employment Category & Age Group



● <30 years old    ● 30 - 50 years old    ● >50 years old

## Average Training Hours Per Employee



Indicators	Scope	Target	Performance in 2019
Service Quality and Talent Attraction, and Retention, through People Development	Bund Center Office Tower and Westin Bund Center	Average training hours per employee: 45 hours per year 2019 (Base year: 2018)	Average training hours of 47.6 hours per employee



**63 BCI staff attending a cybersecurity course in 2019 covering internet security, personal privacy protection as well as data and mobile security**



# PEOPLE & CULTURE

**Our employees attending training on etiquette and customer management services**



**In addition, we send our employees for training in workplace safety and first aid in the event of a medical emergency. They are also trained in handling fire hazards at the work place, and participate regularly in fire drills and evacuation exercises.**

## **WORKPLACE HEALTH & SAFETY**

### *Occupational Health and Safety (GRI 403-2)*

We constantly emphasize on the importance of occupational health and safety (OHS) and well-being of our employees in the workplace and instill a culture of responsible, safe work practices that are in line with the Government's regulations. We continue to recommend, monitor and review safety procedures while identifying potential risks. In ensuring that our practices are in line with the best practices of the industry, we have put in place reporting procedures for all accidents and injuries at the workplace.

We take OHS incidents very seriously. All incidents are reported to the Safety Department, which will be included in the Monthly Operation Report that is submitted to Division Heads. For some categories of incidences, such as breakdown of equipment, and near misses due to negligence, an investigation report with follow-up actions will also be submitted to the Division Heads.

In addition, we send our employees for training in workplace safety and first aid in the event of a medical emergency. They are also trained in handling fire hazards at the work place, and participate regularly in fire drills and evacuation exercises.



Our OHS initiatives include safety checks to ensure compliance by our employees and contractors; and the annual OHS equipment certification for compliance with the fire safety standards of the Shanghai Fire Control Bureau. We have implemented the following important layers of occupational health and safety checks to ensure the occupational health and safety compliance at our premises:

1. Increased frequency of checking by the project Environmental Health and Safety team on daily and weekly basis;
2. Regular quality assurance, assessment on risk and control on OHS and environment by Colliers International.

There were no fatalities or instances of occupational diseases in our Hospitality and Asset Management divisions in FY2019. However, we had a total of 500 lost days due to twenty workplace-related accidents, with more than half of them taking place in our hotel kitchens. We are committed to continuing accessing and improving our internal controls to reduce the occurrence of accidents, injuries and illnesses at our workplaces.

2019	Accident Frequency Rate (AFR) No. of workplace accidents per million manhours worked	15.7
	Accident Severity Rate (ASR) No. of man days lost per million manhours worked	392



**Fire and safety requirement check by Shanghai Fire Control Bureau.**



**Appreciation award from the Shanghai Fire Control Bureau for our fire emergency preparedness efforts**

**We always ensure compliance with the Fire Protection Regulations of the PRC China. Fire and hazards prevention exercise are conducted four times annually with the participation of the Shanghai Fire Control Bureau.**



# CORPORATE SOCIAL RESPONSIBILITY

We recognise our roles and responsibilities to enhance the well-being and livelihood of local communities; contributing to China's economic prosperity. For us at BCI, good relationships and partnerships with our community and stakeholders at large are a key foundation for the sustainable growth of our business.

## SUPPORTING EDUCATION

We supported apprenticeship programs that prepare youths for jobs in our hotel industry in China through training conducted in 13 institutions including colleges and universities.



**Westin Bund Center visited various colleges and schools in 2019 to provide career planning courses and hospitality related courses to hotel management students.**



**Westin Bund Center with our internship students in Shanghai. 131 interns from 18 colleges/schools were trained at BCI in 2019, and 14 interns were offered job opportunities after they had completed their internship.**

BCI is committed to integrating our responsibilities towards the surrounding local communities as part of our Group's business strategy. By improving the socio-cultural environment within our operations' communities through various initiatives, we aim to create significant benefits for local communities on the basis of common shared value and understanding.

## CLIMATE AWARENESS

BCI staff at our annual climate day, raising public awareness on the importance of conserving our environment through a tree planting exercise.



## COMMUNITY

In response to the current Covid-19 outbreak, BCI has significantly provided donations as well as other supports, to help those impacted. We have donated medical protective supplies, consumable and disposable medical devices, pharmaceuticals, disinfection supplies and cleaning supplies to Wuhan and other affected cities. With the help and effort of overseas staff and assistance from local district government for custom clearance, 200,000 surgical masks were handed over to Huangpu district government in February 2020. We have also made financial contributions to help purchase masks, protection suits and sanitizer for frontline healthcare workers in China.



# GRI CONTENT INDEX

## GRI CONTENT INDEX

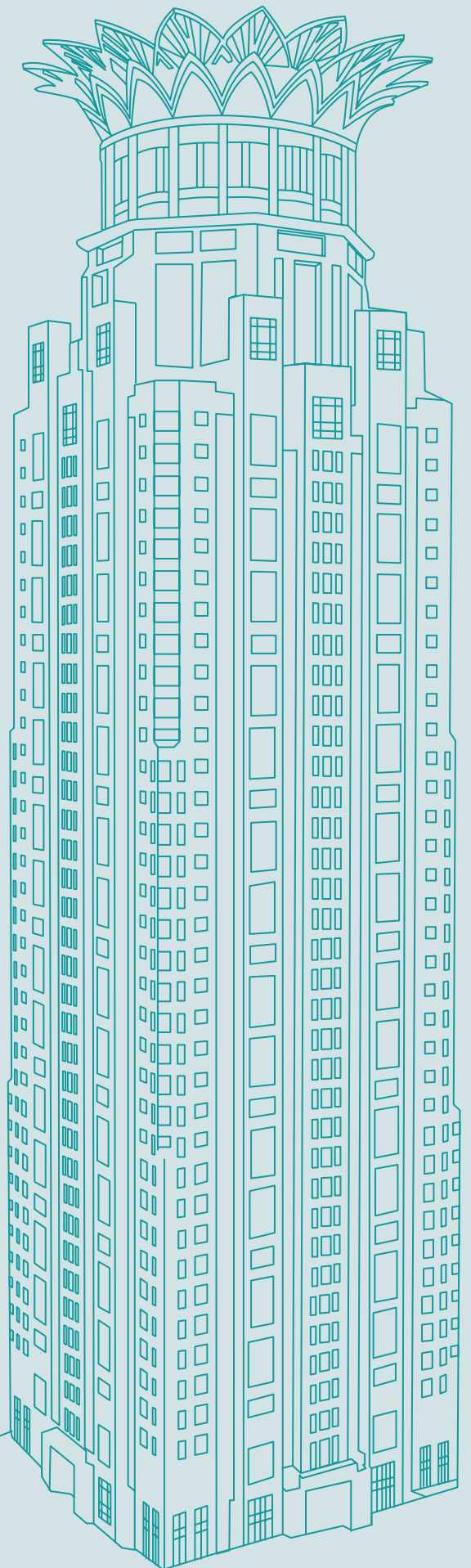
DISCLOSURE	DISCLOSURE	PAGE NO.
<b>GRI 102: General Disclosures</b>		
102-1	Name of the organization	4
102-2	Activities, brands, products, and services	4
102-3	Location of headquarters	4
102-4	Location of operations	4
102-5	Ownership and legal form	4
102-6	Markets served	4
102-7	Scale of the organization	4
102-8	Information on employees and other workers	16-19
102-11	Precautionary Principle or approach	AR 2019, pg. 38-40
102-14	Statement from senior decision-maker	5
102-16	Values, principles, standards, and norms of behaviour	9-10
102-18	Governance structure	AR 2019, pg. 6-9
102-40	List of stakeholder groups	9
102-41	Collective bargaining agreements	20
102-42	Identifying and selecting stakeholders	9
102-43	Approach to stakeholder engagement	9
102-44	Key topics and concerns raised	8-9
102-45	Entities included in the consolidated financial statements	AR 2019, pg. 4
102-46	Defining report content and topic Boundaries	5
102-47	List of material topics	8-9
102-48	Restatements of information	None
102-49	Changes in reporting	None
102-50	Reporting period	5
102-51	Date of most recent report	31 Dec 2019
102-52	Reporting cycle	5
102-53	Contact point for questions regarding the report	5
102-54	Claims of reporting in accordance with the GRI Standards	5
102-55	GRI content index	26
102-56	External assurance	None

# GRI CONTENT INDEX

DISCLOSURE	DISCLOSURE	PAGE NO.
<b>GRI 205: Anti-Corruption 2016</b>		
103-1	Explanation of the material topic and its Boundary	10
103-2	The management approach and its components	10
103-3	Evaluation of the management approach	10
205-3	Confirmed incidents of corruption and actions taken	10
<b>GRI 302: Energy 2016</b>		
103-1	Explanation of the material topic and its Boundary	12-13
103-2	The management approach and its components	12-13
103-3	Evaluation of the management approach	12-13
302-1	Energy consumption within the organization	12-13
<b>GRI 303: Water 2016</b>		
103-1	Explanation of the material topic and its Boundary	14
103-2	The management approach and its components	14
103-3	Evaluation of the management approach	14
303-1	Water consumption within the organization	14
<b>GRI 305: Emissions 2016</b>		
103-1	Explanation of the material topic and its Boundary	12-13
103-2	The management approach and its components	12-13
103-3	Evaluation of the management approach	12-13
305-1	Direct (Scope 1) GHG emissions	12-13
<b>GRI 306: Effluents and Waste 2016</b>		
103-1	Explanation of the material topic and its Boundary	15
103-2	The management approach and its components	15
103-3	Evaluation of the management approach	15
306-2	Waste by type and disposal method	15
<b>GRI 401: Employment 2016</b>		
103-1	Explanation of the material topic and its Boundary	16-19
103-2	The management approach and its components	16-19
103-3	Evaluation of the management approach	16-19
401-1	New employee hires and employee turnover	16-19
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	16-19
401-3	Parental leave	16-19

# GRI CONTENT INDEX

DISCLOSURE	DISCLOSURE	PAGE NO.
<b>GRI 403: Occupational Health and Safety 2016</b>		
103-1	Explanation of the material topic and its Boundary	22-23
103-2	The management approach and its components	22-23
103-3	Evaluation of the management approach	22-23
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	22-23
<b>GRI 404: Training and Education 2016</b>		
103-1	Explanation of the material topic and its Boundary	20-21
103-2	The management approach and its components	20-21
103-3	Evaluation of the management approach	20-21
404-1	Average hours of training per employee	20-21
404-2	Programs for upgrading employee skills and transition assistance programs	20-21
<b>GRI 405: Equal Employment Opportunity 2016</b>		
103-1	Explanation of the material topic and its Boundary	20
103-2	The management approach and its components	20
103-3	Evaluation of the management approach	20
405-1	Diversity of governance bodies and employees	20
405-2	Ratio of basic salary and remuneration of women to men	20
<b>GRI 406: Non-Discrimination 2016</b>		
103-1	Explanation of the material topic and its Boundary	20
103-2	The management approach and its components	20
103-3	Evaluation of the management approach	20
406-1	Incidents of discrimination and corrective actions taken	20
<b>GRI 418: Customer Privacy 2016</b>		
103-1	Explanation of the material topic and its Boundary	10
103-2	The management approach and its components	10
103-3	Evaluation of the management approach	10
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	10
<b>GRI 419: Socioeconomic Compliance 2016</b>		
103-1	Explanation of the material topic and its Boundary	10
103-2	The management approach and its components	10
103-3	Evaluation of the management approach	10
419-1	Non-compliance with laws and regulations in the social and economic area	10





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