

Environmental and Social Review

Corporate Social Responsibility is one of the principles of Champion REIT's management philosophy. We recognize that Corporate Social Responsibility will create long-term value for our customers, partners, investors, employees and community. To this end, issues covering ethical operating practices, the workplace, the environment and the community are given serious consideration at the strategic level as well as in the day-to-day operations of the Trust's properties.

WORKPLACE QUALITY

Health and Safety

Champion REIT's properties possess the health and safety features generally expected of modern premium grade properties, including computerized automatic fire detection alarm systems and emergency power supply to common areas and essential facilities when there is a power failure event. Regular fire drills are also conducted. The management systems of both Citibank Plaza and Langham Place are certified under OHSAS (Occupational Health and Safety Assessment Series) 18001 to ensure health and safety risks are minimized by proper monitoring and operating procedures combined

with regular training and drills. We have appointed Registered Safety officers to oversee and enhance the Safety Management System in both Langham Place and Citibank Plaza. Langham Place Office Tower has received the Silver Award for 2015 Theme Award – Occupational Safety and Health by The Hong Kong Institute of Facility Management (HKIFM).

Tenants of grade 'A' properties in particular have high expectations for indoor air quality and circulation. In this respect our properties are classified as 'Excellent' under the Hong Kong Environmental Protection Department's Indoor Air Quality Certification Scheme for common areas. They are also

recipients of the Certificates of Quality Water Supply Scheme for Buildings – Fresh and Flushing Water issued by the Hong Kong Water Supplies Department.

Working Conditions

Champion REIT is managed by the REIT Manager and does not directly employ any staff itself. The REIT Manager is dedicated to diversity in the workplace and adheres to Hong Kong's equal opportunity laws. Under our equal opportunity policy, no job applicant or employee is disadvantaged by or receives less favourable treatment because of disability, gender, pregnancy, marital status or sexual orientation.

We recognize that productive employees are those who maintain a healthy work-life balance. To this end, employees of the REIT Manager are provided with access to various wellness and interest classes that are offered on a yearly basis.

During 2015, the REIT Manager has established internship programme providing short-term job opportunities for university students. The wide range of tasks provides the opportunities for students to apply their study into practice and to gain experience in the real estate industry.



Received the Silver Award for 2015 Theme Award – Occupational Safety and Health by The Hong Kong Institute of Facility Management

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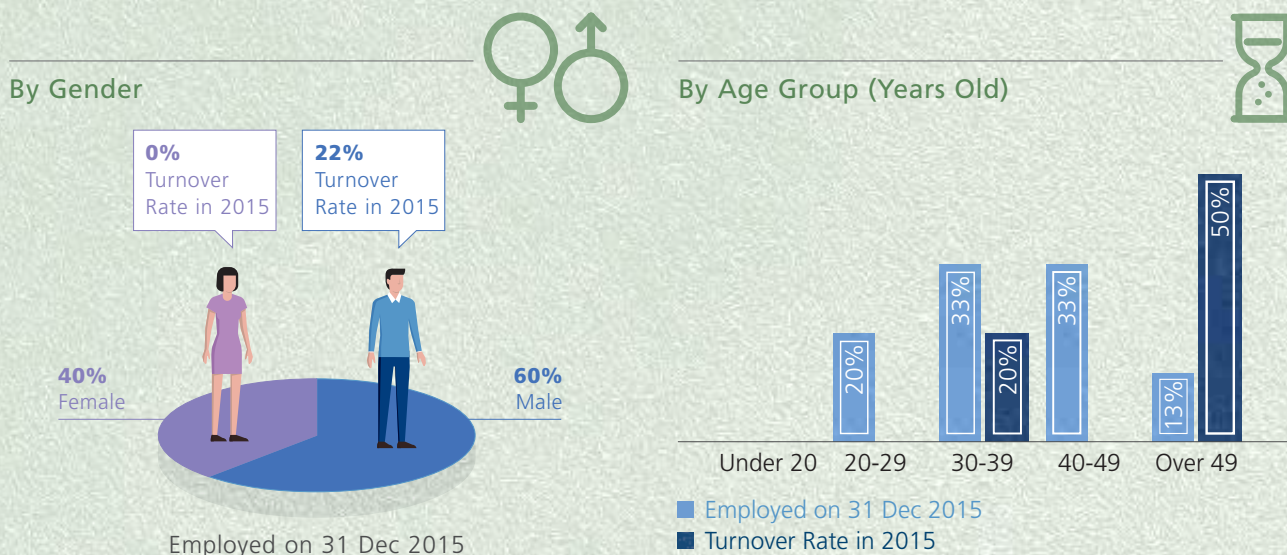
2015 Internship Programme



Breakdown of Employees and Turnover Rate by Age Group and Gender

	by Age Group (years old)					by Gender	
	Under 20	20 – 29	30 – 39	40 – 49	over 49	Male	Female
Employed on 31 Dec 2015	0%	20%	33%	33%	13%	60%	40%
Turnover Rate in 2015	0%	0%	20%	0%	50%	22%	0%

The table above refers to the employees of the REIT Manager. As the REIT Manager delegates the property management, lease management and marketing & promotion functions to various service providers, it has only a relatively small number of employees. This can lead to misleadingly high turnover rates even if just one employee in any one category has to be replaced.



Development and Training

We believe the availability of training and development opportunities is an important factor for attracting and retaining quality staff. Besides offering a competitive compensation and benefits package, we provide corporate and vocational trainings to staff at all levels such as “The 7 Habits of Highly Effective People”. Our comprehensive performance appraisal system provides a regular dialogue mechanism whereby staff can provide feedback to their superiors, establish key objectives for each year and determine their training and development needs. For the reporting year, 100% of eligible employees (those who are employed before 1st August of the year) received performance and career development reviews.

Labour Standards

Champion REIT is in compliance with the Hong Kong Employment Ordinance which covers a comprehensive range of employment protection and benefits for employees including: wage protection, rest days, holidays with pay, paid annual leave, sickness allowance, maternity protection, severance payment, long service payment, employment protection, termination of employment contract and protection against anti-union discrimination. There are no employees that are defined as children or young persons under the ordinance (persons under the age of 18). As Champion REIT is a pure landlord and has no industrial



or manufacturing operations, there are no potential issues involving child or forced labour.

ENVIRONMENTAL PROTECTION

Use of Resources

Energy efficiency is an important means of reducing emissions and conserving the world's limited resources. Pursuing energy efficiency also has the parallel benefit of reducing operating expenses, even while global warming is ameliorated. An energy saving feature inherent to both of Champion REIT's properties is the use of large multi-storey glass

curtain walls to provide atrium and lobby areas with natural lighting. At Langham Place, this feature is particularly noticeable and anyone can look through the 9-storey mall atrium and see the neighbourhood buildings on the other side. Reflective coatings along the primary glass walls provide additional energy savings by reflecting heat while allowing light to enter the interior.

Both of our properties also boast a comprehensive ventilation and air conditioning system complete with floor-by-floor climate sensors. To minimize redundant cooling, air-conditioning can be controlled

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in incremental areas and turned off for unused areas. Both Citibank Plaza and Langham Place have pledged their support for the “Energy Saving Charter” scheme set up by the Environment Bureau to promote lower air-conditioning energy consumption. Under this pledge, an average interior temperature of between 24-26°C will be maintained during the summer months of June to September.

At Langham Place Mall, Metal Halide Flood Light Luminaries have been retrofitted to LED luminaries at the Digital Sky of the Grand Atrium where LED could maintain a longer lifetime with less energy consumption of the lighting system. LED luminaries fitted with motion sensors have been installed at staircases, corridors and lavatories of the mall. To reduce water usage, we have installed low flow water faucets in all our properties and are reusing water collected in an underground tank for irrigation at Citibank Plaza. To support the introduction of electric vehicles to Hong Kong, Electric Vehicle Recharging Stations have been added to both of our car parks.

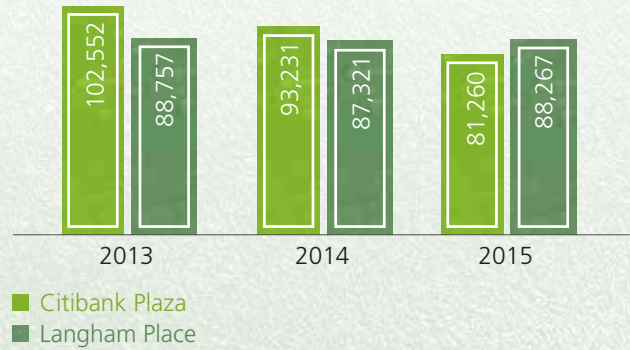
In 2015 the combined energy consumption at our properties decreased by 6.1% to 169,528 gigaJoules mainly due to the replacement of air-cooled chiller plants with water-cooled chiller plants at Citibank Plaza which are more energy-efficient. The entire chiller replacement project was completed in February 2015. In 2014, some inefficient chillers were still in use. The lower average occupancy of Citibank Plaza in 2015 after large space occupiers moving out in 2014 also contributed to the fall in energy consumption. Combined water usage decreased by 14.4% to 331,290 cubic meters. The commissioning work for Phase 2 of the chiller replacement project at Citibank Plaza has involved repeated flushing, draining and filling of water in 2014. The commissioning activities were significantly reduced in 2015 with the completion of replacement, driving down the water consumption.

Emissions

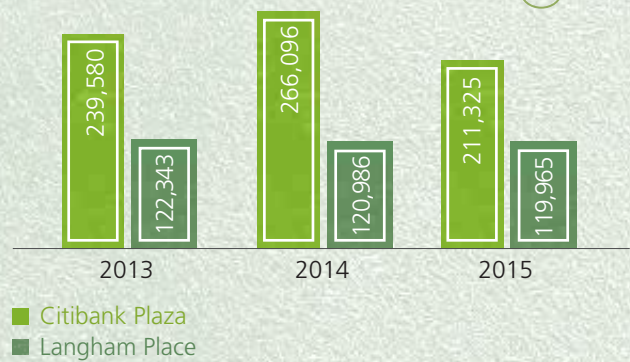
As Champion REIT is a pure landlord and has no manufacturing operations, there are no hazardous byproducts produced or discharged. The only relevant



Energy Consumption (gigajoule)



Water Usage (cubic meter)



Carbon Emissions (ton CO₂ equivalent)



emissions would be those generated through the day-to-day operations at our properties. Our statistics as disclosed to the carbon footprint repository in Hong Kong include direct emissions as well as indirect emissions such as those resulting from electricity generated offsite. In 2015 the estimated combined carbon emissions of our properties decreased by 8.3% to 33,599 tons of carbon dioxide.

The Environment and Natural Resources

The environmental management systems of both Citibank Plaza and Langham Place are certified under ISO 14001. This drives progressive environmental protection policies that strive to reduce the environmental impact of our properties and facilitate recycling. Procedures at our properties are in place to administer and facilitate the separation and collection of office and retail waste for third-party recycling. Tenants are invited as partners to enlarge the scale and efficacy of these recycling initiatives.

Paper is by far the largest category of materials sent for recycling, with 311 tons collected in 2015. Besides typical waste products such as paper and plastic bottles, food waste from our food court tenants are also collected and sent for reprocessing.

To reduce paper usage, internally we promote the usage of electronic copies over hard copies of documents. Externally, Champion REIT allows its Unitholders to choose if they wish to be mailed a physical copy of the Trust's Interim Report and Annual Reports each year. PDF versions of the Trust's financial reports have been available at www.championreit.com since Champion REIT was listed in 2006.

The Environmental Protection Department of the Hong Kong Government issued certificates to Citibank Plaza and Langham Place certifying the effectiveness of their Programs on Source Separation of Commercial and Industrial Waste. Citibank Plaza was awarded "Class of Good" and "One of the Top Three Organizations" at the

Energywise Certificate Scheme – Hong Kong Award for Environmental Excellence by the Environmental Campaign Committee. Langham Place was awarded Green Management Award (Corporation) – Service Provider – Gold by the Hong Kong Green Council in 2015.

OPERATING PRACTICES

Product Responsibility

We strive for quality service to our customers, who are our tenants and shoppers. Our building management teams operate under the ISO 9001 Quality Management System which among other things requires the monitoring of customer satisfaction. To this end, questionnaires are sent regularly by the Building Managers to our tenants to obtain their feedback. Tenants can also send suggestions or complaints to the building management through multiple channels and may also directly contact the REIT Manager through our property specific websites. Service quality management at Citibank Plaza and Langham Place are certified by the Hong Kong Quality Assurance Agency.

Other than implementing the quality management system, other measures at Langham Place have been put in place to further enhance the customer services. The "Care the People in Need System" provides attentive service to our customers in need. For example, caring name cards with Braille hotline number are provided to shoppers for instant

Materials Collected for Recycling

	2013	2014	2015
Waste Paper (kg)	220,235	306,150	310,559
Fluorescent Tubes (kg)	1,228	924	981
Plastic Bottles (kg)	1,061	1,048	968
Aluminum Cans (kg)	93	121	123
Reusable Batteries	488	325	301

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support. The installation of “Parking Guidance System” enables drivers to easily find the most convenient vacant parking space through intelligent guidance display. The “Lost and Found System” provides related trainings on handling shoppers’ lost and found items efficiently. In 2015, 80 compliments were received from shoppers praising the integrity, professional and efficient handling of lost and found items.

Champion REIT was awarded Hong Kong Outstanding Enterprises 2015 by Economic Digest. Langham Place Office Tower earned an Excellence in Facility Management Award 2015 (Office Building) from the Hong Kong Institute of Facility Management. In addition Langham Place also received an Enterprise Award at the Hong Kong Star Brands Awards in acknowledgment of the widespread recognition of the Langham Place brand and its association with quality.

Anti-Corruption

Champion REIT is committed to the highest ethical standards. All employees are given a Code of Conduct to which they are required to adhere. Employees are explicitly prohibited from soliciting, accepting, or offering bribes or any other form of advantage. The awarding of new project and service contracts valued at HK\$100,000 and above is primarily based on the results of a tendering process, with some exceptions such as in the case of utility providers and the rollover of existing service agreements. Furthermore, multiple quotations must be obtained for transactions of over HK\$5,000. The Code of Conduct also outlines expectations on staff with regards to conflicts of interest. Trading in units of Champion REIT is strictly prohibited during blackout periods and other times when staff are in possession of financially sensitive information.

Supply Chain Management

Subject to the overall management and supervision of the REIT Manager, the function of managing of the properties of the Trust is delegated to service providers such as Eagle Property Management (CP) Limited, the Property Manager as well as various Building Managers. All of Champion REIT’s main service providers are required to have similar or complimentary policies and procedures with regards to operating practices, the workplace quality and environmental protection.

COMMUNITY INVOLVEMENT

Community Investment

Champion REIT’s community involvement tends to focus on three thematic areas: the Arts, Children and the Environment. Based on these themes, we often partner with non-profit organizations, offering our properties as venues for various projects that source for donations or create awareness of worthy causes.

As a patron of the Arts, Champion REIT sponsors the *Musica del Cuore* (an Italian term for “Music of the Heart”) concert series on every Friday evening during which the ground floor lobby of Citibank Plaza would transform into a “community concert stage”, presenting some of the finest Classical repertoires to the audience. In 2015, the concert series had provided a platform for local talents, well-established artists and chamber groups to showcase



Champion REIT was awarded Hong Kong Outstanding Enterprises 2015



Musica del Cuore

their artistry while visiting guests from other parts of the world inspired music lovers through cultural exchange. Please visit www.musicadelcuore.com.hk for further information.

In the area of Environment, Champion REIT sponsored event space in Citibank Plaza and Langham Place for the "Share A Bag" program under the "Less Waste, Let's Do It Project" organized by World Green Organisation to arouse public awareness and participation in recycling. Both properties also joined force to support the WWF (World Wide Fund) "Earth Hour 2015", a global event to fight against climate change by switching off all non-essential lights for one hour.

In the area of Children, Langham Place served as venue for "Bodhi & Friends Exhibition" organized by Bodhi Love Foundation to encourage the public to support holistic health and educational needs of underprivileged children.

Throughout the year, Langham Place had sponsored free airtime of its giant LED TV at Grand Atrium for broadcast of promotion videos of charitable organizations including Hong Kong Red Cross, World Vision, Tung Wah Group of Hospitals, Ronald McDonald House Charities and many more.

In addition to the core themes, Champion REIT also participated in other civic activities such as blood donation drives.

Portions of both properties are also dedicated to public usage. In service to the community, Citibank Plaza provides more than 60,000 sq. ft. of floor space as a public thoroughfare. It also maintains two pedestrian bridges abutting the public thoroughfare, providing sheltered elevated access between Hong Kong Park and Central. Langham Place provides a pedestrian system consisting of bridge and underground tunnel that allows easy and safe access from the MTR Station to the community centre and minibus depot on Shanghai Street.