

# GROUP CORPORATE RESPONSIBILITY COMMITTEE REPORT



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As the CEO, I believe building our business to be sustainable for the long term is the most important task of our Group. ‘Doing the right thing’ is our mantra for many of the decisions we make. The Group Corporate Responsibility Committee (GCRC) is a sub-committee of the Group Management Board, which was formed to address and review the Group’s environmental, social and ethical responsibility and sustainability practices. You can read more about our Sustainable Luxury Vision 2020 on page 75 of this Annual Report and on our company website.<sup>13</sup> This report provides an overview of the GCRC’s accomplishments during the year.

**Chairman:** Mr Clement K.M. Kwok, Chief Executive Officer

**Members:** Director, Corporate Responsibility and Sustainability

Selected members of senior management

General Managers of Operations and Heads of Corporate Departments covering engineering, projects, operational risks and safety, operations planning and support, human resources, legal and corporate affairs functions

We also published a separate and more comprehensive Corporate Responsibility and Sustainability Report (CRS Report) which is available on the Company’s website<sup>13</sup> and the Stock Exchange’s website. The CRS Report complies with the “comply or explain” provisions in the Hong Kong Stock Exchange’s Environmental, Social and Governance Reporting Guide (revised in December 2015), which includes reporting of a number of relevant recommended disclosures and contains standard disclosures for Core level of the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) (re-launched in November 2016).

Every year the GCRC holds three regular meetings. These meetings are held to review the Group’s operations’ sustainability performance and to discuss the policies, objectives and plans for achieving HSH Sustainable Luxury Vision 2020 (Vision 2020). Vision 2020 comprises seven pillars, each of which is championed by a GCRC member whose role is to provide guidance and work with the operations of the Group to deliver progress. Progress towards Vision 2020 is reviewed regularly throughout the year while a Corporate Responsibility Performance Report covering the full range of key performance indicators of Vision 2020 of our operations is reviewed by GCRC semi-annually.

<sup>13</sup> [www.hshgroup.com/en/sustainable-luxury/sustainability-reports](http://www.hshgroup.com/en/sustainable-luxury/sustainability-reports)

## Main Activities in 2016

In 2016, we continued to enhance internal communications and engagements on Vision 2020 with our employees and partners to support in achieving our long-term goals. We utilised newsletters, regular calls, best practice sharing, learning competitions and guide publications.

Other activities of the GCRC in 2016 included:

- Reviewed and provided recommendations on the Group's 2016 progress, achievements and initiatives on energy, water and waste management, responsible sourcing, health and safety, workforce issues and ethical standards and community engagement
- Reviewed a third party report on the Group's exposure to climate change risks and discussed next steps including the implementation of relevant recommendations
- Endorsed the publication of a separate online CRS Report and the inclusion of a summary to provide an overview of HSH's CRS strategy and 2016 highlights in the Annual Report
- Reviewed the latest energy and water saving technologies shared during the 2016 Group Engineering Conference
- Discussed recent global and local trends on the topics of corporate responsibility and sustainability
- Discussed and recommended efforts to streamline data collection to enable a more focused and strategic performance reporting
- Reviewed and confirmed the terms of reference of the Committee with no change

In 2017, the GCRC's main focus is to streamline processes to enable a more effective way of progress reporting on the Vision 2020 commitments, and continuing to enhance engagement activities to embed CRS into the hearts and minds of our people. We have also provided a list of other specific initiatives as outlined in the CRS Report on the Company's website.<sup>13</sup>

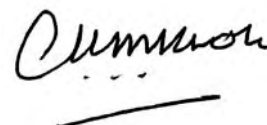
## Progress on Vision 2020

We continued to see good progress in achieving most of the Vision 2020 commitments. We highlight some good examples to demonstrate how we have progressed since we launched this vision:

- CRS e-learning modules have now been provided to all our CRS champions and integrated into our e-learning platform, *Learning KEY*
- One of the world's leading green building standards, Building Research Establishment Environmental Assessment Method (BREEAM), has been implemented in the major renovation of The Peninsula Beijing
- The Honing Skills in Hospitality programme, designed to advance the development of underprivileged ethnic minority youth in Hong Kong continues to grow in impact and influence with 43 graduates since 2013
- Peninsula Academy programmes include those tailored to children and teenagers, as well as on cultural heritage and nature conservation;
- Re-launched *Naturally Peninsula* as the choice for sustainable, organic, and healthy fare for guests

We are gratified to see the progress we have made since we launched Vision 2020. We know that there is still much more to be done, and we remain committed to implementing initiatives and programmes that align with our Vision 2020 objectives. We look forward to reporting our progress in future reports.

On behalf of the Group Corporate Responsibility Committee



Clement K.M. Kwok

*Chairman of the Group Corporate Responsibility Committee*

20 March 2017