

CORPORATE SOCIAL RESPONSIBILITY

In late 2007, the Company established a Corporate Social Responsibility Committee (“CSRC”) tasked with collating information on, assimilating and consolidating existing CSR activities across the Group and setting Group policies to ensure focus and consistency throughout various operations.

The CSRC determined that the Group would initially focus on four main areas: community investment, environmental protection, labour practices and occupational health and safety. Over time, through annual reporting of CSR policies and initiatives, benchmarking CSR performance against internationally-recognised standards and setting rigorous work practice guidelines, the Group aims to continue to be an active and responsible citizen in the communities where it operates.

Community investment

The Group’s businesses regularly contribute to many worthwhile causes. The nature and extent of involvement are varied; our philosophy is that each hotel or operation undertakes its own initiatives based on its resources and depending on the needs of the local community. Some examples of community investment activities are highlighted below:

- Donation is an important element of our community giving. In Asia, the Head Office supported Crossroads International by donating computer equipment and furniture. The Peninsula Hong Kong gave duvets to charity while The Peninsula Manila provided old pillowcases and blankets to the Philippine Red Cross. In Beijing, our Peninsula hotel staff visited the Living Tree Foster Home and brought its mentally or physically-handicapped residents a variety of needed supplies.
- In the US, The Peninsula New York gave food and clothing to a cause named New York Cares Coat Drive. The Peninsula Chicago donated unclaimed lost and found items to Homeless Shelters, unused shampoo and in-room toiletries to the Chicago Abused Women’s Coalition and donated turkeys to City Harvest over Thanksgiving.
- The Group also fund-raised for a variety of charitable causes. Across all Peninsula Hotels, the spirit of festive giving continued in 2007 with over HK\$690,000 (US\$88,000) raised for Make-a-Wish Foundation through our Trees of Hope campaign. In the US, The Peninsula New York raised funds for the American Cancer Society, while Quail Lodge fund-raised for The Society for the Prevention of Cruelty to Animals of Monterey County.
- Other forms of community giving included a blood donation drive organised by The Peninsula Manila; offering complimentary tram rides to children, seniors and the disabled by the Peak Tram; sponsoring a Christmas carnival by The Repulse Bay where 250 children suffering from cancer participated. Finally, The Peninsula Hong Kong continued its commitment to the hospitality industry by offering internships to 50 students from Hong Kong and international hospitality schools.

Environmental protection

Protecting the environment in which we operate is a key element of the Group’s CSR efforts. Our operations have placed special emphasis on energy saving, waste recycling, water conservation, air quality enhancement and using environmentally friendly products. Some examples of our environmental protection activities include:



A tree planting project initiated by staff at The Peninsula Manila

- Energy saving: installing a system that draws in outside cold air to cool the water that is used to produce cooler air for the hotel's air-conditioning system (The Peninsula Tokyo); encouraging staff to take to the stairs instead of elevators, and switching off some back-of-the-house lights (The Peninsula Hong Kong); or replacing laundry dryers with low-emission, energy efficient models (The Peninsula Beverly Hills).
- Waste recycling: using recycled solid wastes as plant fertiliser while liquid waste were turned into liquid effluent which in turn, was used for watering of garden plants (The Peninsula Bangkok); or sending unused guest supplies to homeless shelters and recycling food surplus (The Peninsula Chicago).
- Water conservation: recycling water which has led to an 18% reduction in the hotel's water consumption (The Peninsula Bangkok); switching to a non-chemical water purifying system that saved the hotel 1.2 million gallons of water a year (The Peninsula Chicago); or re-using the water in the Grand Fountain through the use of sand filtration system, as well as discharging waste water to the city's sewer treatment plant for watering public parks (The Peninsula Manila).
- Air quality enhancement: replacing the usage of diesel fuel with LPG for generating cleaner air and non-toxic fumes (The Peninsula Bangkok); installing sophisticated air filtration in all the guestrooms and public areas (The Peninsula Beijing); or installing variable frequency drives on air handling equipment to improve air quality (The Peninsula Chicago).
- Using environmentally friendly products: applying water-based paint in guestrooms and replacing old refrigerants to a more environmentally friendly type (The Peninsula Hong Kong); using 'friendly' bacteria instead of non-biodegradable liquids in de-clogging and maintaining kitchen drains (The Peninsula Manila); similarly, implementing bio-bacteria cultivation, a cost-efficient process which manufactures friendly bacteria to replace chemicals to combat kitchen grease and unpleasant odours (The Peninsula Bangkok).



The first group of Peninsula Ambassadors at their graduation

Labour practices

Our Group dedicates significant efforts into staff training, career development and staff well-being. We recognise that continuing education and awareness are important, and endeavour to engage staff through different methods. Some examples of our labour practices are highlighted below:

- HSH supports staff training and skills development and the ‘Cross Exposure Programme’ is an illustration of the training network which the Group provides. Staff who are identified as fast-track performers are selected to participate in the programme.

- The first intake of Peninsula Ambassadors – 20 young employees selected for The Peninsula Tokyo – completed their 10-month training programme in the Peninsula Hotels in Hong Kong and Bangkok and took up their positions at The Peninsula Tokyo as part of the hotel’s pre-opening team, infusing Peninsula standards and culture into all areas of this new operation. The programme will continue in 2008 with the recruitment of a new group of Peninsula Ambassadors for The Peninsula Shanghai.
- A total of 18 middle-tiered managers from Head Office and across operations graduated from the Group Professional Development Programme, a programme for which the Group partnered with Cornell University. Focus after graduation will be placed on the graduate’s individual development needs and career planning.
- Various operations organised staff events to strengthen camaraderie and rapport amongst employees. For instance, The Peninsula Manila held its Annual Pen Sports event.
- At The Peninsula Tokyo, the hotel has a programme of employing intellectually handicapped persons for back-of-the-house tasks. 2 staff were employed on this government-subsidised scheme where they are trained and monitored by professional carers. The hotel aims to employ eight such handicapped staff.
- The Group subscribes to ethical employment standards and conditions within the countries in which it operates. It contributes to retirement funds for employees in the owned businesses in its different operational jurisdictions, complying with



Staff at The Peninsula Bangkok

the statutory laws in each country. These schemes are variously mandatory or optional, with some staff choosing not to participate. Below is a summary of the current numbers of staff eligible to participate in these benefits.

Location	Staff
Participating:	
Hong Kong	1,738
Other Asia	1,898
United States of America	822
Total	4,458
Non-participating:	
Hong Kong	0
Other Asia	0
United States of America	745
Total	745

Occupational health and safety

The Group has well-established health and safety practices in place throughout its operations, which come under the responsibility of experienced and specifically-appointed safety and security staff. Some examples of our occupational health and safety measures are highlighted below:

- The Peninsula New York launched TIPS training for restaurant and bar staff to teach them responsible serving of alcoholic beverages. A personal protection training was also given to staff to assist in self defence.
- The Peninsula Hong Kong implemented staff healthcare initiatives including an allowance to visit registered Chinese medical practitioners, organised health talks and initiated a smoking cessation programme for staff, and also conducted home visits to staff who were on prolonged sick leave.
- At The Peninsula Beverly Hills, anti-slip rubberised floor covering for back-of-the-house steps and landings were installed.