

OUR SUSTAINABILITY VISION

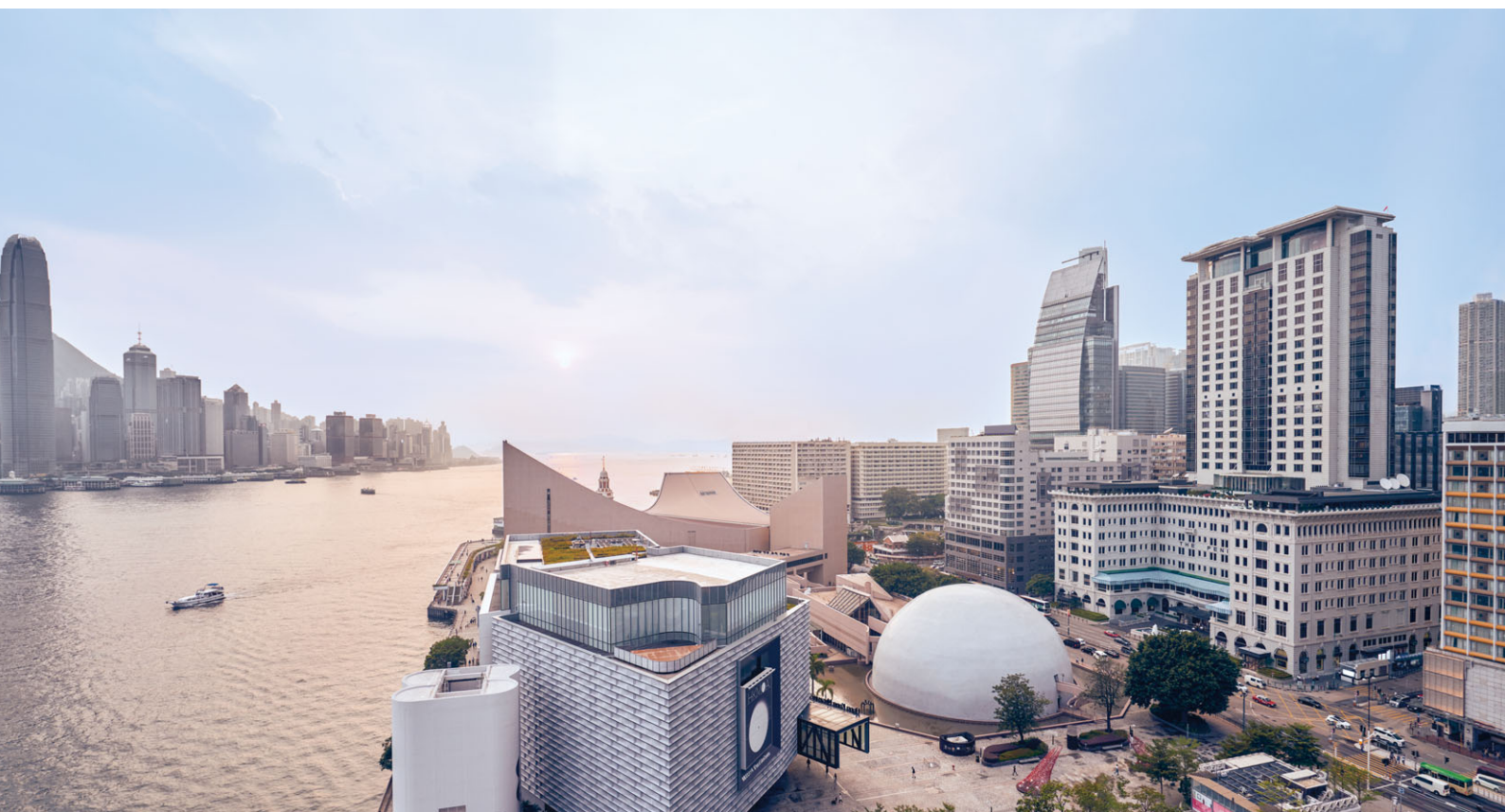
In a world where things come and go in the blink of an eye, longevity is a luxury.

We have been in business for over 155 years, and we hope to continue doing so for the next century and beyond. Looking to the future, we continually ask ourselves what lasts, what endures, and how we can safeguard the things that mean the most to us.

Conducting our business with integrity, respecting history and heritage, maintaining brand and reputation, and ensuring future generations will inherit a portfolio of the highest quality assets are core to our business philosophy. This requires us to adopt a long-term lens in our decision-making and instil the concept of sustainability throughout the way we conduct business. We believe that our business thrives when our people and communities do. Taking care of our people and the world around us, not only for today but also for the future, is simply the right thing to do.

This year, knock-on effects of the global pandemic are still reverberating around the world. Supply chain disruptions, labour shortages, inflation, geopolitical tensions and war are just some of the challenges arising from a post-pandemic world. These issues disproportionately impact our business and communities as some countries are recovering at different paces, causing deepened divisions and slowing down collaborative efforts needed to address urgent global issues such as the climate crisis and social inequality. However, we remain hopeful as businesses are stepping up in their actions to facilitate an inclusive transition to low carbon future. We must take a more proactive approach to assess and address the environmental and social risks we may face. This will allow us to make informed investment and capital-allocation decisions to future-proof our business and allow us to operate sustainably for years to come. To help us address these risks, we are constantly reviewing our current efforts and fine-tuning our *Vision 2030* plan to reflect emerging climate and nature challenges, while ensuring our local communities continue to thrive.

This report is an opportunity to reflect on our sustainability journey in the past years, while putting forward our plans to deliver on sustainable luxury for the coming years.

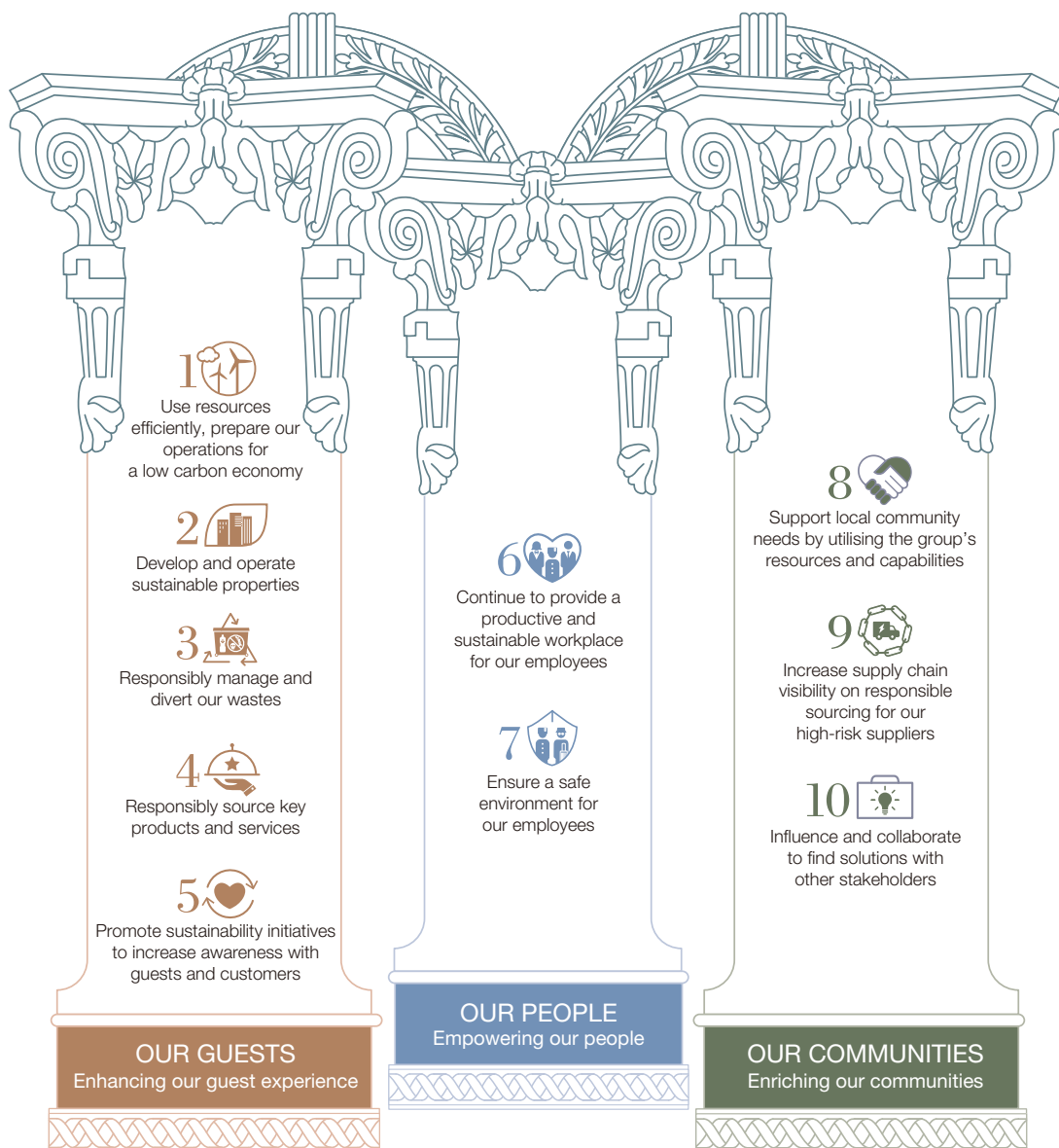


Sustainable Luxury Vision 2030

Launched in 2021, the group's *Sustainable Luxury Vision 2030 (Vision 2030)* was developed based on the strong foundation and efforts of our previous sustainability strategy, and incorporates a deeper focus on business integration and using regenerative and proactive approaches. Our new strategy leverages the strengths of our business, focusing on issues requiring significant and urgent attention while bringing a positive impact to the environment and our communities. The key topics we have identified which will have the most impact on our business and societies that are addressed in *Vision 2030* are:

- diminishing natural resources such as energy, water and food;
- the climate change crisis; and,
- growing social instabilities and inequalities.

We seek to address key issues we are facing through *Vision 2030* by focusing on our three stakeholder pillars of (i) enhancing our guest experience, (ii) empowering our people and (iii) enriching our communities, underpinned by our 10 key commitments. We seek to instil sustainability values within all our luxury offering to demonstrate that sustainability and luxury in fact share similar values. We endeavour to offer refined craftsmanship and exceptional service which is timeless, thoughtful and purposeful, while ensuring the needs of our guests, our people and our communities are met.



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“We must take a more proactive approach to identify and manage our sustainability risks, step up our actions and contribute to global collaborative efforts, using Vision 2030 as our blueprint to navigate the volatile environment arising in the coming decade. It is our aim to deliver on sustainable luxury in all parts of our business and contribute positively to the environment and the communities around us.”

*– Clement Kwok,
Chief Executive Officer*

Governance on CRS

We regard the integration of sustainability as a sensible and necessary strategy that benefits the overall value of the group in both the short and long term. Through the initiative of our Chief Executive Officer (CEO), Mr Clement Kwok, we developed our approach to sustainability, with the oversight and support of our Chairman, The Hon. Sir Michael Kadoorie and our Board.

The Board oversees the management of sustainability issues through regular engagement and updates from the Group Corporate Responsibility Committee (GCRC). While we do not have a separate sustainability committee at the board level, the Board, its committees and interested Board members regularly receive updates from the Head of CRS and key issues are brought to their attention. The Board considers sustainability to be of substantial importance warranting a Board review of the group’s sustainability approach, strategy and performance at least once a year. The Board is also responsible for the review and approval of the annual CRS Report. In 2022, CRS topics such as *Vision 2030* progress and initiatives, key sustainability trends, latest approach to climate risks, and the annual update on the group’s Modern Slavery Statement were discussed and reviewed at Board level.

Group Management Board (GMB), headed by the CEO and comprised of other senior management, is the principal decision-making body responsible for the management and day-to-day business of the group. GMB delegated the responsibility of managing all aspects of the implementation of our sustainability approach to GCRC. To enable the integration and cross-functional implementation of sustainability into the business, the GCRC is comprised of Group Champions, who are general managers of operations and heads of departments representing different aspects of the business including finance, people and culture, operations, legal, corporate affairs, sales & marketing, and projects. The GCRC is supported by the Corporate Responsibility and Sustainability (CRS) Department, spearheaded by the Head of CRS, who reports directly to the CEO, to coordinate and formalise sustainability efforts across the group.

 [Read about the GCRC’s key work in 2022](#)

The Head of CRS regularly reports to the Board and GMB and updates the Group Risk Committee on environmental and social risks related to the business. The Head of CRS also coordinates related risk mitigation actions across the group. Depending on the severity of the risks, these are escalated to the Audit Committee and the Board for reference or further action. For example in 2022, top global environmental and social risks and latest climate-related financial disclosure standards were discussed at the Group Risks Committee and Audit Committee.

At the local level, each operation has its own committee chaired by either the General Manager or the Hotel Manager, the most senior people in the local operations, with champions comprised of functional and department heads. They meet regularly to develop and implement localised action plans and strategies pertaining to our commitments.

 [Read our CRS Statement of Approach](#)

THE BOARD

Board of Directors

- Oversees management of CRS issues;
- Reviews and provides final approval for CRS approach, strategy and performance at least once a year



GROUP LEVEL

Group Management Board

- Principal decision-making body on CRS decisions and direction

Group Corporate Responsibility Committee

- Chaired by CEO;
Supported by Head of CRS and *Vision 2030* Group Champions
- Coordinates CRS efforts across the group;
 - Monitors progress, performance and latest trends

OPERATION LEVEL

Local CRS committee

- Chaired by General Managers or Hotel Managers;
Supported by functional or department heads
- Implements CRS programmes and action plans

Approach, Policy and Targets

Sustainable Luxury Vision 2030 with 3 pillars and 10 key commitments



Communications and Engagement

- Regular GCRC and local CRS committee meetings
- CRS awareness videos
- CRS content embedded in employee orientation programme
- Internal surveys
- Regular Townhall Meetings and operation updates
- Collaboration with universities to raise awareness and develop new talent



Performance Monitoring

- Quarterly reporting to local CRS committees and GCRC
- Annual action plan submission
- Regular calls with local operations by Group Champions
- Annual external assurance audit
- Hospitality and tourism benchmarking (EarthCheck and The Cornell Hotel Sustainability Benchmarking)

