
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, and ensuring the current and future needs of our guests, people and communities are met, are core to our business philosophy. This requires us to adopt a long-term lens in our decision-making and instill 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, for today also for the future, is simply the right thing to do.

This year marks the lifting of pandemic restrictions around the world. The resumption of global travel provides optimism for a return to normal, yet our business is faced with a set of new challenges in the wake of the pandemic. We have seen more businesses take a more proactive approach on sustainability with the aim to build a more resilient and inclusive future. The devastating earthquake in Türkiye, which occurred just days before the anticipated soft opening of The Peninsula Istanbul, only served as a stark reminder that everything can change in the blink of an eye, and that we must always make decisions that aim to ensure the resilience of our business. We continue to be guided by our *Sustainable Luxury Vision 2030* strategy, which serves as a compass for who we are today, and what our hopes are for the future.

This year is the tenth year since the launch of our first formal sustainability strategy. We believe that by anchoring ourselves to what has made us successful in the past, and what we have learned in the past decade, we can continue to redefine sustainable luxury. As owner and operator of our hotels and properties, we are in a unique position to always act decisively and with genuine intent in our approach, while maintaining unparalleled service standards. These values are reflected throughout the design and building of our two newly opened hotels in Istanbul and London.

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

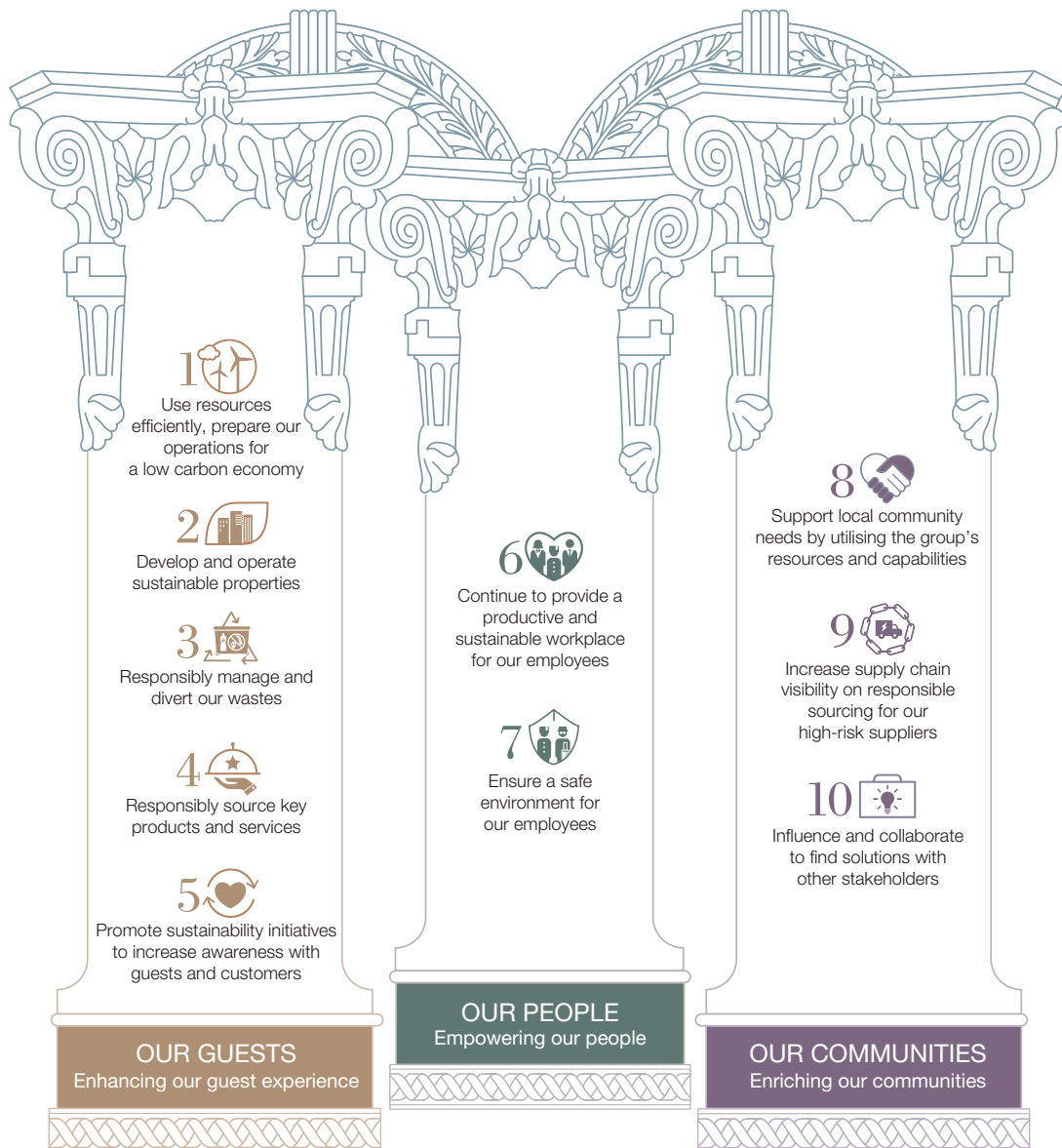


Sustainable Luxury Vision 2030

We began our sustainability journey in 2007 and launched the first iteration of our *Sustainable Luxury* strategy in 2013. We updated this strategy with *Sustainable Luxury Vision 2030 (Vision 2030)*, which 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 to minimise our impact to the environment while creating shared value to 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 in our luxury offering to demonstrate that sustainability and luxury can 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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“In the era of post-pandemic recovery, we are faced with a new normal, bringing sustainability issues into focus. There is greater expectation from our stakeholders, our people, and our communities for corporations like ourselves to step up and safeguard the natural resources which we rely on. We need to remain resilient when facing the future climate crisis and focus on reducing social inequality.

This year marks the 10th year since the launch of our formal sustainability strategy. We will continue to leverage on our strengths and our collective learnings from the past decade to guide us into the future. The addition of two magnificent new hotels this year – The Peninsula London and The Peninsula Istanbul – demonstrate our commitment to building for the future and creating value in the long term. Our properties embody the values in our Sustainable Luxury Vision and serve as a living example of our commitment to take care of our guests, our people and our communities while ensuring future generations will inherit a portfolio of the highest quality assets.”

Clement Kwok,
Chief Executive Officer,
Joint Chair of GCRC

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 with the oversight and support of our Chairman, The Hon. Sir Michael Kadoorie and our Board.

The management of sustainability issues across the group is supported through a robust governance structure, where related-matters are regularly reviewed and discussed at all levels of the company. The Board considers this to be of substantial importance, warranting an annual review of the group’s strategy and performance at least once a year. To enable the integration and cross-functional implementation of sustainability into the business, the Board has delegated the management of *Vision 2030* and other related matters to the Group Corporate Responsibility Committee (GCRC) and other key committees and departments across the group.

The GCRC, previously chaired by the CEO, is now co-chaired together with the Chief Corporate and Governance Officer as a reflection of the rising importance of sustainability in all aspects of our business and of proactively managing related risks. The GCRC is supported by CRS department and Group Champions comprised of Heads of Departments or representatives from Finance, People & Culture, Operations, Legal, Corporate Affairs and Sales & Marketing.

In 2023, the Board conducted their annual review of the group’s performance against targets set in *Vision 2030*. The Board also reviewed and approved the annual CRS Report and the group’s Modern Slavery Statement. The Director of CRS provided key sustainability updates to the Board and Audit Committee at least once this year, discussing topics which included the latest updates to the International Sustainability Standards Board (ISSB) and the Hong Kong Stock Exchange’s climate-related disclosures, approaches towards climate-risk assessments and setting science-based carbon reduction targets. The Director of CRS also presented the latest climate-related disclosures in further detail to the Audit Committee, to raise actions required in the coming years to close the gaps on such requirements.

 [Read more about the GCRC’s 2023 key work in pages 190 to 194](#)

How is Sustainability Governed at HSH



“The way we approach sustainability must transform from simply minimising negative impact. We must go beyond and seek opportunities to generate a positive impact. We also see this time as an exciting opportunity to evaluate the changing business environment, be agile in seeking out new innovations, fostering stronger partnerships, and cultivating more collaborations to help scale up our impact.”

Christobelle Liao,
Chief Corporate and Governance Officer,
Joint Chair of GCRC

