

GREEN FINANCE REPORT

At HSH, we are committed to playing a role in building a sustainable future in line with our *Sustainable Luxury Vision 2030 (Vision 2030)*. Our sustainability strategy includes the incorporation of low carbon transition and other sustainability considerations in our overall financing strategy. Since 2021, we have secured sustainability-linked loans and green loans with several banks, amounting to a total of HK\$10 billion at the end of 2024.

Green Financing Transactions

Our Green Financing Framework (the “Framework” or “GFF”) demonstrates how the group could, with Green Financing Transactions (“GFTs”), unlock capital and fund projects that have a positive environmental impact and foster sustainable practices in support of the Group’s *Vision 2030*. GFTs include bonds, loans, and other forms of debt financing used to fund or refinance projects that fall within Eligible Projects Categories as defined in the Framework.

The following sections provide information on the allocation of net proceeds and impacts of our GFTs from 1 January 2024 to 31 December 2024. We will continue to report on this information on an annual basis in accordance with the Framework until full allocation of net proceeds.

Loan Type	Total Facility Amount (HKD)
Sustainability-linked Loans	4,855 million
Green Loans	5,111 million

Allocation of Proceeds for Green Loan (as of 31 December 2024)

	21 Avenue Kléber	The Peninsula London and Residences
Types of Loan	Green Loan	Green Loan
Allocated (HKD)	100% (485 million) ¹	100% (4,627 million) ¹
Eligible Project Category	Green Building	Green Building
Financing Status	Existing facility since 2023	Existing facility since 2022

¹ 100% of the proceeds have already been fully allocated to respective green projects

GREEN FINANCE REPORT

Green Project Updates



Project Name & Location	21 Avenue Kléber (Paris, France)
GFA & Building Specifications	3,927 sq.m including 2 retail spaces and office spaces located directly adjacent to The Peninsula Paris, steps away from the Arc de Triomphe
Years of Operation	Acquired in 2013
Green Building Certification	<ul style="list-style-type: none"> • Excellent level for BREEAM 2009: Europe Commercial – Offices (Shell only) • Outstanding level for HQE (Haute Qualité Environnementale)
Eligible Project Category	Green Building ²
Net Proceeds Allocated	HK\$485 million
Examples of Green Elements	<ul style="list-style-type: none"> • Passive building design to reduce energy consumption including enhanced insulation on roofing and facades, and automatic light dimming based on natural light • Enhanced monitoring and optimisation of energy consumption through the installation of electrical metering system connected to a centralised building management system (BMS) • Minimise water consumption through installation of water efficient equipment such as low-flow flushing and shower in sanitary facilities • Promote waste management and recovery activities to tenants by provision of waste sorting facilities throughout the building and inclusion of waste management best practice and recommendations in lease specifications • All materials used for renovation and in contact with indoor air (such as carpeting, wall painting) are devoid of carcinogenic particles and fibres harmful to human health • Diverse and non-invasive flora placed in all outdoor spaces to promote ecology and biodiversity

² Please refer to p.27 of our Corporate Responsibility and Sustainability Report 2024 for more details of our sustainable building approach.



Project Name & Location	The Peninsula London (London, U.K.)
GFA & Building Specifications	61,689 sq.m 190-room hotel situated alongside the iconic Hyde Park Corner and Wellington Arch
Years of Operation	Hotel fully opened in June 2024
Green Building Certification	Excellent level for BREEAM 2011: New Construction version – hotel
Eligible Project Category	Green Building
Net Proceeds Allocated	HK\$4,627 million
Estimated Environmental Impact³	<ul style="list-style-type: none"> Estimated energy savings of more than 22% and 29% carbon emissions avoided compared to baseline⁴

³ Estimated environmental impacts based on Simplified Building Energy Model (SBEM) calculations in Building Regulations UK Part L (BRUKL) Design stage report; carbon emissions calculated using emission factors from the UK government's Standard Assessment Procedure (SAP) for energy rating of dwellings – SAP 2012 v 9.92

⁴ Based on notional building baseline from the UK government's Approved Document L2A 2013 Edition with 2016 amendments



GREEN FINANCE REPORT

Examples of Green Elements

Design

- Approximately 35% of the building façade is double-glazed window glass, allowing for maximum natural daylight, and optimisation of ambient temperature
- Rooftop area reserved for native wildflower species, sparrow terraces, starling boxes, and bat boxes for preservation of local ecology
- Low VOC materials such as paints, varnishes, adhesives, wood panels, floor coverings and wall coverings ensure healthy indoor spaces for our guests
- Most timber is from certified responsible sources. For certain bespoke timber, we ensure all items comply with the UK Government's Timber Procurement Policy, and are legally harvested and traded

Construction

- Construction fleets using lower-emission biofuel during project phase
- Registered under the Considerate Constructors Scheme, our construction process aimed to minimise noise and waste pollution in the neighbourhood
- 100% of demolition waste and 99.5% of construction waste were diverted from landfills

Operational Efficiency

- Smart building management system to monitor and optimise energy automatically
- Energy efficient models for most machinery, including heating, ventilation and air-conditioning systems, chillers, water pump motors, and fan coil unit motors in guestrooms
- 100% LED lighting application throughout the hotel, with timer control in some back of the house area
- Low flow faucets and dual flush toilets to optimise water efficiency
- 100% of our electricity from our construction phase to our ongoing operation is from renewable sources