

2017

# Hotel Properties Limited Sustainability Report



## BOARD STATEMENT

The Board of Directors of Hotel Properties Limited (the "Board") is pleased to present our first Sustainability Report.

We believe that sustainability is integral in achieving long-term value creation for all our stakeholders. As such, the Board recognises the importance of adopting best practices in the environment, social and governance ("ESG") aspects that are integral to our business.

We believe that it is important for us to focus on the ESG aspects where we can have the most impact. We conducted a materiality assessment to identify where to concentrate our sustainability efforts. Our material ESG aspects include guest satisfaction, health and safety, and energy and water. The Sustainability Report sets out how we manage our impacts in these areas as well as our performance and goals for the upcoming year.

This Sustainability Report covers our performance for these material ESG aspects for seven selected hotels<sup>1</sup> for the financial year 2017. All data and activities reported were from 1 January 2017 to 31 December 2017 for these selected hotels, unless stated otherwise.

We have set these goals to monitor our journey towards becoming a more sustainable business and measure our sustainability performance.

*[This material references disclosures: 102-14, 102-16, and 102-46 from GRI 102: General Disclosure 2016 and 404-1 from GRI 404: Training and Education 2016]*

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<sup>1</sup> Refer to 'About this Report' section on page 5.

## ABOUT HOTEL PROPERTIES LIMITED

Hotel Properties Limited ("HPL") was incorporated in Singapore as a private limited company on 28 January 1980. It was converted into a public company on 4 May 1982 when it changed its name from Hotel Properties Pte Ltd to Hotel Properties Limited. The Group<sup>2</sup> headquarters are located in Singapore.

HPL was admitted to the Official List of the then Stock Exchange of Singapore Limited (now known as the Singapore Exchange Securities Trading Limited) on 17 June 1982.

The principal business activities of the Group include hotel ownership, management and operation, property development and investment holding. As of 31 December 2017, the Group has interests in 32 hotels under prestigious hospitality brands such as Four Seasons, Hilton International, Como Hotels, InterContinental Hotels Group and Six Senses Hotels. In addition, the Group manages its own portfolio of hotels under well-established brands such as Hard Rock Hotels and Concorde Hotels & Resorts.

The Group owns hotels, resorts and shopping galleries in 13 countries, namely, Singapore, Malaysia, Thailand, Indonesia, Maldives, Seychelles, Vanuatu, the United States of America, Bhutan, Tanzania, South Africa, Vietnam and United Kingdom.

As a testament to its quality accommodation, the hotels have been awarded various awards, for example, Gili Lankanfushi was awarded the Best Hotel in Maldives by TripAdvisor's Travellers' Choice 2018. Another luxury resort, Six Senses Laamu, was also recognised as the 6th Best Luxury Hotel in Maldives by TripAdvisor's Travellers' Choice 2018.

The Four Seasons Resort The Nam Hai, Hoi An, Vietnam, was recognised as TripAdvisor's 4th Best Luxury Hotel in Vietnam in 2018. Recognised for excellent service, Four Seasons Hotel Singapore was ranked the 4th Best Hotel for Service and 8th Best Hotel in Singapore by TripAdvisor's Travellers' Choice 2018.

The Group has established a distinctive track record as a niche player in the quality and premium residential and commercial property market and is known for building quality residential developments in prime locations.

In Singapore, its luxury residential developments include Robertson Blue, Cuscaden Residences, Scotts 28, Nassim Jade, Four Seasons Park, and the latest Tomlinson Heights, as well as through joint ventures with CapitaLand, The Interlace and the d'Leedon condominiums. The Group also owns prime commercial and retail properties such as Forum The Shopping Mall and Concorde Shopping Mall in Singapore.

The Met condominium in Bangkok, Thailand, has received some prestigious awards including 'World's Best Housing Development' at the World Architecture Festival Awards and 'Design of the Year' from President's Design Award Singapore.

In London, the Group has progressively established its presence with four joint-venture freehold developments, namely – Burlington Gate, Holland Park Villa, Paddington Square and the combined project of Ludgate House and Sampson House.

*[This material references disclosures: 102-1, 102-2, 102-3, 102-4, 102-5, 102-6 and 102-7 from GRI 102: General Disclosure 2016]*

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<sup>2</sup> References to 'HPL Group', 'the Group' and 'we' in pages 2 to 5 refer to Hotel Properties Limited and its subsidiaries.

**Total Borrowings as at 31 December 2017**



**Net Revenue for 2017**



**Total Equity as at 31 December 2017**



**Key changes in 2017:**

The following hotels were acquired through associates or jointly-controlled entities:

Hilton London Olympia, United Kingdom; DoubleTree by Hilton Hotel London Ealing, United Kingdom; Four Seasons Resort Langkawi, Malaysia; and Four Seasons Seychelles at Desroches Island.

**Products and Services of HPL Group**

HPL Group operates through hotels, properties and other business segments. As of 31 December 2017, the Group has interests in 32 hotels across various countries.

The principal business activities of the Group are those of hotel ownership, management and operation, property development and investment holding.

*[This material references disclosures: 102-2, 102-7 and 102-10 from GRI 102: General Disclosure 2016]*



## ABOUT THIS REPORT

This Sustainability Report has been prepared in accordance with the Global Reporting Initiative (“GRI”) Standards: Reference Claims, the international standard for sustainability reporting. For further information on the relevant references, kindly refer to the GRI Content Index.

This Sustainability Report covers the sustainability performance for the material ESG aspects of our operations in seven hotels and resorts across Indonesia, the Maldives, Singapore, Thailand, and Malaysia for the financial year ended 2017. These include Four Seasons Resort Bali at Jimbaran Bay, Four Seasons Resort Bali at Sayan, Hard Rock Hotel Bali, Holiday Inn Resort Kandooma Maldives, Concorde Hotel Singapore, Hard Rock Hotel Pattaya and Hard Rock Hotel Penang (“selected hotels”).

All data and activities reported were from 1 January 2017 to 31 December 2017 for these selected hotels, unless stated otherwise.

*[This material references disclosures: 102-52, 102-46, 102-50, 102-54, and 102-56 from GRI 102: General Disclosure 2016]*

## MANAGEMENT APPROACH

We understand the landscape is changing and sustainability is an increasingly important issue for us, and for our guests and business partners. We consult and share our sustainability performance with our key stakeholders and balance their interest with the Group’s objectives. Our business divisions are responsible for identifying and implementing sustainability initiatives while the Board and Audit Committee sets the direction and tone for the Group and has an overview of it.

*[This material references disclosures: 102-9, 102-12, 102-13 and 102-18 from GRI 102: General Disclosure 2016]*

## STAKEHOLDER ENGAGEMENT

### RESULTS FROM THE STAKEHOLDER ENGAGEMENT

We conducted a stakeholder engagement exercise to formally identify key stakeholder groups that have the ability to influence our performance and provide key insights to enhance our sustainability practice. These include hotel guests, investors, suppliers, local community, employees, and the management.

We engage our stakeholders on a regular basis to ensure they have an effective channel to voice their thoughts and concerns regarding the sustainability of our business.

*[This material references disclosures: 102-40, 102-42, 102-43, 102-44 from GRI 102: General Disclosure 2016]*

OUR STAKEHOLDERS	HOW WE ENGAGE WITH OUR STAKEHOLDERS	EXPECTATIONS OF OUR STAKEHOLDERS	CONCERNS OF OUR STAKEHOLDERS
<b>Guests</b>	<ul style="list-style-type: none"> <li>• Guest satisfaction surveys</li> <li>• Feedback forms</li> <li>• Personal interaction</li> <li>• Emails</li> <li>• Website</li> </ul>	<ul style="list-style-type: none"> <li>• Provide a memorable and satisfying experience in our properties</li> <li>• Provide services that have least impact on the environment and society</li> </ul>	<ul style="list-style-type: none"> <li>• Management of health and safety risks in hotels and resorts</li> <li>• Protection of guest privacy and prevention of any loss in guest personal data</li> </ul>
<b>Investors</b>	<ul style="list-style-type: none"> <li>• Reports</li> <li>• Statements</li> <li>• Company website</li> <li>• Announcements</li> <li>• Meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure increasing economic performance by HPL</li> </ul>	<ul style="list-style-type: none"> <li>• Fines and non-monetary sanctions for non-compliance to environmental and social laws and regulations</li> </ul>
<b>Management</b>	<ul style="list-style-type: none"> <li>• Intranet platforms</li> <li>• Performance management programmes</li> <li>• Emails</li> <li>• Training and education</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure increasing economic performance by HPL</li> <li>• Mitigate adverse environmental and social impacts</li> </ul>	<ul style="list-style-type: none"> <li>• Total energy consumption in all properties</li> <li>• Fines and non-monetary sanctions for non-compliance to environmental and social laws and regulations</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Employee surveys</li> <li>• Career development activity</li> <li>• Performance reviews</li> <li>• Intranet platforms</li> <li>• Emails</li> <li>• Company programmes</li> <li>• Training and education</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure provision of wage and benefits</li> <li>• Provide training and education</li> <li>• Support career management and progression</li> </ul>	<ul style="list-style-type: none"> <li>• Occupational health and safety risks</li> </ul>

<p><b>Local Community</b></p>	<ul style="list-style-type: none"> <li>• Media channels</li> <li>• Donations</li> <li>• Events and sponsorships</li> <li>• Corporate Social Responsibility programmes</li> </ul>	<ul style="list-style-type: none"> <li>• Mitigate adverse environmental and social impacts</li> </ul>	<ul style="list-style-type: none"> <li>• Significant fines and non-monetary sanctions for non-compliance to environmental and social laws and regulations</li> <li>• Discrimination in our properties</li> </ul>
<p><b>Suppliers</b></p>	<ul style="list-style-type: none"> <li>• Supplier meetings</li> <li>• Partnerships</li> <li>• Procurement processes</li> </ul>	<ul style="list-style-type: none"> <li>• Increase budget for Group's procurement activities</li> <li>• Ensure increasing economic performance by HPL</li> <li>• Mitigate adverse environmental and social impacts</li> </ul>	<ul style="list-style-type: none"> <li>• Unethical labour practices in supply chain</li> <li>• Fines and non-monetary sanctions for non-compliance to environmental and social laws and regulations in the supply chain</li> </ul>

## MATERIALITY REVIEW

### RESULTS FROM MATERIALITY ASSESSMENT

The selection of our material ESG aspects was conducted by engagement with our stakeholders. We recorded the expectations and concerns raised by our stakeholders, and mapped them to the GRI list of ESG aspects. We subsequently conducted an internal workshop to discuss the relative importance of each aspect by considering its impact on the business, as well as the level of expectation or concern raised by the stakeholders. The aspects were then plotted on a materiality matrix, which was used to identify and prioritise our efforts.

The assessment produced a list of five material aspects that were identified as high importance for HPL and our stakeholders.

*[This material references disclosures: 102-46 and 102-47 from GRI 102: General Disclosure 2016]*

### MATERIAL ASPECTS AND INDICATORS IDENTIFIED

Issues identified	List of ESG Indicators
Guest satisfaction	102-43: Approach to stakeholder engagement 102-44: Key topics and concerns raised
Employee health and safety	403-2: Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities
Employee training and education	404-1: Average hours of training per year per employee
Energy consumption	302-1: Energy consumption within the organisation
Water consumption	303-1: Water withdrawal by source

*[This material references disclosures 102-44 ad 102-47 from GRI 102: General Disclosure 2016]*

## REPORTING SCOPE AND BOUNDARIES

Issues Identified	Alignment to GRI Standard	Aspect Boundary
Guest satisfaction	102-43: Approach to stakeholder engagement 102-44: Key topics and concerns raised	Within organisation
Employee health and safety	403-2: Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Within organisation
Employee training and education	404-1: Average hours of training per year per employee	Within organisation
Energy consumption	302-1: Energy consumption within the organisation	Within organisation
Water consumption	303-1: Water withdrawal by source	Within organisation

*[This material references disclosures 102-46 and 102-47 from GRI 102: General Disclosure 2016]*

## GUEST SATISFACTION



### OVERVIEW

As a hotel owner and hotel management business, we are dedicated to creating a memorable experience for our guests. We believe that excellent customer service will secure brand loyalty. To ensure continuous improvement, we pay close attention to guest feedback. Our hotels obtain feedback from their guests in numerous ways, such as feedback questionnaires, online review platforms - such as Trip Advisor, Bookings.com and C- trip - guest care and comment cards, as well as email and verbal feedback.

*[This material references disclosures 102-43 and 102-44 from GRI 102: General Disclosure 2016]*

### MANAGEMENT APPROACH

Our hotels capture and respond to guest feedback using a variety of different platforms. Each hotel has developed a tailored approach to record, monitor, and respond to guest feedback and ensure the highest standards of guest satisfaction and experience.

Many of our hotels use online platforms to track guest satisfaction. For instance, [Medallia](#) tracks the guest satisfaction by sending out an online survey to guests. The online survey asks guests to rate the hotel facilities and services using a consistent 0 to 10 scoring framework. The feedback is captured 24/7 and influences the hotel's guest satisfaction score immediately. The scoring framework only recognises a score of 8, 9 or 10 as a positive score. A score of 7 or below is considered insufficient and will negatively impact the hotel's guest satisfaction score. Four Seasons Jimbaran Bay and Four Seasons Sayan only recognises a score of 9 or 10 as a positive score.

[Revinat](#) is an online survey platform that helps optimise guest experience. Many of our hotels use the survey platform to track guest reviews against priority categories such as location, food and beverage and security. [Coyle](#) is another platform which is used by some of our hotels to obtain guest feedback. Conversely, some track guest satisfaction through [Leading Quality Assurance \(LQA\)](#) that assess the performance of the hotel against 800 industry benchmark and emotional intelligence standards.



Our hotels seek to collect guest feedback on a regular basis and respond to it in a timely manner. They actively review and respond to guest feedback in a timely manner. For instance, employees of Holiday Inn Resort Kandooma Maldives are trained to be engaging and obtain verbal feedback from guests. The hotel staff are encouraged to elicit verbal feedback from guests on a daily basis. In a city environment, Concorde Hotel Singapore sends online surveys to guests upon check-out. The hotel also aims to respond to guest feedback within three days of the online survey being received.

Hard Rock Hotel Pattaya ensures that guest feedback is reviewed on a weekly basis and shared internally at monthly feedback meetings. The hotel strives to respond to all positive and negative feedback within 24 hours. A log book is also maintained at the front desk to record verbal feedback.

Many of our hotels have established standard procedures for guest feedback to ensure a standardised approach to obtaining and managing guest feedback. For instance, Hard Rock Hotel Penang has developed an operation manual to collect, analyse and communicate guest feedback internally, and work towards continuous improvement in their service delivery. Similarly, Hard Rock Hotel Bali has established formal policies to enhance the guest experience, ranging from greeting guests at the hotel entrance, to escorting guests to their rooms and handling incoming luggage.



Guest satisfaction is a top priority for our hotels and for HPL. Many of our hotels have dedicated departments and personnel responsible for managing guest satisfaction. Personnel typically responsible for managing this aspect include General Manager, Secretary, Director of Rooms, and Quality and Continuous Improvement Management. Verbal feedback and comment cards are accepted by the front office management as well as Housekeeping Management. At our Four Seasons Resort Bali at Jimbaran Bay and Sayan, the General Manager and the Operational Division Head are responsible for managing guest feedback. Whilst a Guest Experience Manager holds the role of maintaining guest satisfaction in Holiday Inn Resort Kandooma. Conversely, marketing and communications personnel hold the responsibility at Hard Rock Hotel Pattaya.

## PERFORMANCE

We analyse guest feedback to evaluate the performance of our hotels on a regular basis. Feedback from guests staying at the Holiday Inn Resort Kandooma Maldives reveal that they valued the hotels efforts to place children at the centre of the hotel experience. The hotel has dedicated a kids club and kids pool for their youngest guests. Guest feedback reveals that they feel safe and secure throughout their stay, an attribute that is particularly important for guests with small children. Guests have also provided positive feedback on the staff and location, citing easy access from the airport. Other guests described the island resort as serene and peaceful. The hotel was ranked 1st in Asia, Middle East and Africa (AMEA) for HeartBeat (Overall Service) among all InterContinental Hotels Group's properties.

Our Four Seasons Resorts Bali at Jimbaran Bay and Sayan have showed continuous improvement in the LQA ranking growing from 80.7% for first quarter to 82.7% in satisfaction in the third quarter in 2017. The Medallia rating showed stronger performance for Four Seasons Resort Bali at Jimbaran Bay with a Staff and Service score of 91.5%, while the Coyle rating revealed a stronger performance for Four Seasons Resorts Bali at Sayan in 2017. Both hotels have received positive reviews on their restaurant services. The Coyle rating further revealed positive review scores for Concorde Hotel Singapore, Hard Rock Hotel Bali, and Hard Rock Hotel Pattaya. Each hotel received an overall review score above 4 out of 5. Hotel guests typically cited a recommendation rating of above 80%, with Hard Rock Pattaya receiving a 100%. Concorde Hotel Singapore's receipt of an Excellence Service Award in November 2017 further demonstrates our performance in this regard.

The Revinate sentiment analysis is an online system used by our hotels to collect and interpret online guest reviews. Data captured through the Revinate statement analysis reveal 74% of guests gave a positive rating of Hard Rock Hotel Bali. Similarly, 82% of guests have a positive review of Hard Rock Hotel Penang. The hotel's performance can further be reflected in the awards it has received. The hotel was recognised as the Malaysia's Top 10 Hotels and Resorts 2017 winner by Rojaklah.com and received the award for Best Hotel Development at the Dot Property Malaysia Awards 2017 held in June 2017.

Concorde Hotel Singapore has also received positive recognition from guests, with 83% of guests providing a positive review for wait staff. Similarly, the Hard Rock Hotel Bali received positive reviews for their bar, security, and recreational facilities (100%). While Hard Rock Hotel Pattaya received positive reviews for service (67%).

We recognise that every guest has the ability to make or break our reputation with a review. As such, we are committed to creating a culture that values customer service, and pays due attention to guest feedback.

## EMPLOYEE HEALTH AND SAFETY



### OVERVIEW

We provide economic opportunity through employment across our hotels. Our employees are committed to ensuring that our guests have a safe and memorable experience whilst staying at our hotels. We expect our hotels to maintain excellent occupational health and safety (OHS) standards for our employees and guests.

*[This material references disclosures 103-1 from GRI 102: Management Approach 2016]*

### MANAGEMENT APPROACH

Our hotels have developed a number of policies and procedures to ensure OHS is maintained. We ensure that our OHS standards are compliant with local legislation and industry regulation. Specific regulation that we adhere to in each country include:

Health and safety policies developed by our hotels
• Beach Tsunami Evacuation
• Workplace Safety and Health Policy
• Boat Rescue Policy
• Disturbance Policy
• Emergency Response Plan Procedure
• Fire Drill and Evacuation Policy
• Haze Management
• Policy on Health and Safety Procedure
• Pool Rescue Policy

Health and safety legislation adhered to by our hotels	
<b>Maldives</b>	<ul style="list-style-type: none"> <li>• Health and Safety Act of Maldives</li> <li>• Employee Act Maldives</li> </ul>
<b>Thailand</b>	<ul style="list-style-type: none"> <li>• National Occupational Safety and Health Regulatory Framework</li> </ul>
<b>Indonesia</b>	<ul style="list-style-type: none"> <li>• Disaster and mitigation preparedness procedure</li> <li>• Worker compensation policy</li> </ul>
<b>Malaysia</b>	<ul style="list-style-type: none"> <li>• Occupational Safety &amp; Health Act 1994</li> <li>• Employees Safety &amp; Health Awareness policy statement</li> <li>• Notification of Accident, Dangerous Occurrence, Occupation Poisoning and Occupational Diseases 2004</li> <li>• Establishment of OSH committee Regulations</li> <li>• Food Safety Management System</li> </ul>
<b>Singapore</b>	<ul style="list-style-type: none"> <li>• Workplace Safety &amp; Health Act, Chapter 354A of the Singapore Statutes</li> <li>• Employment Act, Chapter 51 of the Singapore Statutes</li> </ul>

A number of our hotels have established dedicated committees to manage OHS to ensure a safe working environment for our employees. For instance, Holiday Inn Resort Kandooma Maldives has established a safety committee. The committee is responsible for regular OHS inspections, and hold monthly meetings to discuss any identified areas of concern and thereafter ensure that such identified areas of concern are appropriately addressed. Hard Rock Hotel Pattaya have also established a safety committee with similar responsibilities. A yearly security audit conducted by AON (Global Security Consulting and Design Company) is undertaken for the Four Seasons Resort Bali at Jimbaran Bay and Sayan, and the results and recommendations are shared with the resorts. The two properties also undergo regular inspections from local authorities to ensure OHS standards are maintained.

Many of our hotels have dedicated personnel responsible for maintaining OHS standards. The hotels offer training to responsible employees to ensure they have the required certification in place to manage OHS. At the managerial level, the general manager, enterprise asset manager and the risk manager are in-charge of managing this aspect. In many of our hotels, OHS issues of concerns are typically escalated to the Executive Committee. We ensure that our hotels have sufficient resources in place to manage OHS effectively. These resources can be allocated to regular third-party audits and inspections, training, medical check-ups for employees or for the provision of personal protective equipment. Our hotels have also invested in technology to continuously monitor OHS standards. Some of our hotels, including Holiday Inn Resort Kandooma Maldives, Four Seasons Resort Bali at Jimbaran Bay and Sayan, have invested in surveillance systems and time attendance softwares to increase the safety of their guests and employees.

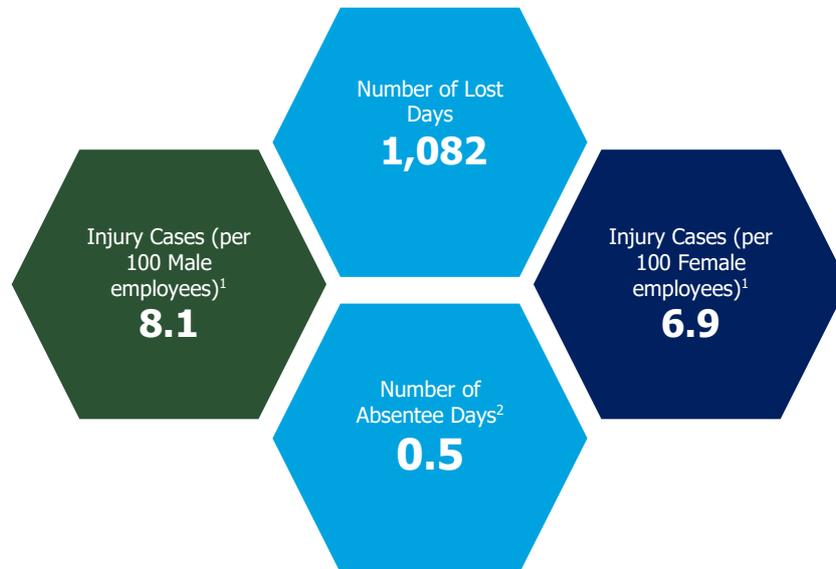
*[This material references disclosures 103-2 and 103-3 from GRI 103: Management Approach 2016]*

## PERFORMANCE

We record all OHS incidents and track and measure our performance on an ongoing basis. In 2017, a total of 1,082 lost days were reported by our hotels. All of our hotels have reported no incident of work related fatality for 2017.

The reporting systems used to track and monitor OHS incidents are tailored to each hotel and resort. For instance, at Hard Rock Hotel Bali, the Duty Manager is responsible to raise an accident report after investigation. The accident report documents the name of the injured staff, department, position, time, place, description or chronology of accident or injury, hotel action,

staff action, and the name of Duty Manager. This report is shared on a daily basis. OHS incidents are managed by the Safety and Security Department at Hard Rock Hotel Penang. The incident report is recorded in a similar fashion but managed through the human resources department. Conversely, Four Seasons Resort at Jimabarn Bay and Sayan use an online database to record the incident report. At Hard Rock Hotel Pattaya, incidents and accidents are reported using the incident reporting system which is kept at the loss prevention office.



[This material references disclosures 103-3 from GRI 103: Management Approach 2016 and 403-2 from GRI 403: Occupational Health and Safety 2016.]

<sup>1</sup> Number of fatal and non-fatal work place injuries per 100 employees in 2017

<sup>2</sup> Number of absentee days out of total days worked per employee in 2017

The above data relates to the seven selected hotels for the year ended 31 December 2017.

Definitions for 'lost days', 'injury', and 'absenteeism' are provided below:

- Total number of lost days refers to time ('days') that cannot be worked (and are thus 'lost') as a consequence of a worker or workers being unable to perform their usual work because of occupational disease or accident.
- Injury refers to non-fatal or fatal injury arising out of, or in the course of work.
- Absenteeism refers to a worker absent from work because of incapacity of any kind, not just as the result of work-related injury or disease. Absentee excludes permitted leave absences such as holidays, study, maternity or paternity leave, and compassionate leave.

## PERFORMANCE METRICS

To ensure continuous improvement, we have established the following goals for FY2018.

### Goals:

-  Reduction of injury rate
-  Reduce absenteeism rate and lost days

[This material references disclosures 103-2 from GRI 103: Management Approach 2016]

## EMPLOYEE TRAINING AND EDUCATION

### OVERVIEW

We are committed to achieving excellence in order to stay ahead of our competition and gain market share. Employees play a large role in ensuring the successful operation of a hotel: from providing excellent services, to ensuring guest satisfaction, employees are the back-bone to the successful operation of the hotels. We believe that training our employees will build efficiency in work, secure employee retention, ensure guest satisfaction and help build our reputation. Hotels located in Thailand, Indonesia and Malaysia are required to deliver employee training to ensure that labour standards are maintained. Regulation includes the Skill Development Promotion Act 2002 in Thailand, the Indonesian Labour Law (Law No. 21 of 1999) and country regulations in Malaysia that involve contributions to the Human Resource Department Fund.

*[This material references disclosures 103-1 from GRI 103: Management Approach 2016]*

### MANAGEMENT APPROACH

In addition to upholding laws and regulations on employee training and development in the countries that we are operating, HPL has developed its own policies relating to training and development that are applied consistently across hotels managed by HPL. We have developed the following three policies:

- Policy on Training and Development
- Policy on Department Trainers
- Policy on Training Committee

HPL has developed a Hotel and Resort Policy on Training and Development. The policy covers training and development processes and practices for HPL managed hotels. The policy was developed to aid the delivery of training and development in an effective, systematic and comprehensive way.

Under the policy, HPL managed hotels must develop an employee training plan which should include programmes in the Training Roadmap. The HPL Hotel and Resort Policy on Training and Development covers areas of commitment by the hotels, roles and responsibilities of every division, annual property training plan (for HPL managed hotels) and budget, training priorities, and training procedures. With such efforts, we hope to build a competent, effective and happy workforce in HPL hotels and resorts.

The Training Roadmap is a suite of mandatory programmes for the four job families or levels of staff: Rank & File, Supervisors, Managers and Department Heads.

<b>Examples of the Mandatory Programmes include:</b>
• Great Guest Experience Workshop
• Working Safely
• Personal Effectiveness
• Train-the-Trainer 1
• Coaching the Team
• Leading Team Performance
• The Pulse
• Management Synergy

Training and development in HPL managed hotels goes through a complete cycle of a training needs analysis to develop a training plan, the implementation of the plan, and the evaluation of the completed training to determine effectiveness of the training and development interventions. In addition, every property has a training and development leader who is responsible to champion and manage the training and development system and initiatives.

Our Four Seasons Resorts Bali at Jimbaran Bay and Sayan provide training on compliance for jobs that are technical in nature, leadership training and training on departmental standard procedures i.e. payments and industry credit card handling trainings. The two hotels also have 13 policies on corporate learning which focus on various aspects of training and development. Some of our hotels provide trainings to create awareness among the employees to foreign cultures. For instance, Holiday Inn Resort Kandooma Maldives, provides culture awareness trainings to all employees, specifically frontline staff.

In addition, all of our hotels offer orientation and/or on-boarding training for employees within their first few months of employment. This on-boarding training typically includes mandatory courses and is supplemented with additional training courses.

*[This material references disclosures 103-2 and 103-3 from GRI 103: Management Approach 2016]*

## PERFORMANCE

In 2017, our hotels and resorts recorded 19.8 average training hours for management, 48.3 for non-management staff. Average training hours provided to female employees in 2017 was 42.1 hours, and 48.9 hours to male employees. In July 2017, Hard Rock Hotel Penang received the HPL Best Training and Development Practices Award.

Significant financial, human and technology investments are allocated to manage employee training and education. In many of our hotels, the Training and Development Manager typically leads the training functions. However, in some of our hotels, the responsibility may be attributed to the General Manager, Department Heads, Talent Development Manager and/or Director of Human Resources. All our hotels set aside budget for training and development, based on the training plan developed for the particular year. Some of our hotels also provide e-learning and online courses for training their employees.



*[This material references disclosures 103-3 from GRI 103: Management Approach 2016 and 404-1 from GRI 404: Training and Education 2016]*

<sup>1</sup> The above data relate to the seven selected hotels for the year ended 31 December 2017.

## PERFORMANCE METRICS

To ensure continuous improvement, we have established the following goals for FY2018.

### Goals:

-  Staff to complete all the mandatory trainings within the year
-  To set annual learning goals and standard testing goals
-  Every employee receives equal opportunity to join the training programme
-  The training is based on operational needs and gives a positive impact to operation
-  To create a learning organisation
-  Ensure an effective Training & Development system in providing relevant training intervention for employees (Internal Processes/Systems perspective)

*[This material references disclosures 103-3 from GRI 103: Management Approach 2016]*

# ENERGY

## OVERVIEW

We are committed to upholding environmental standards across our hotels. As owners, operators and managers of luxury hotels and resorts, we are aware of our energy consumption and our impact on the environment.

*[This material references disclosures 103-1 from GRI 103: Management Approach 2016]*

## MANAGEMENT APPROACH

Our hotels are compliant to laws and regulations set by national governments on energy and standards. In addition, HPL has developed additional policies to minimise energy consumption across the hotels managed by the Group.

Our hotels and resorts have several employees managing the environmental aspects to ensure adverse impacts are minimised. In most hotels, the engineering team (especially the chief engineer) implements and tracks energy saving ideas. In some of our hotels, the general manager works alongside the chief engineer to manage the environmental aspects of the hotels.



### Four Seasons Resorts

Our Four Seasons Resorts Bali (Jimbaran Bay and Sayan), are governed by the Four Seasons Corporate Office Environmental policy and Four Seasons Bali Sustainability policy



### Hard Rock Hotel

Hard Rock Hotel Penang Policy and Procedures entails Energy Management Program



### Concorde Hotels

Hotels are required to meet minimum energy consumption guidelines regulated by Green Mark Certification guidelines and standards.



### Hard Rock Hotel

Under the Operations Manual (Engineering Operations Review), Hard Rock Hotel Pattaya has preventive maintenance policy on energy systems and water conservation

## Highlights of our efforts to reduce our energy consumption



### Energy Monitoring and Reporting

The engineering department is responsible for monthly and annual reporting of energy usage, including the Property Operational Maintenance Energy Cost (POMEC) at the Hard Rock Hotel in Pattaya. The usage figures are recorded and shared with the government.

### LED Lighting

All our hotels have taken steps to replace all incandescent and halogen lighting to LED lighting in public spaces, guest bedrooms, meeting rooms. LED lights are known to have a lifespan and energy efficiency greater than conventional lights.



### Temperature Control

In the Hard Rock Hotel in Penang, the air conditioning temperature in the guest bedroom has been changed to digital control and the vacant room temperature has been set to 25°C. Running air conditioning temperature at 25°C will help consume less energy.

### Employee Training on Energy Conservation

Training of hotel and resort staff is essential to bring awareness on ways to reduce energy use. Holiday Inn Resort Kandooma Maldives processes are in place for employee training in maintaining safety standards and protection.



### Effective Energy Management System

Building Automation system (BAS) control energy management system has been installed in several of our hotels and resorts to monitor and control the air conditioning system operation hours. Hard Rock Hotel Penang has set aside a budget to upgrade the system for better saving opportunities.



**Efficient Energy Management in Property**

Coordination between several departments is needed to ensure energy conservation. In the Hard Rock Hotel in Bali, the engineering team liaise with room division for systematic room allocation, in order to shut down guest bedroom blocks, chiller and heat pumps during low season.

**Green Certificate Awards**

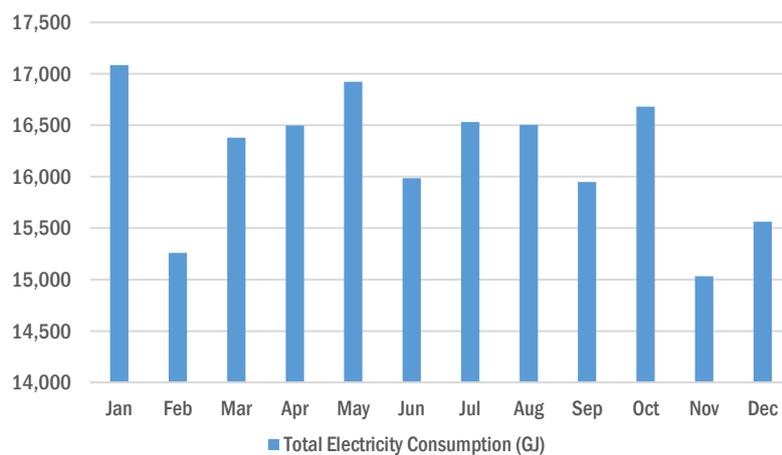
Special committee or persons are appointed in our hotels to manage energy reducing initiatives. In Concorde Hotel Singapore, consultants have been appointed to oversee the chiller replacement and submission of Green Certificate Award.



*[This material references disclosures 103-2 and 103-3 from GRI 103: Management Approach 2016]*

**PERFORMANCE**

We are committed to reducing our energy use as a way of mitigating adverse impacts on the environment. The total energy consumed in our seven selected hotels for 2017 was 335,178 GJ. Fuel consumed comes mainly from non-renewable resources, the chief fuel source being electricity. Our total electricity consumption for 2017 was 194,392 GJ. We are committed to reduce our annual electricity consumption, and supporting a transition from the use of non-renewable sources to the use of renewable energy sources.



*[This material references disclosures 302-1 from GRI 302: Energy 2016]*

## PERFORMANCE METRICS

To ensure continuous improvement, we have established the following goals for FY2018.

### Goals:

-  Reduce consumption per occupied room on annual basis
-  Reducing the annual utility consumption by 2018
-  Reducing the annual utility consumption by 2018
-  Improve energy cost per occupied room for electricity
-  Energy management by establishing a tight control on consumption
-  Replace guestrooms plumbing devices-taps, shower heads with water saving models
-  Replace lightings in public areas, guestrooms with LED fittings

*[This material references disclosures 103-2 from GRI 103: Management Approach 2016]*

# WATER

## OVERVIEW

The resource of water connects every aspect of life. Water scarcity is listed as one of the largest risks in terms of impact over the next decade. We recognise that the hospitality industry has a high water footprint, due to the room and leisure facilities that we provide to our guests, such as swimming pools, showers and cleaning facilities, which demand the use of water.

*[This material references disclosures 103-1 from GRI 103: Management Approach 2016]*

## MANAGEMENT APPROACH

Our hotels have implemented various policies and procedures to reduce water consumption within their facilities.

Many of our hotels have implemented various initiatives to increase the use of recycled water in their facilities. For instance, Holiday Inn Resort Kandooma Maldives uses recycled water from a sewage treatment plant in the staff room flush tank. Hard Rock Hotel Bali also uses recycled water from the waste treatment plant for outdoor landscaping.

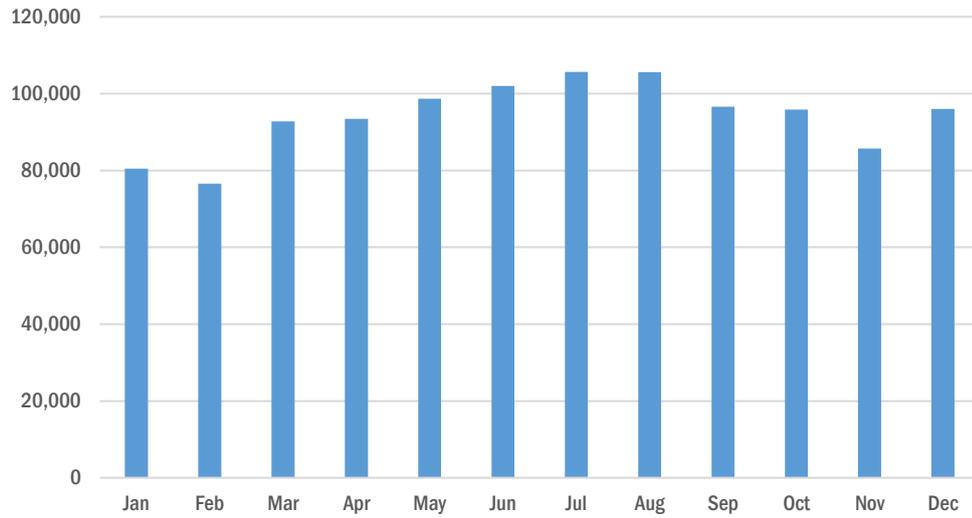
Our hotels actively seek to identify and repair leakages to avoid water loss. For instance, Four Seasons Resort Bali at Jimbaran Bay and Sayan have processes in place to repair leakages from swimming pools. The hotels have also hired a vendor to identify underground pipe leakages using acoustic camera.

The innovative use of technology is also used by Hard Rock Hotel Penang. The hotel has installed a self-closing water taps for all guest and staff basin water taps. The hotel has also installed battery operated water tap for toilets.

Our hotels and resorts have undertaken several actions to ensure water conservation. Hard Rock Hotel Bali has installed a stop valve for their shower to save water. The hotel has also installed LED indicator sensor in their toilet urinal. This not only helps save water due to repeated flushing but also improves hygiene. Concorde Hotel Singapore has the provision of private meters to monitor daily water usage for different areas such as cooling towers, swimming pool, kitchen, and tenant usage. To increase rain water collection, the Holiday Inn Resort Kandooma Maldives has undertaken the initiative of building rain water collection tanks for water collection in order to reduce the demand for energy from consuming desalinated water. These rain water collection tanks are connected to the main water tank to be used for daily operations. *[This material references disclosures 102-11, 103-2 and 103-3 from GRI 103: Management Approach 2016]*

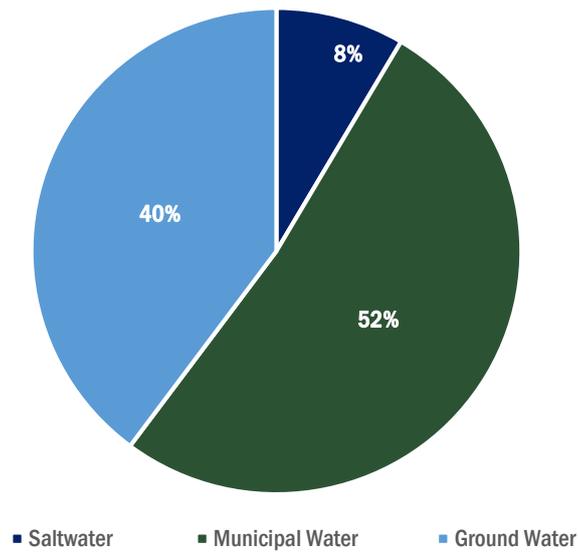
## PERFORMANCE

We are committed to reducing our water consumption as a way of mitigating adverse impacts on the environment. The total water consumed in seven of our hotels for 2017 was 1,129,372 m<sup>3</sup>. Our hotels consumed 52% of water from municipal sources, 40% from ground water sources and 8% from saltwater sources. We are committed to reduce our annual water consumption. Our water consumption data has been captured using daily meter readings. We also track the consumption of water within our facilities on a monthly basis.



■ Total Water Consumption in 2017 (m3)

**Water Consumed by Source (%)**



*[This material references disclosures 303-1 from GRI 303: Water 2016]*

## PERFORMANCE METRICS

To ensure continuous improvement, we have established the following goals for FY2018.

### Goals:

-  Reduce impact to the environment
-  Ensure the proper usage of water through water usage campaigns
-  Monitor water consumption daily
-  Use of recycled water for gardening
-  Maintain records of water consumption
-  Trend consumption figures to track variation or excessive use
-  Regular walk-through/audit of the water systems
-  Collection of data from audit results for analysis and identification of water conservation measure
-  Regular energy management meeting attended by representatives from various departments/sections
-  Awareness training to all hotel staff on water conservations measures
-  Compliance with government regulated programmes and practices

*[This material references disclosures 103-2 from GRI 103: Management Approach 2016]*

## OUR COMMITMENT TO SOCIETY AND THE ENVIRONMENT

### SOCIAL INITIATIVES

HPL is committed to giving back to the community in which we operate. Our properties have undertaken several initiatives in 2017 and collaborated with various charitable organisations to raise funds to support community development.

#### Rock the Duck

This was a fundraising event held by Hard Rock Hotel Penang on 27 May 2017, to build zinc roof tops in schools and provide school supplies to school children. The beneficiary for this fundraising event was Sekolah Kebangsaan Pendidikan Khas Persekutuan.



#### Luncheon for Giving Thanks

To honour the brand's founders and celebrate its birthday on 14 June 2017, Hard Rock Hotel Pattaya organised a special luncheon for Pattaya City Environmental Department crews, garbage collectors and public area cleaners in Pattaya City. This was to acknowledge the importance and effort of the cleaning workers who work towards maintaining cleanliness around Pattaya city.

#### Working with the Hearing-impaired

Hard Rock Hotel Bali worked with SLB B Sidakarya, Denpasar, which is a school for hearing-impaired students, to build a hearing group class, a class with audio system for students to learn to lip-read and to identify sounds





### Pin Fest

The pin fest is an annual event for Hard Rock Hotel Penang to raise funds through pin trading, raffles drawing and other activities. The event was held on 30 April 2017 with Foodbank Penang as the beneficiary. The amount raised for this was RM 4,000



### Rock the School Project

Rock the School Project is a programme to support school students in Grade 7 through to Grade 12 (Age 13-18) from low income backgrounds by granting funds for their education through a committee formed by the Hotel executives and School officials. The scholarship is designed to help the student and respective families buy uniforms, books, stationery and for the student to participate in extra-curricular educational activities. Currently, in 2017, twenty scholarships from Hard Rock Hotel Pattaya were awarded to government school students to study in Grade 7-9; each student would be receiving a fund of THB 28,000 per year until they graduate at grade 12.



### Rock to Rock Run 2017

Rock to Rock Run was a charitable run organised on 21 May 2017, by Hard Rock Hotel Penang, to raise funds to build an assembly shelter for Sekolah Kebangsaan Batu Ferringhi. The main beneficiary for this event was SK Batu Ferringhi. The total amount raised was RM 70,000.

### Rock the Lunch Program

Initiated by Hard Rock Hotel Pattaya in 2011, 'Rock the Lunch' supports Hard Rock Hotel employees to visit selected schools which have a limited budget for children's meals, to prepare and serve them lunch. Talented employees from the hotel put on a live concert and show in conjunction with Hard Rock Heals Foundation so that the children have fun and leave energised. Rock the Lunch takes place on a monthly basis.

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### Training for Future Employment

Over the years Concorde Hotel Singapore has trained 34 students, out of which 13 have been converted to full time employment after graduation in Housekeeping and Kitchen operations. As of 1 November 2017, the hotel has nine full time employment and one trainee.



### Flood Relief

Hard Rock Hotel Penang donated pillows to Ayer Itam District after the flash floods hit Penang, on 10 November 2017

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*[This material references disclosures 102-12 from GRI 102: General Disclosures 2016]*

## ENVIRONMENTAL INITIATIVES

Our properties are located in scenic locations, surrounded by natural beauty. To protect and preserve these natural attractions, our hotels take several steps to operate in a way that conserves the environment and preserves the beauty surrounding the properties, and at the same time, bring awareness to guests on the conservation initiatives of these valuable ecosystems.



### **Turtle & Manta Project**

Maldives is known for its marine biodiversity. Holiday Inn Resort Kandooma Maldives has undertaken several initiatives to conserve this biodiversity. The Hotel's Assistant Recreational Manager (former biologist) along with a Marine Biologist work together to maintain and promote the conservation of the biodiversity around the resort.

Holiday Inn Resort Kandooma Maldives participates in a government sponsored initiative to document migration patterns of Manta Rays and Turtles. This allows scientists around the world to learn about their life-cycle, population dynamics, and general habitat. Whilst the Manta's are in no danger of being hunted, the turtle population used to be under attack from poachers for their meat and shells. Through a nationwide project, both species are now thriving in a protected environment.

The Hotel's Assistant Recreational Manager and the Marine Biologist, engage with our guests on a daily basis as they encourage all visitors to visit the underwater world through a series of briefings and guided tours around the resort and the nearby coral reefs. All new crew members are also given a thorough briefing in order to understand and promote the resort initiatives.



### **The Reefscaping Project**

The "Reefscaping Project" is a coral regeneration project geared to create an artificial reef around the resort. Hotel guests are encouraged to "sponsor" frames where live coral will be attached and then planted on the reef bed. In optimal conditions, the coral will grow several inches a year. Snorkelers swim to a healthy reef and search for healthy coral that has broken off due to the waves or marine life. This is then brought back to the resort and guests are able to tie the pieces on to the frame using cable ties. As the coral grows, the cable ties will no longer be visible.

Each frame is tagged with a specific guest ID and guests are updated every four months with images of their frame so they too can track the progress and be involved even if they are back home. The coral that is optimal for this project is from the "Acropora" family and will result in "Finger corals", "Branching coral" and "Table corals". Once the reef takes life, it will provide sanctuary for smaller fish from bigger fish until they are of size to freely swim in the ocean.

*[This material references disclosures 102-12 from GRI 102: General Disclosures 2016]*

## OTHER ENVIRONMENTAL INITIATIVES

### A Tree for the Future

A tree planting exercise was carried out in Hard Rock Hotel Penang on 11 November 2017, organised by Majlis Bandaraya Pulau Pinang in conjunction with "Program Penanaman Pokok Ameniti Serentak Peringkat Negeri Pulau Pinang". Ten trees were planted around the hotel premise.



### Save Our Rainforest Race

Hard Rock Hotel Penang organised a race to create awareness amongst younger generations on conserving forests and the biodiversity with it. The race was conducted on 25 March 2017. It was organised by Majlis Pelantikan Penggerak Komuniti Muda Pulau Pinang (PEKA) and sponsored by the hotel.

### Waste Is Resource

Four Seasons Resort Bali at Jimbaran Bay and Sayan have appointed an outside vendor to recycle resort waste. The hotels also organised a resort beach cleaning programme in February 2017 with the help of a third party.



### Protecting Natural Ecosystems

Hard Rock Hotel Bali held a beach clean-up exercise in Kuta beach in the months of January, February, March and September 2017. The hotel also organised Mangrove Plantation program with the local fishermen from Kelompok Nelayan Wanasari, Tuban.

*[This material references disclosures 102-12 from GRI 102: General Disclosures 2016]*

## GRI CONTENT INDEX

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	102-4 Location of operations	<a href="#">ABOUT HOTEL PROPERTIES LIMITED</a>
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	102-11 Precautionary principle or approach	HPL does not specifically address the principles of the Precautionary approach.
	102-12 External initiatives	<a href="#">ABOUT THIS REPORT</a> <a href="#">OUR COMMITMENT TO SOCIETY AND THE ENVIRONMENT</a>
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<b>GRI 102: General Disclosures 2016</b>	102-40 List of stakeholder groups	<a href="#">STAKEHOLDER ENGAGEMENT</a>
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	102-49 Changes in reporting	Not applicable
	102-50 Reporting period	<a href="#">ABOUT THIS REPORT</a>
	102-51 Date of most recent report	Not applicable
	102-52 Reporting cycle	<a href="#">ABOUT THIS REPORT</a>
	102-53 Contact point for questions regarding the report	We welcome your feedback on how our sustainability practices can be improved. Please send your feedback to <a href="mailto:sustainability@hotelprop.com.sg">sustainability@hotelprop.com.sg</a>
	102-54 Claims of reporting in accordance with the GRI Standards	<a href="#">ABOUT THIS REPORT</a>
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*[This material references disclosures 102-55 from GRI 102: General Disclosures 2016]*