



GENTING

HONG KONG

Genting Hong Kong Limited

(Continued into Bermuda with limited liability)

Stock Code: 678

**Environmental, Social and
Governance Report 2016**



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Chairman Statement

2016 was another important year for Genting Hong Kong Limited, as we continued with our global strategy to reinforce our leadership position as a global provider of travel, leisure, entertainment and hospitality services in the world. In line with our commitment to bringing our guests satisfying experiences and generating positive values for our stakeholders, we have focused our efforts in sustainable business practices on environmental protection and corporate social responsibility.

The travel experience of our guests are of great importance to us. To cater to our guests' various needs, we provide cruise lines with diverse destinations and durations. We aim to provide high quality service for our guests, and we take a proactive approach to engage with our guests to understand their needs and expectations. Their insights serve as the key foundation of our future customer engagement strategies.

We are progressively expanding our cruise business with new ships added to our fleet and investing in the related businesses, and we are constantly looking for talents to join us along the journey. Seeing talent as one of the important assets of a company, we have always devoted resources towards our employees' wellbeing, career development and health and safety. We offer a wide range of training and development programs for employees in different positions and promote work-life balance throughout the company. We also have comprehensive health and safety measures in place to minimize the relevant risks.

As a major cruise operator in the world, we are subject to regulations in different jurisdictions and international conventions that govern health and safety, environment and security issues. In order to support our environmental commitment, we have implemented an Environmental Management System that is in accordance with ISO 14001.

Our success relies on the support of our community, so we are constantly looking for opportunities to contribute back to the community. During the year, we have made a donation to Xiamen University. The donation was used to build a teaching hotel to cultivate the next generation of tourism professionals. Our efforts were recognized by Corporate Governance Asia and was rewarded with the "Best Corporate Social Responsibility" award during the year. It is our fourth time in receiving this prestigious award.

We will continue to integrate sustainability into everything we do, and to create rewarding value for all stakeholders. We also sincerely hope that our stakeholders can stay with us in this expedition.

Tan Sri Lim Kok Thay

Chairman and Chief Executive Officer

16 March 2017

Our Sustainability Approach

Corporate Governance

Genting Hong Kong believes high corporate governance standards are the key driver to the prosperity of our business and sustainable development. We have positioned ourselves at the forefront of upholding high corporate governance practices with accountability and transparency. Genting Hong Kong and its Board of Directors are committed to complying with the laws and regulations in the jurisdictions of operation, and strive to go beyond the limits of standard compliance.

Our Board of Directors acts as the overall supervisory and monitoring body of the Company, with the responsibility of ensuring the effectiveness of our corporate governance system, providing leadership and control of the company and its subsidiaries, and directing important business affairs to maximize the return of our shareholders.

To uphold a high standard of ethic and integrity, our Code of Conduct governs the behavior of all our employees. The Code provides guidance in areas where employees need to make personal and ethical decisions to ensure the operation and reputation of Genting Hong Kong are not tarnished, including the avoidance of situations which might constitute bribery and corruption or conflict of interests. An anti-money laundering (AML) policy is also in place to maintain an effective AML structure and a strong culture of money laundering prevention in our staff. Our AML department with the enforcement of the policy aims to protect Genting Hong Kong from money laundering and any terrorism financing activities.

A whistle-blowing system was established as an effective channel to allow our employees to report on any misconduct. The whistleblower channels are operated by an independent third party, and are available 24 hours a day and 7 days a week. The Committee on Discipline (COD) is responsible for reviewing all serious misconduct and verifying whether accused offenses have been committed. Any violation of the law or misconduct can result in suspension and dismissal.

For more information on our corporate governance performance, please refer to our annual report's 2016 Corporate Governance Report.

ESG Governance

Genting Hong Kong has established a management led ESG governance structure to ensure the effective implementation of our ESG initiatives. The Board of Directors is responsible for providing direction on and reviewing strategic sustainability issues on a yearly basis. Our corporate planning team coordinates corporate-wide ESG strategy and activities, including stakeholder engagement, sustainability data management and ESG reporting, and collaborates with other various departments to integrate sustainability throughout the company.

Stakeholder Engagement

As a leading cruise operator, Genting Hong Kong provides an exceptional travel experience to our guests around the world. Our success lies in our diverse value chain and proactive engagement with our stakeholders, including employees, guests, shareholders and investors, business partners, NGO partners and the community.

Stakeholder Groups	Engagement Methods
Employees	§ Face-to-face interview § Phone interview § Employee engagement activities § Intranet
Guests	§ Interview § Satisfaction survey § Website
Shareholders and investors	§ Investors meetings and conference calls § Annual and interim reports § Website (investor relations)
Business partners (including suppliers, contractors and travel agencies)	§ Phone interview § Audits and assessment
NGO partners	§ Phone interview § Corporate social responsibility activities

With regards to sustainable development, we believe stakeholders' inputs are essential in shaping our roadmap and strategy. In this reporting year, we invited an independent third-party consultant to conduct a sustainability stakeholder engagement exercise to understand their perspective on our sustainability performance.

Materiality Assessment

To better illustrate the sustainability approach of Genting Hong Kong, it is important to identify the material issues to our operations. The list of material aspects is based on the results obtained from stakeholder engagement which covers the concerns of our stakeholders.

List of material issues

Material Aspects	Relevant Issues
Environmental	§ Greenhouse gas emissions § Energy § Waste management § Sewage treatment § Water
Social – Employment and labor practices	§ Employee health and safety § Diversity and equal opportunities
Social – Operating practices	§ Anti-corruption § Customer data privacy
Social – Community	§ Community investment

Our Environment

Environmental Management

Genting Hong Kong recognizes that our operations are tied in to the natural environment and it is our aim to protect our environment by adopting comprehensive policies, a sound environmental management system and on-going environmental initiatives.

Our management in Marine Operation is responsible for leading and overseeing our environmental policy, strategies and programs. The environmental policies are implemented across all operations and departments in a systematic and accountable manner. The policies outline our dedication in the protection and preservation of the environment and ensure our compliance with all environmental laws and regulations in jurisdictions in which we have operations. Our Environmental Management System identifies and manages our environmental risks throughout our businesses. The system is ISO 14001 certified, further assuring that we are able to identify environmental opportunities, enforce programs, promote awareness among our employees and stakeholders and seek continuous improvement.

Energy and Emissions

Energy and emissions are considered to be priorities in our environmental management. We are dedicated to enhancing our energy efficiency and minimizing our impact without compromising our guest experience onboard.

Shipboard fuel is the primary source of our energy consumption and greenhouse gas emissions, and hence we have implemented measures to reduce the impact of our fuel consumption.

Star Cruises Fuel Saving Program

As part of our extensive fuel saving program, we have improved the underwater hull system in our SuperStar Virgo by installing a new propulsion system which has increased the propulsive efficiency and improved maneuverability.

Benefit of the Program

- Prolonged the vessel life span
- Reduced CO2 emissions by approximately 6% - 8%
- Fuel saving by 8%

Additionally, we have installed a new fuel saving system that takes account of multiple environmental factors, such as wind speed and water current to calculate the optimal speed for shipping, and in turn optimize fuel use. We have also replaced normal lighting with LED lighting systems to reduce electricity consumption.

Water Management

Water is one of the most precious natural resources in the world. We greatly value the importance of enhancing the water management capabilities of each cruise ship and our shipyards through incorporating water conservation-friendly designs within facilities. We also promote water use efficiency to our guests by reminding them to conserve water whenever possible.

Waste Management

Cruise operation generates a large amount of waste, and thus we have begun to manage our impact as early as the procurement stage. During the procurement process, we integrate environmental considerations and give priorities to eco-friendly products. We also have a well-established waste management plan for all our cruises. All cruises are required to sort out all recyclable waste, including paper, aluminum cans and food waste. These materials are collected by third-party vendors for recycling.

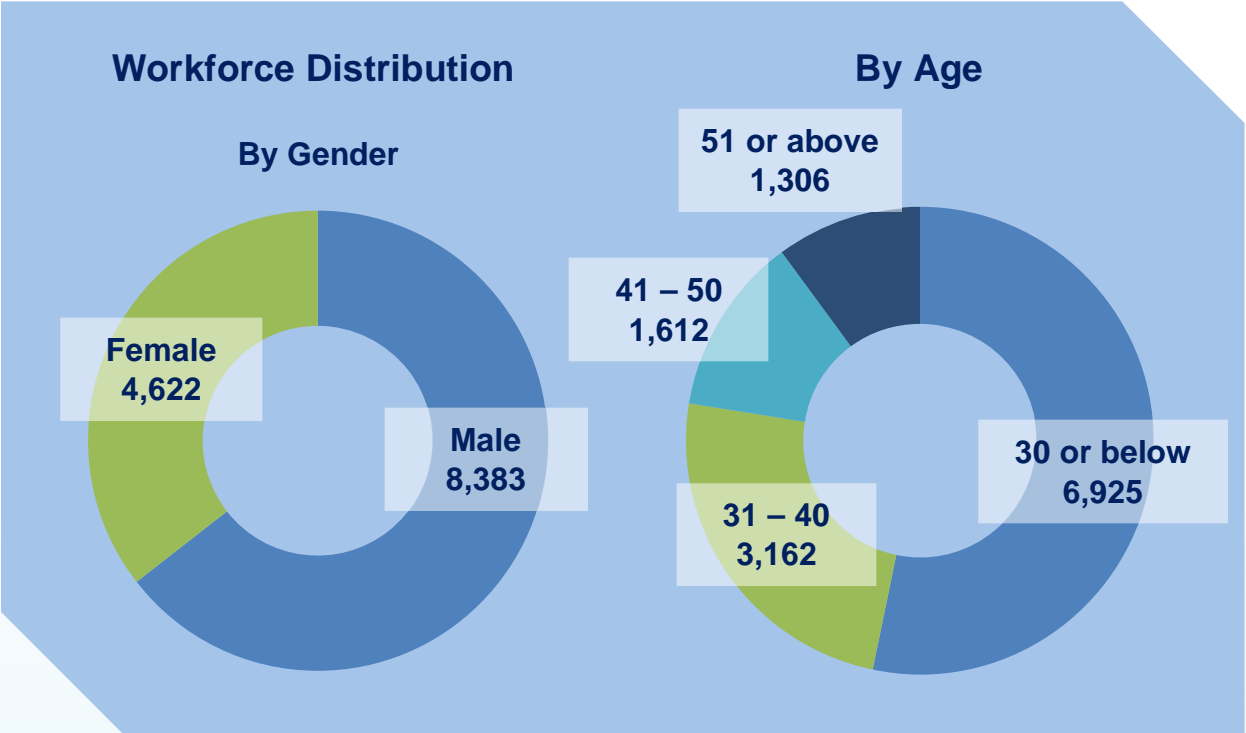
Contaminated water has a negative impact on the environment and governments around the world have strict regulations on wastewater discharge for marine operations. To cope with these regulations, we have various sewage treatment processes for different types of water. We are committed to abiding by all respective laws and regulations in the areas we operate in, as well as the International Convention for the Prevention of Pollution from Ships (MARPOL).

Our People

Employment

Employees are our greatest assets. Our business success is dependent on how well we can attract, retain and develop our talents. We offer our employees ample opportunities to develop their career and competitive remuneration incentives.

Our employees come from various parts of the world, and together we embrace diversity. We are committed to providing a fair and harmonious working environment in which our employees can realize their full potential. We do not tolerate discrimination, including discrimination based on gender, race, age, religion and other characteristics under the protection of relevant laws. Reasonable accommodation is made for applicants or employees of our company with known physical and mental limitations unless undue hardship would result for our operations. We prohibit the use of child labor and forced or compulsory labor and comply with all relevant applicable laws and regulations.



Workplace Safety and Health

Genting Hong Kong cares about the health and safety of our employees in all positions. With cruise operation as our core business, it is crucial for us to manage the inherent risks and always treat safety as our first priority.

We have a comprehensive Safety, Health and Environmental Protection Policy that oversees work-related health and safety as well as to ensure our operations comply with relevant laws and regulations. Our Safety Management System identifies the safety responsible personnel within the organization and analyzes potentially unsafe working conditions, procedures and practices. We have also established safeguards against emergency situations. A detailed investigation will be undertaken promptly whenever an accident happens, and we will take necessary corrective actions to prevent reoccurrence.

Training and Development

Genting Hong Kong aspires to develop and grow with our staff and is willing to invest in both work-related training and personal development of our human capital. In general, we provide an orientation program to all of our new joiners which covers useful information that assists them with the start of their career in Genting Hong Kong. Employees can also refer to company policies through our internal online platform, Starnet. Job-specific and on-the-job training is also provided by relevant departments based on the skills required for different positions when necessary.

Apart from training regarding the job nature, we also organize soft skills training for the sake of our employees' personal development. During the year, we have organized management strategic training for managerial staff, workplace ethics workshops with ICAC and first aid courses with Hong Kong St. John Ambulance.

Employee Wellbeing

Genting Hong Kong attaches importance to the physical and mental wellbeing of our employees. Resources are dedicated to retain our employees through employee benefits and employee engagement activities. For physical wellbeing, we provide personal life and medical insurance coverage for our staff. For mental wellness, we promote work-life balance for our employees and have workshops on stress release. We also have an Employee Assistance Program (EAP) provided by a professional third-party company that offers employees with counselling services to assist them with personal challenges.

Moreover, we provide our staff with cruise discount privileges as a part of their employee benefits. We encourage our staff to enjoy a memorable experience on our cruises with their family members, relatives and friends.

Genting Hong Kong is proud to reward our employees with various awards and recognitions. We recognize the Achievers of the Month and Achievers of the Year to reward our staff with outstanding performance and we also have the Loyalty Service Award to reward the contributions of loyal staff that have served for more than 5 years.

We also organize a series of Lunch and Learn Activities which welcome our staff's voluntary participation. In this reporting year, we organized a diverse range of interest classes covering various interests including preserved flower workshops, leather card holder DIY workshops, dessert and mooncake DIY workshops and latte art workshops. Our staff actively participated in these activities and positive feedback was received from the participants.

Our Services

Our Guests

Genting Hong Kong is a leading services provider globally in leisure, entertainment and hospitality services. We are dedicated to providing the best services and creating a memorable experience for our valued guests.

To ensure our service quality is maintained at a high standard, an online guest feedback form is provided to evaluate the customer satisfaction level and gather comments and opinions from our guests on their cruise experience. We will make continuous improvements in our services through the feedback from our guests. A systematic handling procedure has been formulated to process comments collected from the feedback form. Both positive and negative opinions will be forwarded to relevant departments for further action or consideration.

Apart from customer service quality, the privacy of our guests' personal data is also our main concern. We comply with all relevant laws and regulations, including Hong Kong's Personal Data (Privacy) Ordinance. We are committed to protecting the personal information of our guests. According to our Privacy Policy, we will only collect personal customer data when necessary and will not disclose the collected data to any third party for direct marketing without customer consent.

Supply Chain Management

We have a wide range of suppliers globally providing various products and services to our offices worldwide. Supply chain management is critical in facilitating our operations and we aim to build mutually beneficial relationships with our suppliers in the long run.

Therefore, we engage our suppliers through a fair and stringent process. The Purchasing Committee comprises representatives from different departments that are responsible for the selection of suppliers in the tendering process. Potential suppliers have to submit a Request for Information and sign a Supplier Declaration to declare that they will comply with all applicable laws and regulations. The performance of approved suppliers is monitored on a continuous basis. Supplier misconduct can result in a warning letter or termination of contract depending on the severity of the issue.

To develop a more sustainable supply chain, priority will be given to suppliers providing environmentally friendly products. Biodegradable tableware is purchased for some of our hospitality services and paints with eco-friendly labels are used for part of our cruise coating to minimize the impact on the environment.

Our Community

Care for Our Community

Genting Hong Kong believes that our work is closely related to the wellbeing of the stakeholders around us. Deeply rooted within Asia, the company has a long history of commitment in giving back to the community. We work with local communities to reinforce youth education and promote health and wellness and support local art and culture.

Our efforts in contributing a positive impact on the society were recognized by the Asian Excellence Recognition Awards, which named Genting Hong Kong one of the “Best CSR” companies in Asia. Genting Hong Kong was recognized as Asia’s Best CSR company for a fourth time overall.

We are also awarded with the “5 Years Plus Caring Company Logo” by the Hong Kong Council of Social Service in recognition of our efforts in corporate social responsibility.



Youth Development

To promote long-term sustainability within a community, we believe that education is the key to development. In view of this, a donation was made to Xiamen University for building its first teaching hotel. In June 2016, a special ceremony was collaboratively held by Genting Hong Kong and Xiamen University to unveil the new Lim Goh Tong Building, which is the academic and research center of the School of Management's Tourism and Hotel Management Department.

The completion of the Lim Goh Tong Building also shows the alignment with the values of Genting Hong Kong in supporting talent development and our contribution to the tourism industry of China.



Xiamen University held a special ceremony to commemorate the completion of the new Lim Goh Tong Building. The event was attended by Tan Sri Lim Kok Thay, Chairman of Genting Hong Kong (6th from left, first row), Mr. Zhang Yan, Secretary of the Party Committee of Xiamen University (7th from left, first row), Mr. Yang Hui, Secretary of the Overseas Chinese Affairs Office of Fujian Province (5th from the right, first row) and honorable guests from the Lim family and Xiamen Tourism Bureau



The guests are warmly welcomed by students of Xiamen University



Tan Sri Tan Sri Lim Kok Thay, Chairman of Genting Hong Kong (2nd from left), Mr. Zhang Yan, Secretary of Party Committee of Xiamen University (6th from right), unveil the stone stela in front of the new Lim Goh Tong Building

With a total area of 7651.09m², the 3-storey Lim Goh Tong building houses approximately 82 demonstration hotel rooms offering students the opportunity to gain practical experience with hands-on training

Apart from donations and activities in China, we also actively support education initiatives in Hong Kong. We supported Star Cruises TVB Children Program on Superstar Virgo. 'Think Big', a TVB Children's program held a fun day on Superstar Virgo for 60 children. They enjoyed games and creative activities that were tailor-made for them, including a quiz and a hunting game, which enhanced their knowledge of cruise operation and critical thinking skills.



Masters of Ceremony introducing instructions for the game



Illustration of the hunting game in the theater

Health and Wellness

We believe that life is precious and good health is priceless. Therefore, we support community health and wellness through partnering with non-governmental organizations. During the year, we have joined hands with our partners in hosting various events.

Organization	Events
Great Heart Charity Association	Great Heart Charity Gala Dinner 2016
Breast Cancer Foundation	Pink Ribbon Walk The Pink Ribbon Campaign
Down Syndrome Association	Gala Dinner 2016 Ship Tour
National Cancer Society of Malaysia	Relay For Life 2016

Local Art and Culture

We appreciate the values that local arts and culture bring to the society. We also hold a firm belief that art instills values and translates experiences across space and time. Hence, we have organized various events in raising awareness of the traditional arts in respective communities.

Genting Cruise Across Culture Fund Raising Night, Hong Kong

We organized the event in raising awareness of citizens towards Cantonese Opera. This event was a huge success in recognizing the beauty of Cantonese Opera. In addition, we also raised HK\$200,000 and donated the amount to two of our charity partners.

Original Pilipino Performing Arts Foundation

We aimed at nurturing local Filipino talent through the establishment of this foundation. Young and energetic Filipino artists are supported through providing scholarships and grants to fulfill their dreams.

About This Report

Reporting Standards

Genting Hong Kong Limited (“Genting Hong Kong”) is pleased to present our first Environmental, Social and Governance (ESG) report. The report describes the sustainability performance of the company.

The report is prepared in accordance with the Environmental, Social and Governance (ESG) Reporting Guide set out in Appendix 27 of the Rules of Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (HKEx).

Reporting Scope and Period

The scope of this report focuses on our core competence businesses of Star Cruises, Dream Cruises and Crystal Cruises. It also covers the two shipyards located in Germany, namely Lloyd Werft and MV Werften.

This report discloses our status on environmental, social and governance issues from January 1, 2016 to December 31, 2016, unless otherwise specified.

Accessibility of the Report

For the convenience of our investors and other stakeholders, the report is available on the website of Genting Hong Kong and Hong Kong Stock Exchange.

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