



SHANGRI-LA GROUP

香格里拉集團

# SUSTAINABILITY REPORT 2023

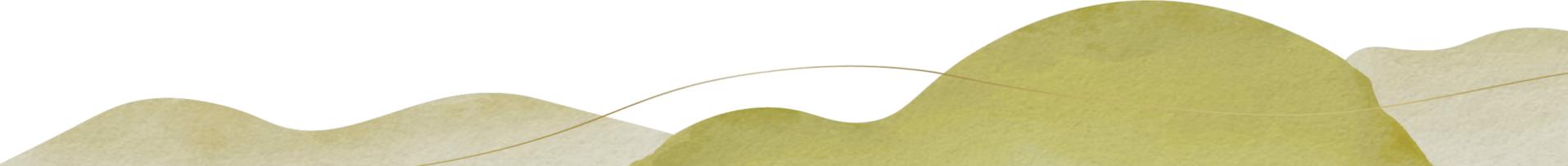
SHANGRI-LA ASIA LIMITED

Incorporated in Bermuda with Limited Liability  
Stock code: 69

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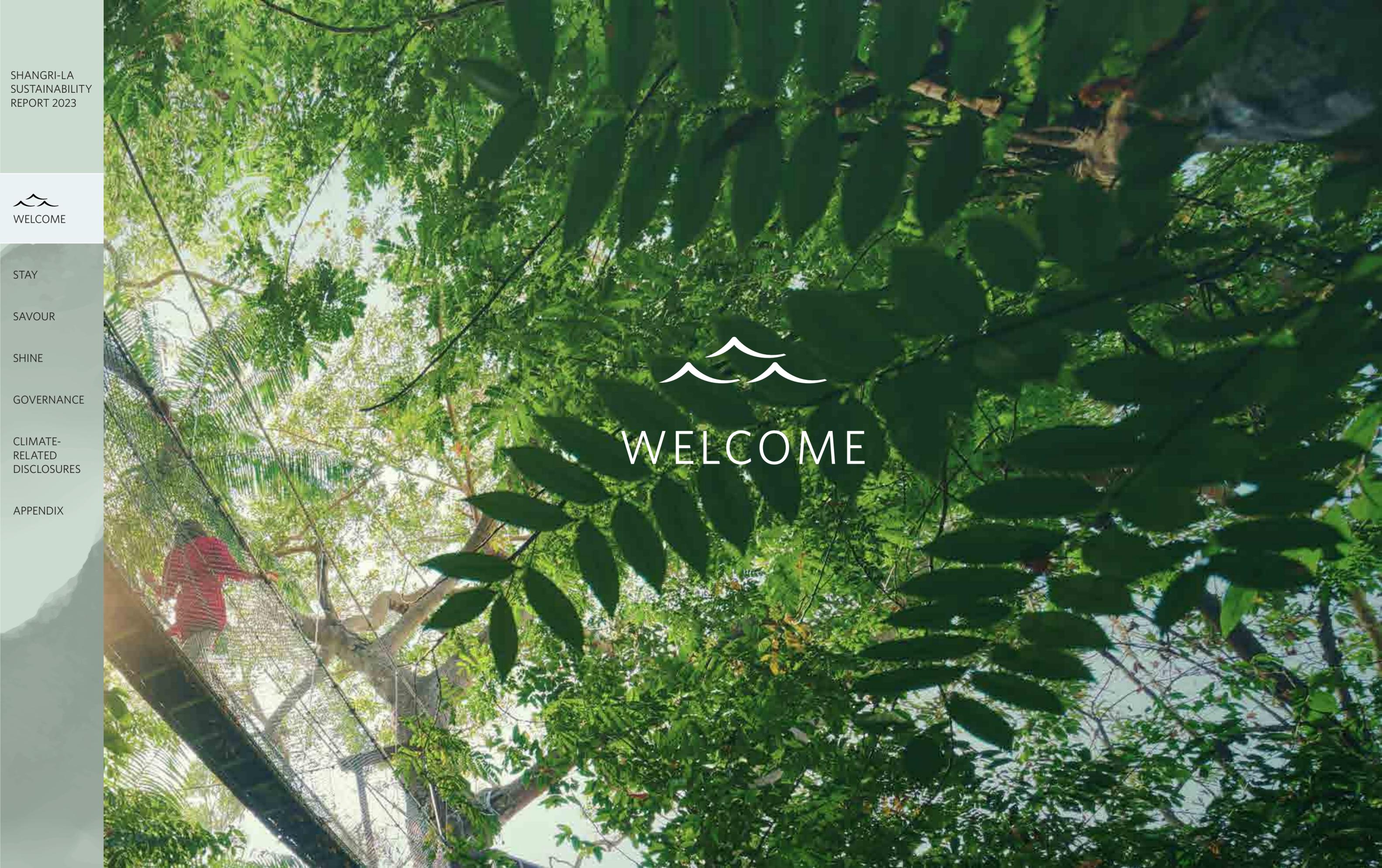
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WELCOME



# Message from the Chairman



**Hui Kuok**  
Chairman

On behalf of the Board, I am delighted to present Shangri-La's 2023 Sustainability Report. This report showcases our Group's sustainability performance this year, which I am proud to say has continued to improve following the challenges posed during the COVID-19 pandemic. Our commitment to Environment, Social, and Governance (ESG) topics reflects our overarching goal to be the best-loved hospitality group, hosting people to the colourful joys of life in a sustainable manner.

The past year has been one of recovery and rejuvenation, during which we have reflected internally on our impact and sustainability goals. We are now happy to announce our new ESG strategy — the Triple S of Stay, Savour, and Shine. This strategy builds on increased engagement with both internal and external stakeholders and includes our updated material ESG topics. From this platform, we aim to further integrate sustainability throughout our business strategy and operations.

Apart from announcing a refreshed ESG strategy, we have also passed several significant milestones in 2023:

- We met our sustainability-linked loan (SLL) targets and have outlined 2030 targets for our five SLL key performance indicators (KPIs);
- We formalised the process of integrating climate-related risks and opportunities into our Integrated Assurance Framework;
- We built up our responsible sourcing platform, with a pilot up and running; and
- ESG-related training increased company-wide, including the launch of two new courses with 100% completion rates.

Shangri-La collected several ESG awards throughout 2023, reflecting the time, dedication, and effort our teams put into sustainability this year. These achievements provide assurance that Shangri-La is on track to further embody sustainability and ESG values.

While we rejoice in our progress, I also note that 2023 has been a difficult year for many parts of the world: Türkiye suffered a devastating earthquake, and mainland China and many other countries faced flooding and extreme weather. These natural disasters serve as stark reminders of the necessity for climate resilience and sustainable development in our rapidly changing world.

In the face of these challenges, I am immensely proud of our colleagues for coming together as one Shangri-La and contributing towards relief and rebuilding efforts. This work truly shows our value of Do Good in action, providing support in places near and far as part of the Shangri-La family.

Looking ahead, we hope to further integrate ESG and climate-related risks and opportunities into our business, champion Asian traditional arts and culture, and encourage innovation in sustainability.

Thank you for your support throughout our journey to build a better shared future.

**Hui Kuok,**  
Chairman

# About Shangri-La

Shangri-La Asia Limited's (together with its subsidiaries, the "Shangri-La Group" or the "Group") business is organised into four main segments:

- Hotel Properties — development, ownership and operation of hotel properties (including hotels under leases)
- Hotel Management and Related Services for Group-owned hotels and for hotels owned by third parties
- Investment Properties — development, ownership and operation of office properties, commercial properties and serviced apartments/residences for rental purposes
- Property Development for Sale — development and sale of real estate properties

We currently own and/or manage hotels under the following brands:

- Shangri-La Hotels and Resorts
- Kerry Hotels
- JEN by Shangri-La
- Traders Hotels

Shangri-La Asia Limited is primarily listed on the Main Board of the Stock Exchange of Hong Kong (HKEX) with a secondary listing on the Stock Exchange of Singapore (SGX). For full information about the Group's financial performance and Corporate Governance, please refer to our [Annual Report](#).

# About This Report

This report fulfils relevant provisions of Rule 13.91 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Listing Rules) and the Environmental, Social and Governance Reporting Guide in Appendix C2 to the Listing Rules (ESG Reporting Guide) and references selected standards from the Global Reporting Initiative (GRI). Please refer to the Appendix of this report for more information.

We welcome your feedback. Please share your views with us via [✉ esg@shangri-la.com](mailto:esg@shangri-la.com)

## Boundary and Scope

This report focuses on the material ESG impacts of our owned and managed hotels and investment properties. The reporting scope encompasses our hotels and investment properties where our Group holds operational control.\* For detailed information about the scope and data methodology for ESG datasets, please refer to the Performance Tables.

## Reporting Principles

This report applies the principles of materiality, quantitative reporting, and consistency. Disclosure is aligned to our ESG strategy which was formulated via a structured materiality assessment process. To enable the quantitative comparison of performance over time, data on material ESG indicators (including carbon emissions and energy consumption data) are consolidated in the Performance Tables. Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, are stated wherever appropriate. As far as reasonably practicable, consistent methodologies are adopted when disclosing ESG data over time and any factors affecting a meaningful comparison are disclosed.

\* The description of the scope of the report has changed from the sustainability report for the year ending 31 December 2022 to provide better clarity on the scope of entities covered. There has been no change in the reporting scope and boundaries compared to Shangri-La's previous reports.



YUN Wellness at Island Shangri-La, Hong Kong

# ESG Vision

To be the best-loved hospitality group by hosting people to the colourful joys of life in a sustainable manner. Delivering hospitality that empowers our people, uplifts local communities, nurtures the planet, and celebrates Asian heritage.

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## ESG Statement

We are committed to operating in an economically, socially, and environmentally sustainable manner while balancing the interests of our diverse stakeholders in order to make a long-term positive impact on our local communities in every location that we operate in.

We aim to build a better shared future by empowering our people, uplifting local communities, nurturing the planet, and celebrating Asian heritage, holding ourselves accountable to international standards and considering local culture so that we can serve as good stewards of society and the environment.

In accordance with our updated Triple S ESG strategy, we invite our guests, colleagues, suppliers, and stakeholders to Stay, Savour, and Shine with us at Shangri-La. Our ESG strategy is underpinned by strong corporate governance, with an emphasis on topics that are material to our business and stakeholders.



# Our Sustainability Strategy

In 2023, we refreshed our sustainability strategy to better embed sustainability throughout our business strategy and operations.

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As we face the challenges associated with our changing world, updating our group sustainability strategy helps us clearly communicate our focus areas and address current and future risks and opportunities.

Managing ESG well is part of our company vision and purpose, helping us support government priorities, build engagement with our current and future employees, and contribute to local communities within which we have become deeply embedded during more than 50 years of operation. Working sustainably also helps us support our guests' desires for more sustainable offerings and lowers our procurement risk by ensuring that we engage responsible suppliers.

Our new Triple S strategy covers our main businesses and priority topics so that we consider ESG issues throughout the entire Shangri-La experience and invite our guests to Stay, Savour, and Shine with Shangri-La. Underlying all this is our commitment to corporate governance — doing the right thing from the heart, with integrity, care, and sustainability.

  
**STAY**

Stay with us and experience the colourful joys of life in a sustainable manner curated by Shangri-La.



  
**SAVOUR**

Savour safe, healthy and delicious food and memorable experiences that are sustainably sourced and created for you.



  
**SHINE**

Enabling our colleagues, guests, suppliers and communities to unleash their potential and shine.



  
**GOVERNANCE**

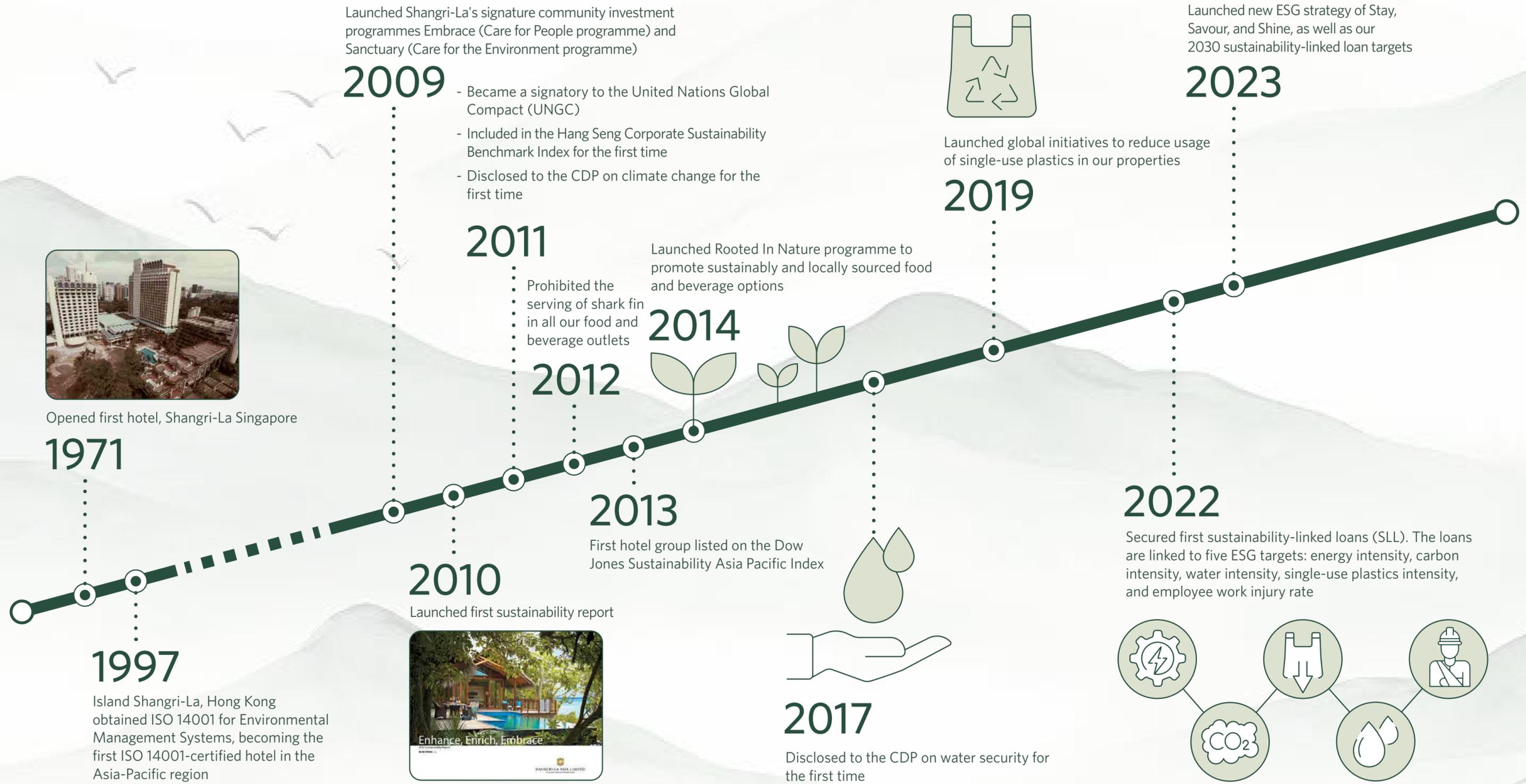
Doing the right thing in the right way with integrity.



# Our Sustainability Journey

Since opening our first hotel in 1971, we have endeavoured to embed sustainability into our business for our employees, guests, communities, and the environment. The following timeline illustrates some of the sustainability landmarks we have achieved on our journey to become the best-loved hospitality group.

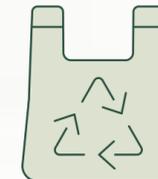
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Opened first hotel, Shangri-La Singapore



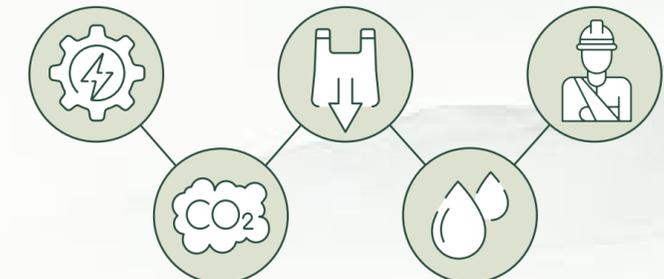
Launched first sustainability report



Launched global initiatives to reduce usage of single-use plastics in our properties



Disclosed to the CDP on water security for the first time



Secured first sustainability-linked loans (SLL). The loans are linked to five ESG targets: energy intensity, carbon intensity, water intensity, single-use plastics intensity, and employee work injury rate

# Sustainability at a Glance

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## Stay

Stay with us and experience the colorful joys of life in a sustainable manner curated by Shangri-La.

**Energy intensity** (kWh/m<sup>2</sup>)

▼ 12%

(vs. 2019 baseline)

✓ On Track: -23% by 2030

**Carbon intensity** (kg CO<sub>2</sub>e/m<sup>2</sup>)

▼ 24%

(vs. 2019 baseline)

✓ On Track: -23% by 2030

**Water intensity**  
(m<sup>3</sup>/occupied room night)

▼ 7%

(vs. 2019 baseline)

✓ On Track: -8% by 2030

**Single-use plastics intensity**  
(g/occupied room night)

▼ 41%

(vs. 2019 baseline)

✓ On Track: -65% by 2030

89.7 ★★★★★ | ▲ +3.2 points  
Guest overall satisfaction score (vs. 2022)

## Savour

Savour safe, healthy and delicious food and memorable experiences that are sustainably sourced and created for you.

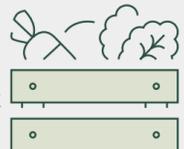
94

hotels participating in  
Rooted in Nature



100%

active medium and high-risk  
food suppliers passed audit



## Governance

Doing the right thing in the right way  
with integrity.

25%

of Board positions  
held by women



## Shine

Enabling our employees, guests, supplier and communities to unleash their potential and shine.

Employee Wellbeing, Health and Safety

2.7

Employee work-injury rate  
(incidents per 100 full-time equivalent)



✓ On Track: Not more than 3.5  
incidents per 100 employees  
(2022-2030 target)

Learning and Development

58

training hours per  
employee per year

91%

colleagues completed  
unconscious bias training

100%

colleagues completed core learning  
and development training modules



Equity, Diversity and Inclusion

40%

leadership positions held  
by women



Responsible Sourcing



Established end-to-end  
responsible sourcing programme



Community Engagement

USD3.2M

In project expenses and donations



124,000 hours contributed  
towards community engagement activities,

benefitting over 138,000 people

100%

of hotels passed  
operational audits\*



Sustainability-linked loan targets  
verified by external assurance



\* Fire and Life Safety, Engineering and Security

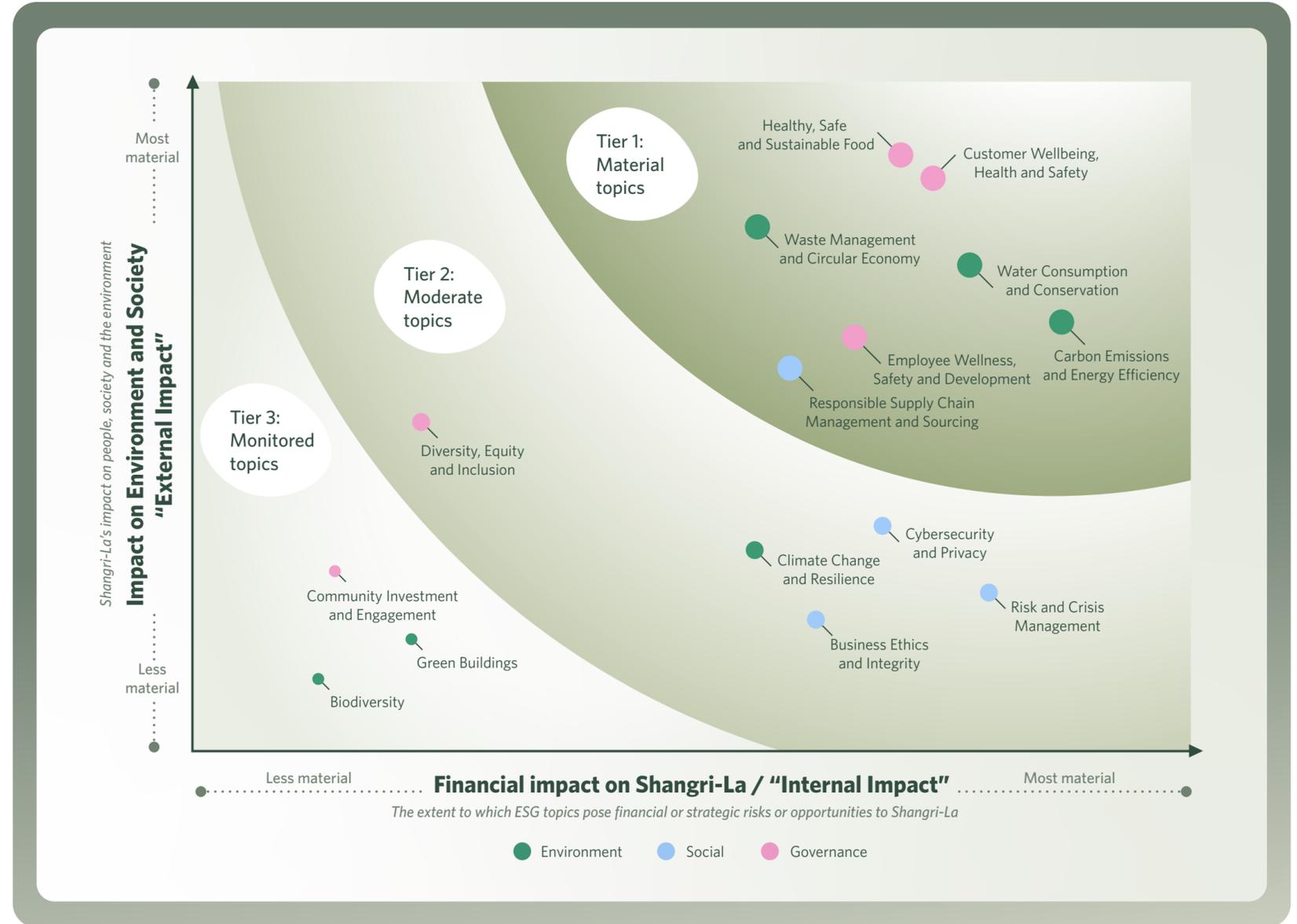
# Stakeholder Engagement and Materiality Assessment

Shangri-La recognises the importance of effective stakeholder engagement and places great emphasis on hearing the voices of stakeholders. We actively consider stakeholders' expectations and perspectives in determining our ESG strategy.

The global ESG landscape is rapidly evolving, with the changes accelerated by COVID-19. As such, this year, we conducted an in-depth stakeholder engagement and materiality assessment in accordance with GRI's double materiality concept, considering the inward and outward impacts of relevant ESG topics. We adopted a multi-stakeholder approach capturing the latest concerns of internal and external stakeholders. These views were distilled to help prioritise our efforts to drive positive impacts in the communities in which we operate.

Using our current material topics as a base, we referenced a range of sources to generate and shortlist an updated list of relevant ESG topics. As a result of this exercise, we identified 15 ESG material topics, seven of which are new, representing the rising concerns of stakeholders and new industry trends.

After confirming the list of refreshed ESG topics, we performed an all-round engagement exercise to understand our stakeholders' views towards our sustainability efforts and the materiality of the 15 identified topics. To ensure that we consulted a representative cohort, internal and external stakeholders were selected with reference to the AccountAbility AA1000 Stakeholder Engagement Standard 2015, considering selection criteria including but not limited to dependency, influence, and diverse perspective.



Stakeholders were asked to prioritise ESG topics and for their views on where Shangri-La excels, as well as where we might improve. The stakeholders' overall prioritisation was then calibrated by our analysis on the latest regulatory developments, ESG standards, rating agencies' focus areas, peer benchmarking, and megatrends. The finalised materiality assessment was validated and signed-off by the Shangri-La ESG Committee and the Board Audit & Risk Committee.

The assessments regarding impact materiality and financial materiality were combined to form a double materiality matrix. The 15 material ESG topics were then classified into three tiers, with Tier 1 being the most material topics for our business. This prioritisation now informs our ESG strategy and resource allocation.

The result of the materiality assessment guided us to formulate our new Triple S strategy. We will repeat this exercise on a regular basis to keep abreast of stakeholders' concerns and the latest market trends, thereby ensuring our efforts are aligned with our stakeholders' expectations.

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**Business relationship**

- Board of Directors, senior management, and employees
- Shangri-La Circle members, corporate clients and guests
- Suppliers
- Property owners, investors, and shareholders

**Wider community**

- Local communities
- NGOs
- Governments
- Industry associations

**Business relationship**

**Board of Directors  
Senior management  
Employees**

**Key concerns:**

- Business ethics, and integrity
- Employee wellness, safety, and development
- Customer wellbeing, health, and safety
- Diversity, equity, and inclusion
- Climate change and resilience
- Risk and crisis management

**Engagement channels:**

- Quarterly Board and ESG Committee meetings
- Quarterly staff townhalls
- Workshops for ESG Champions
- ESG training modules at Shangri-La Academy
- Employee surveys
- Volunteering activities
- Monthly Shangri-La Pulse Newsletters
- Whistleblowing hotline

**Shangri-La Circle members  
Corporate clients  
Guests**

**Key concerns:**

- Customer wellbeing, health, and safety
- Healthy, safe, and sustainable food
- Service quality and satisfaction
- Cyber security and privacy

**Engagement channels:**

- Group and Shangri-La Circle website
- Customer satisfaction surveys
- On-property collateral
- Press releases and social media posts
- Guests' participation in community engagement activities
- Corporate data requests

**Suppliers**

**Key concerns:**

- Responsible supply chain and sourcing
- Business ethics and integrity
- Employee wellness, safety, and development
- Customer wellbeing, health, and safety

**Engagement channels:**

- Supplier Code of Conduct
- Responsible sourcing programme, including assessment, engagement, and capacity building
- Joint projects for innovative solutions

**Property owners  
Investors  
Shareholders**

**Key concerns:**

- Customer wellbeing, health, and safety
- Employee wellness, safety, and development
- Risk and crisis management
- Business ethics and integrity
- Climate change and resilience
- Corporate governance

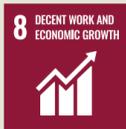
**Engagement channels:**

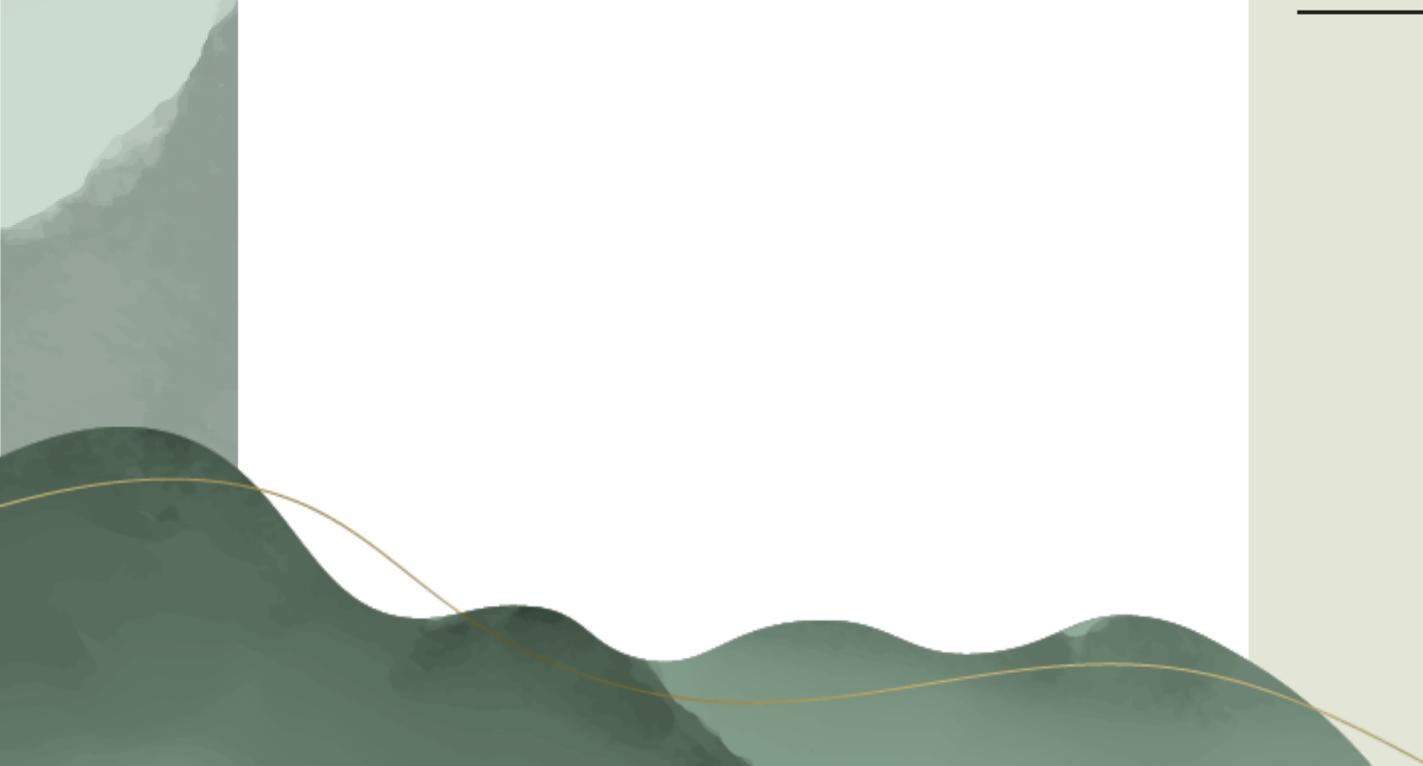
- Published reports
- Global annual conference
- Regular meetings and updates
- Collaboration and involvement
- Information disclosure to CDP, DJSI, HSSI, and UNGC
- Press releases and social media posts

# Supporting the Sustainable Development Goals

Our updated Group sustainability strategy is also designed to complement the United Nations (UN) Sustainable Development Goals (SDGs). This allows us to achieve our sustainability objectives in line with the SDGs aim of serving as a “shared blueprint for peace and prosperity for people and the planet, now and into the future.” We have identified five SDGs with the most relevance to our Triple S strategy as our primary focus, but will continue to support other SDGs in our campaigns where applicable.

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UNSDGs	Our contributions
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>Good health and well-being</p> <ul style="list-style-type: none"> <li>Implementing comprehensive health and safety protocols to ensure the well-being of guests and staff</li> <li>Reducing pollution from waste and water</li> <li>Offering a wide range of healthy and nutritious food options that incorporate locally sourced ingredients and promote sustainable food practices, such as reducing food waste</li> </ul>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Decent work and economic growth</p> <ul style="list-style-type: none"> <li>Committed to upholding fundamental human rights as a signatory to the UNGC since 2011</li> <li>Embrace programme provides education and internship/apprenticeships for youth to improve their vocational skills</li> </ul>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Responsible consumption and production</p> <ul style="list-style-type: none"> <li>Implementing programmes to improve our resources use efficiency</li> <li>Promoting responsible consumption by hosting community education programmes</li> </ul>
 <p>13 CLIMATE ACTION</p>	<p>Climate action</p> <ul style="list-style-type: none"> <li>Monitoring and mitigating climate-related physical and transition risks and opportunities</li> <li>Promoting local sourcing reduces transportation emissions and energy usage</li> </ul>
 <p>17 PARTNERSHIPS FOR THE GOALS</p>	<p>Partnerships for the goals</p> <ul style="list-style-type: none"> <li>Working with business partners to deliver on sustainability programmes and achieve common goals</li> </ul>



# Hotel Showcase: Shangri-La Shougang Park, Beijing

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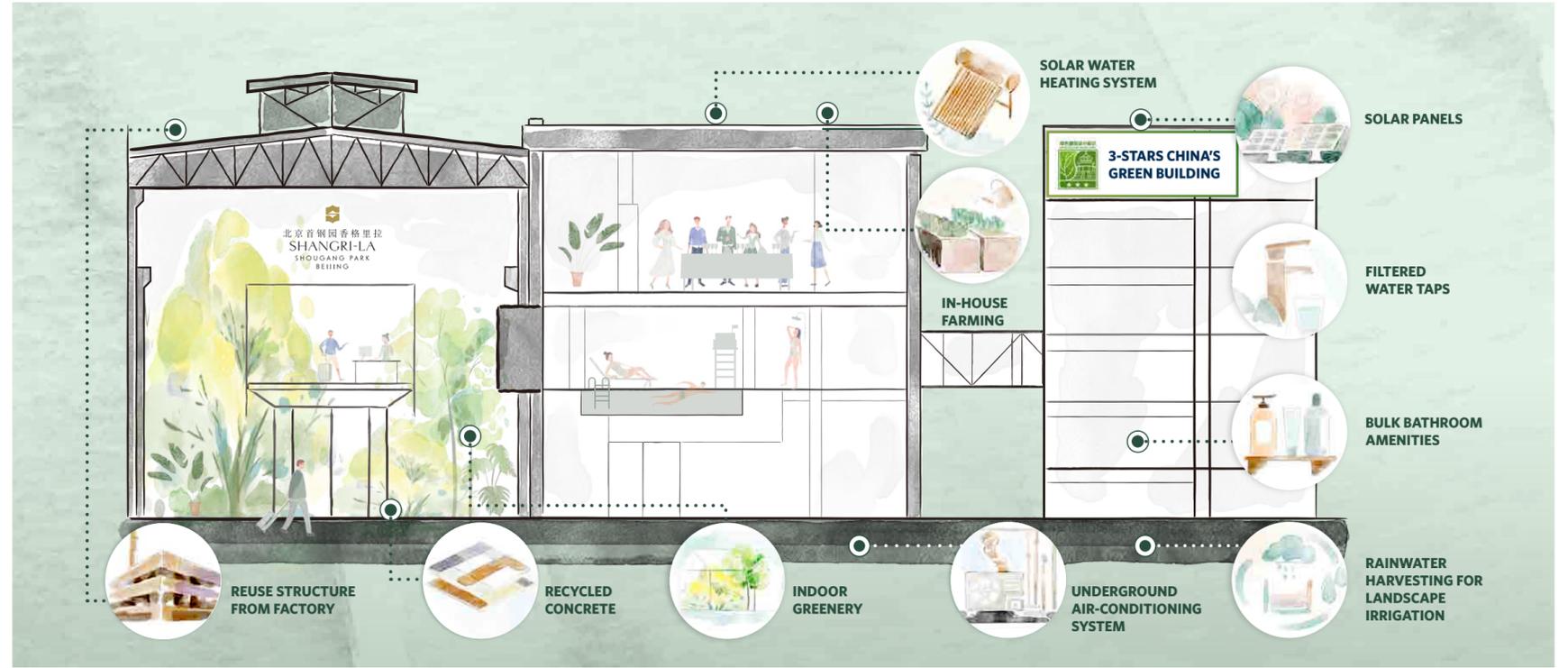


Shangri-La Shougang Park is a great example of our commitment to sustainability. Our transformation from an old steel factory into a modern, environmentally conscious hotel stands as a testament to our dedication. Our colleagues, some of whom have deep roots in the former factory, embody our hallmark heartfelt Asian hospitality. We've forged strong bonds with our communities, sourcing produce directly from local suppliers and actively contributing our time and resources to bring moments of joy to vulnerable members of society."

**Felix Chua**  
General Manager



Shangri-La Shougang Park in Beijing, China, opened in 2021 as one of the official hotels of the 2022 Beijing Winter Olympics. Situated on the site of an old industrial area, Shougang Park has been transformed into a green and sustainable oasis for Beijing and mainland China. In keeping with this vision, Shangri-La Shougang Park was designed and constructed to fully embody our Triple S sustainability strategy.



## STAY

Shangri-La Shougang Park's design incorporates the skeleton of the previous steel factory. By reusing the old structure, we were able to repurpose building materials, install more energy- and water-efficient fittings, such as solar panels and a solar water-heating system, an underfloor air-conditioning system, and rainwater harvesting systems. The hotel has been awarded the top accolade of three stars under China's Green Building standard.

## SAVOUR

The hotel's catering team is committed to a complete sustainable food and beverage experience, with an emphasis on locally and sustainably sourced ingredients. Food is sourced farm to table from the in-house chef's farm, local suburban farms and local farmer's markets, and food waste is used to generate electricity through our waste disposal and recovery programme.

## SHINE

Our people, suppliers, and communities are of the utmost importance to us. As part of rejuvenating the old factory, we rehired 10% of the factory workers to work in the hotel, offering re-training and upskilling opportunities for the previous workers to join us as part of our Human Resources, Engineering, F&B, and Security teams.



Bob Song, a worker at the former factory, has been rehired into Shangri-La Shougang Park's security team

# Hotel Showcase: Shangri-La Tanjung Aru, Kota Kinabalu

Shangri-La Tanjung Aru in Kota Kinabalu, Malaysia is one of our first hotels, operating since 1981. Designated as an ASEAN Green Hotel since 2016, the hotel is an exceptional example of our Triple S strategy.



We feel immensely privileged to have operated in this highly nature-rich location for the past 40 years and I am honoured to be responsible for contributing both to the hotel and the community's sustainable development. We are proud to have received various sustainability awards since the year 2000, with the latest being the ASEAN Green Hotel Award that we accepted in January 2024. These awards are wonderful recognition of our efforts and a seal of quality that assures our customers that they are making the right choice for our planet and community by staying with us."

**Joyce Murang**  
Quality Improvement and ESG Manager



## STAY

Situated in the heart of nature, the hotel is surrounded by lush forests and pristine blue waters. It has held ISO 14001 certification since 2000, and employs a range of sustainable initiatives, including:

- Installing LED lights throughout most of the resort;
- Installing solar-powered lights in carpark and garden areas;
- Providing water in re-usable containers, bottled in-house; and
- Harvesting of rainwater to wash boats.

## SAVOUR

The hotel has a herb garden that supplies a variety of fresh and local edible herbs and flowers, and has also introduced stingless bees which have taken up residence at the herb garden. Stingless bees produce kelulut honey which is known for its superior antioxidant and anti-inflammatory properties. To support local crafts, wood carvings are used to fashion decorations at the restaurants.

## SHINE

Hotel colleagues enjoy a range of benefits, including annual financial training to help them improve their financial skills and plan for retirement. Twenty staff members participated this year, and the hotel will continue to host the training on an annual basis.

The hotel also employs 11 people with disabilities throughout its various departments, including one colleague who has worked in the hotel since 1996.

To support the local community, this year, the hotel:

- Continued to support the on-site Clownfish Discovery Centre, providing interactive learning opportunities about clownfish and marine conservation;
- In partnership with Universiti Malaysia Sabah, Shangri-La Tanjung Aru has given visitation and internship opportunities to third-year Hotel Management students; and
- Launched the Plastic for Food programme, where villagers collect plastic waste from the beach and ocean in exchange for chicken. Since the project began, the hotel has provided 3.6 tonnes of chicken in exchange for 12 tonnes of waste plastic.



Shangri-La Tanjung Aru, Kota Kinabalu



Borneo Walkway — Local Wall Decoration



The hotel's "Plastic for Food" programme exchanged 1kg of chicken drumsticks for each bag of collected plastic waste, benefiting the underprivileged as well as the planet



University students gained hands on experience in hotel management through the internship programme

## Awards and Recognition

We are proud that our commitment to sustainability in 2023 has been recognised through many awards:

- Social Innovative Contribution Award in Yicai Media Group's China Corporate Social Responsibility Rankings
- Honour Award at the Sixth Annual Social Responsibility Conference
- Human Resources Online HR Distinction Awards 2023: three Gold Awards for Workplace Culture, Excellence in Leadership Development, and Excellence in Learning and Development, as well as two Silver Awards for Excellence in Compensation and Benefits and Rewards and Recognition
- HRoot Awards for Best Practice of Human Resources Management in Greater China 2023
- Hong Kong Council of Social Services Caring Company Label 2022-2024
- Hong Kong Employment Friendly Charter — Kadoorie Charitable Foundation, Hong Kong Council of Social Services
- The Business Concept CSR Excellence Award 2023 for Best Community & Social Impact-Focused Luxury Hospitality Company
- Named as a 2023 China F&B Outstanding ESG Corporate Case Study at 2024 China Food & Beverage Industry ESG Meeting
- AM730 ESG Green Development & Carbon Neutrality Awards — Outstanding Sustainable Corporate Award for Listed Company (listed company — hotel)



## Sustainable Finance

Our commitment to sustainability has been recognised and reinforced through the signing of multiple Green Loan and Sustainability Linked Loan agreements, amounting to approximately USD3.9 billion (as of 31 December 2023).

In consultation with lenders and an independent verifier, we selected several sustainability-linked loan KPI materiality.

This year, we successfully met the targets in relation to the KPIs. Looking ahead, we have now outlined 2030 targets for each KPI, helping us work towards even more sustainable business practices throughout this decade.

Our internal departments track and monitor relevant data regularly. A set of standard procedures is in place for internal data verification and approval by relevant headquarter departments. As an additional step, the results are externally assured by the Hong Kong Quality Assurance Agency.

We will continue to work towards these targets, appropriately disclosing our progress throughout this decade.

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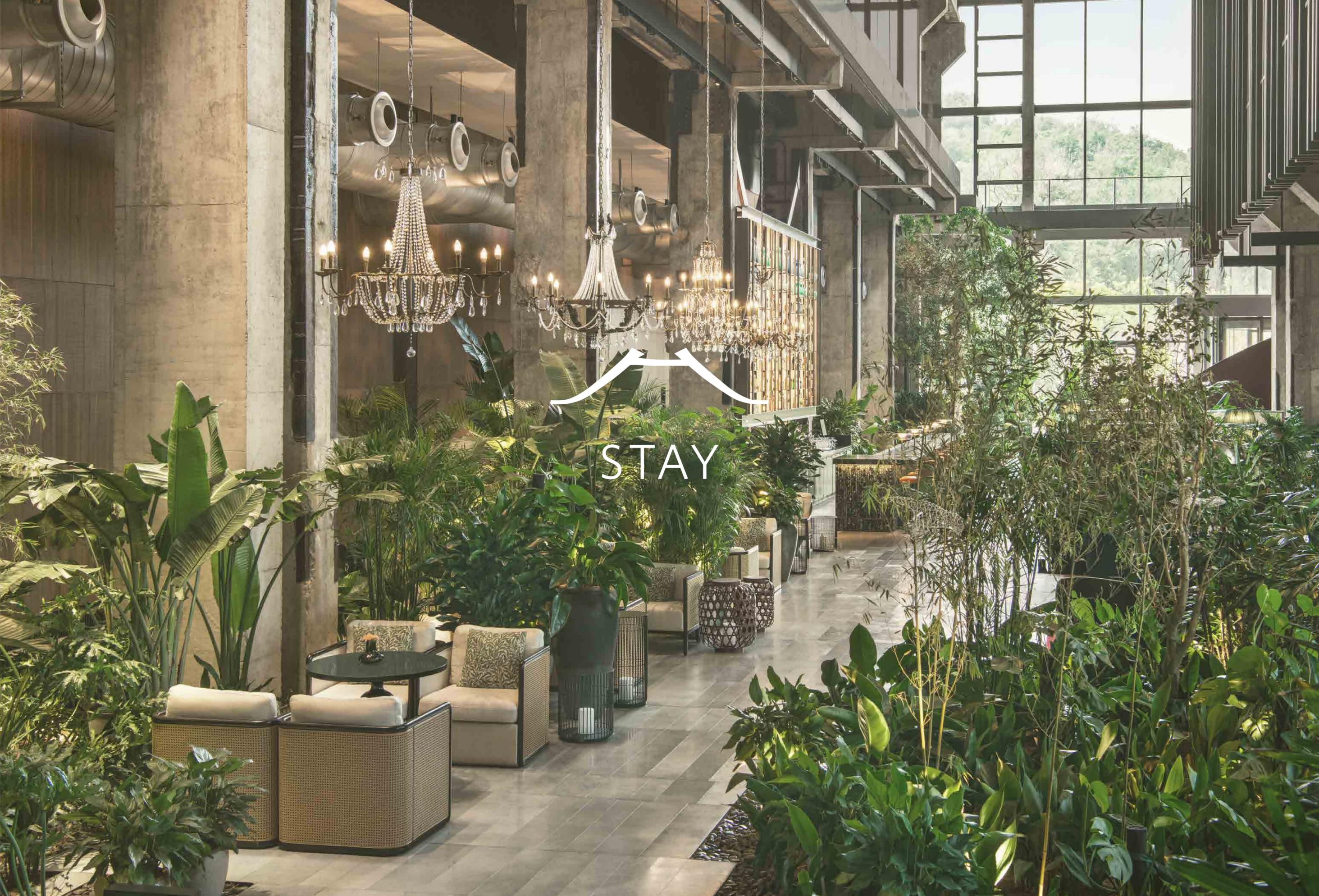
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STAY

# Stay

We invite guests to stay with us and experience the colourful joys of life, curated sustainably by Shangri-La. We work to embed sustainability throughout the entire Shangri-La experience: from the design and construction of our hotels to the ethos underlying our operations and management and, most importantly of all, from the moment our guests are welcomed into our properties to the time we wave them goodbye.

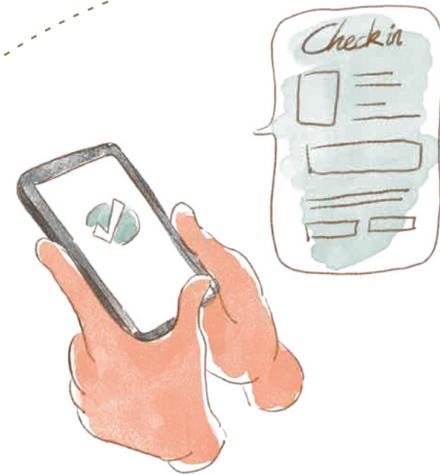
## 1 CURATE A SUSTAINABLY DESIGNED ENVIRONMENT

- Reference local and international practices on green building certifications
- Incorporate natural elements such as plants and natural lighting
- Build using sustainable materials
- Design enables efficient use of energy and water
- Increase use of renewable energy



## 2 BOOKING, ARRIVAL AND CHECK IN

- Digital booking and check-in to reduce paper waste and plastic (from keycard)
- Encourage green living habits to uplift brand



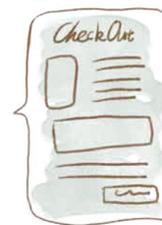
## 3 ROOM EXPERIENCE

- Improve energy efficiency (e.g., LED lighting)
- Improve water efficiency (e.g., dual-flush toilets, water efficient fittings)
- Reduce single-use plastics through filtered water taps, large-bottle wet amenities
- Segregate and recycle waste



## 6 GUEST FEEDBACK

- Guest satisfaction surveys



## 5 CHECK OUT AND DEPARTURE

- Digital check-out to reduce paper waste



## 4 FACILITIES EXPERIENCE

- Eco-cleaning agents to improve guest, colleague and environmental well-being
- Nature-derived wellness products
- Green transportation to reduce emissions

# Building and Interior Design

A sustainable stay starts with a carefully designed environment. For us, that means repurposing heritage buildings, creating indoor green spaces, paying homage to local culture and history, and installing energy- and water-efficient fittings. All our guests can relax knowing that we have crafted inspiring places that use natural resources with respect and celebrate local heritage.

## Project and Development

Our Project and Design team oversees all our development and enhancement projects, and our project and development manual outlines our approach to design optimisation. Together, they ensure we meet or exceed our local statutory requirements, in-house design standards, and international best practice.

Our focus on biodiversity, the environment, and the climate begins with the design and construction of our hotels. We perform environmental and biodiversity assessments before undertaking new projects when required by local jurisdiction, ensuring that our actions do not negatively impact local ecosystems.

Our project and development manual outlines the interior and exterior requirements we need to meet for our buildings to be

considered sustainable. These guidelines consider the entire life cycle of constructing and running a Shangri-La hotel, from site considerations, planning and design, and construction processes, to metering systems, ventilation, lighting, furniture and appliances, and waste management. The manual is updated regularly to reflect lessons learned, stakeholder feedback, market trends, and the latest advances in technology.

Designing and constructing our hotels sustainably is critical for minimising our utility costs — and therefore our emissions from energy usage — during operation and for demonstrating our responsible environmental stewardship and core value of caring for people. As the need for action to mitigate climate change becomes increasingly urgent, so does the need for sustainable and forward-looking building design and construction.

01

### Life Cycle Cost Analysis



We strive to develop designs and systems with improved long-term performance, considering initial, operating and maintenance costs as well as various life cycle options.

02

### Building Information Modelling



Our design approach integrates structured, multi-disciplinary data to produce digital lifecycle representations of our projects from planning and design through to construction and beyond.

03

### Supplier Engagement



We engage with suppliers, consultants, and contractors on a fair and equitable basis in accordance with our Supplier Code of Conduct and procedures for sustainable procurement.

WELCOME



STAY

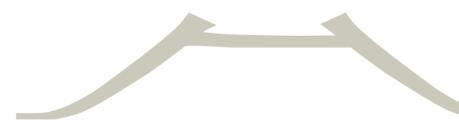
SAVOUR

SHINE

GOVERNANCE

CLIMATE-RELATED DISCLOSURES

APPENDIX



## Green Building and Operations

### Performance (2023)



**49** properties obtained ISO 14001: Environmental Management Systems



**34** properties certified by recognised green building and green hotel operation standards, including LEED, Singapore Building and Construction Authority (BCA) Green Mark, GSTC and ASEAN Green Hotel

34 properties possess green building and green hotel operation certificates, and we have implemented guidelines for new properties and asset enhancement works to obtain these certifications regularly in the future, wherever feasible. The green building schemes we have embraced assess a number of sustainability attributes, including sustainable materials, construction waste management, water efficiency, indoor air quality, and use of green spaces.

In addition, several hotels received sustainability awards in 2023, including:

- Singapore Hotel Sustainability Award 2023-2024 — Shangri-La Singapore, Shangri-La Rasa Sentosa, JEN Singapore Orchardgateway by Shangri-La and JEN Singapore Tanglin by Shangri-La
- Best Green Initiative Hotel by Beijing BANG — Shangri-La Shougang Park, Beijing

## Green Building Initiatives

Some of our new openings and re-openings in 2024 will incorporate features that illustrate our commitment to building sustainably.

Our new hotel in Kunming, China, scheduled to open in 2024, will include a range of energy conservation initiatives that serve as excellent examples of our dedication to green construction.

In addition to traditional chiller and boiler systems, two heat pumps have been installed in the property. These heat pumps are capable of both heating and cooling, meaning they can cater for the hotel's needs all-year round. During summer, rejected heat from the pumps' associated air-conditioning system will heat the hotel's water supply. In winter, the heat pumps will generate heat for water and warmth, while the rejected cool air will provide chilled water for the kitchen's cold rooms and internal cooling. This heat pump system is estimated to be 45% more energy efficient than just using traditional systems.

In addition to the heat pumps, solar thermal panels have been installed on the property's roof to help heat water in insulated

water storage tanks. The hotel has also been designed for passive cooling according to the local climate in Kunming: when outdoor temperature and humidity reach a certain level, outdoor air will be directly supplied to ballrooms and pre-function areas in the hotel to achieve cooler temperatures without the need to operate the hotel's chillers.

In late 2024, we also expect to re-open the East Wing of the Shangri-La Hangzhou hotel in mainland China following renovation. As part of our commitment to utilising sustainable materials, the contractor repurposed surplus stone fragments from other construction projects to complete the project's flooring, preventing this valuable material from being wasted.

## Indoor Greenery

We work with our interior designers to demonstrate our commitment to the environment by incorporating indoor greenery within our properties. The experience of entering a Shangri-La hotel and being surrounded by real, living plants reminds our guests and people of the sanctity of nature and the environment, as well as providing benefits to their mental wellbeing.



Shangri-La Shougang Park, Beijing, has over 40 plant species, enriching the indoor experience

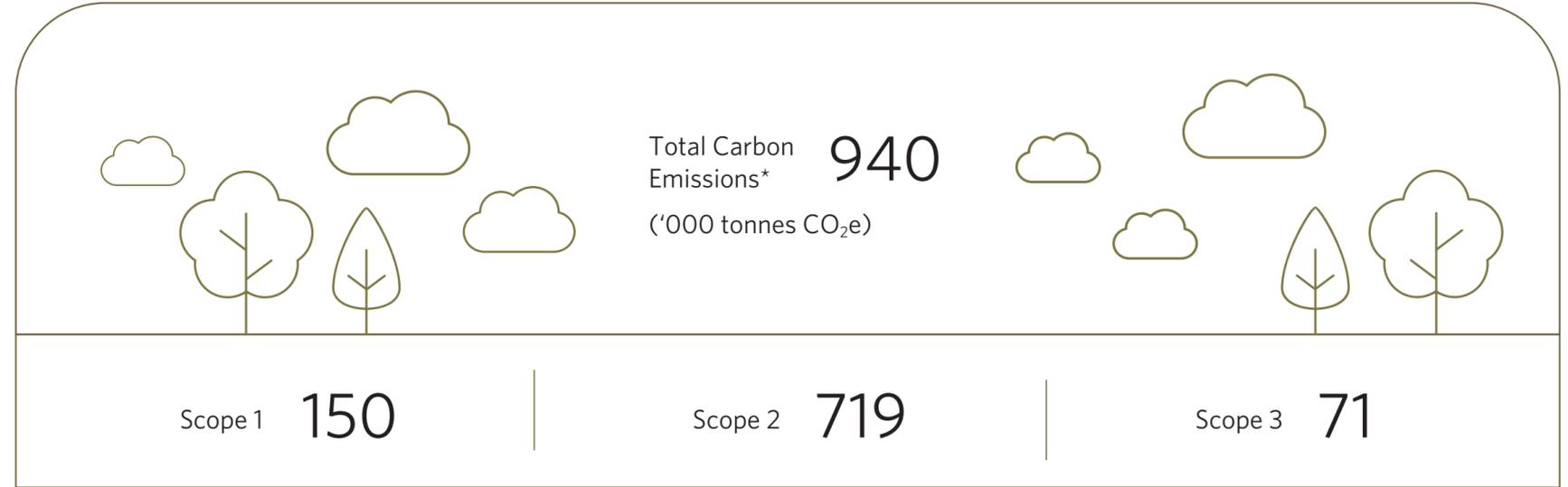
# Carbon Emissions

Following the post-pandemic recovery of the hospitality sector, our Scope 1 and Scope 2 emissions increased 16% in 2023. We also updated our targets and committed to a 23% reduction in our carbon emissions intensity by 2030 against our 2019 baseline.

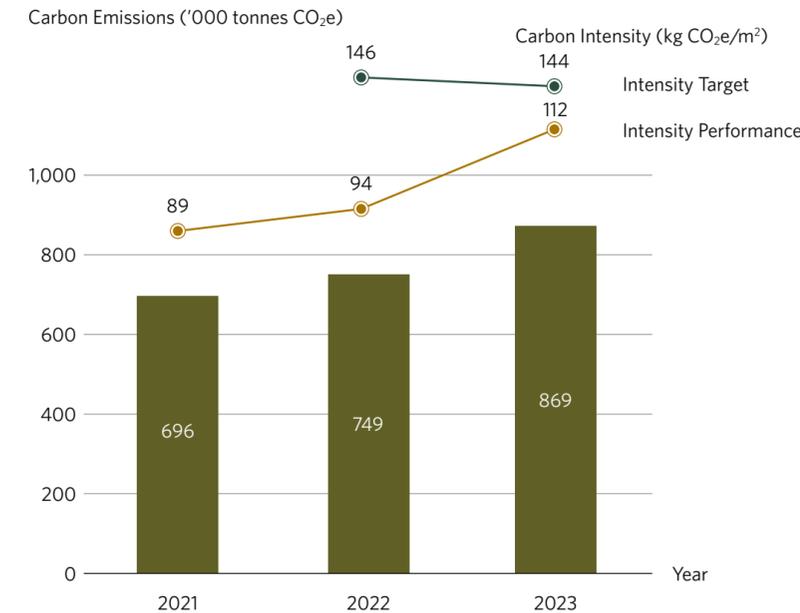
Carbon emission intensity was 112 kg CO<sub>2</sub>e/m<sup>2</sup> (-24% relative to 2019 baseline) and remained below our target level of 144kg CO<sub>2</sub>e/m<sup>2</sup>.

We recognise the importance of accounting for and reporting on indirect greenhouse gas emissions associated with our value chain. To expand our Scope 3 disclosure, we aim to conduct a comprehensive assessment in 2024 that will deepen our understanding of our carbon footprint and identify opportunities for improvement.

This year, there have been no instances of non-compliance with relevant local laws and regulations relating to air and greenhouse gas emissions that have had a significant impact on the Group's performance.



## Scope 1 and Scope 2



## Scope 3

In line with international best practice, we have expanded the scope of our carbon accounting inventory to include Scope 3 carbon emissions that arise in our value chain as an indirect result of our activities.

### 2023 Carbon Emission (‘000 tonnes CO<sub>2</sub>e)



\* The relevant carbon emissions data refer to the methodology outlined in the Greenhouse Gas Protocol.

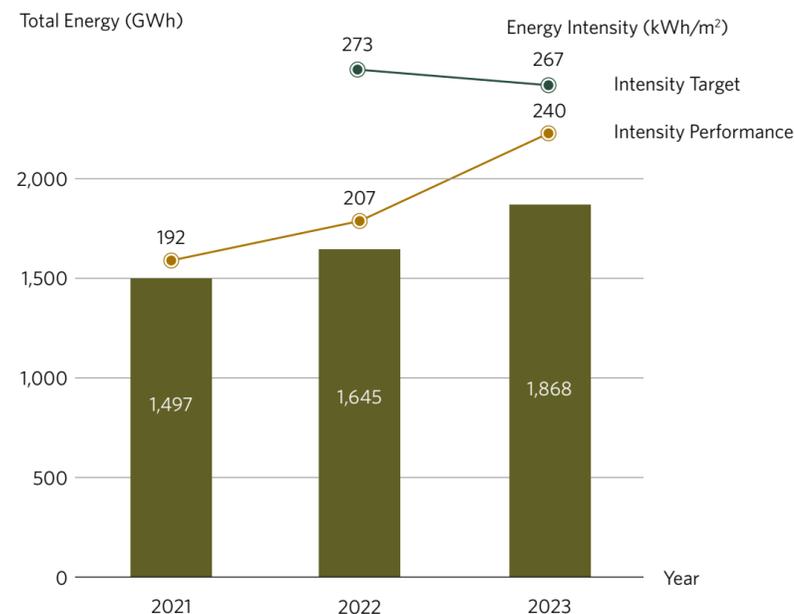
# Energy

As the main driver of our Scope 1 and 2 carbon emissions, energy use in our hotels has increased following the recovery of the hospitality sector. In 2023, there was a 14% increase in our total energy use compared with 2022. Energy intensity decreased to 240 kWh/m<sup>2</sup> (-12% relative to 2019 baseline) and remained below our reduction target level of 267 kWh/m<sup>2</sup> for 2023.

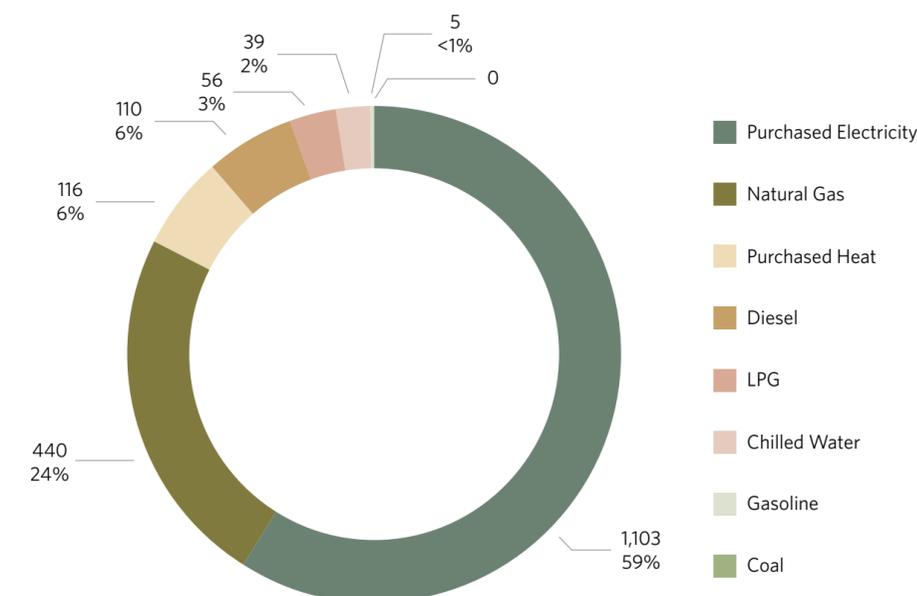
We will continue to monitor and work on improving energy efficiency in line with our updated 2030 commitment to achieve a 23% reduction in energy intensity relative to our 2019 baseline.

Across our Group, we continue to implement a programme of investment and initiatives to mitigate our environmental impact from energy use and achieve operational cost savings, including through renewable energy from rooftop solar installations for both hot water and electricity.

## Total Energy and Energy Intensity



## Energy Mix (GWh) (2023)



Group-wide chiller plant enhancement project to improve the energy performance of our hotels

01



### Chiller data monitoring and analysis

Mainly for hotels with chilled/cooling water pumps and manually controlled Variable Speed Drive. We are optimising proper frequency control through data analysis.

02



### Variable control optimisation for chiller plants

We are improving chiller system performance by replacing or calibrating inaccurate sensors and modifying our hotels' operational strategies to align with climatic conditions.

03



### Energy model for benchmarking

We track and evaluate our hotels' energy consumption each month to ensure they achieve reasonable energy savings under low occupancy conditions.

04



### Energy efficiency strategy for lowload

All properties have implemented utilities savings measures during the COVID-19 pandemic by adjusting Mechanical and Engineering system strategies or shutting down equipment.



Solar panels at Shangri-La Bangkok to provide renewable energy



EV charging points at Shangri-La Dubai to promote the use of electric vehicles

## Intelligent Building Management Systems

Intelligent building management systems (IBMS) use software to automatically monitor and control a building’s mechanical and engineering services, such as ventilation, temperature control, lighting, and security cameras. We are working to implement these smart systems throughout our properties, especially those in mainland China, which will help us increase our energy efficiency.

By the end of 2023, 38 of our properties in mainland China had adopted IBMS smart building management platforms that integrate traditional controls with advanced digital technologies. In these properties, our Engineering division analyses data to standardise and improve our operations, creating efficiencies and saving costs. The IBMS smart platforms also help enhance guests’ experiences and improve the value of buildings over their lifetime.

## Expanding Renewable Energy Usage

Expanding our use of renewable energy technology is key to meeting our sustainability targets. In 2023, we installed more rooftop and ground-based solar panels and solar water heaters in properties with sufficient daylight and space. This work resulted in an 8% increase in our solar installation area compared to 2022, generating more solar-powered electricity across our properties.

## Increasing EV Charging Points

In 2023, we worked to increase the availability of electric vehicle (EV) charging points at our properties. When coupled with renewable energy, EVs provide a cleaner, more sustainable form of transport, and we are committed to continuing to roll out the infrastructure necessary to support this technology. By the end of 2023, we had over 570 charging stations installed across more than 50 hotels and properties.



Intelligent building management system (IBMS) dashboard to facilitate intelligent and digital building management

# Water

One of our key targets for this decade is to decrease our properties' water consumption, so we continue to identify and implement water conservation initiatives.

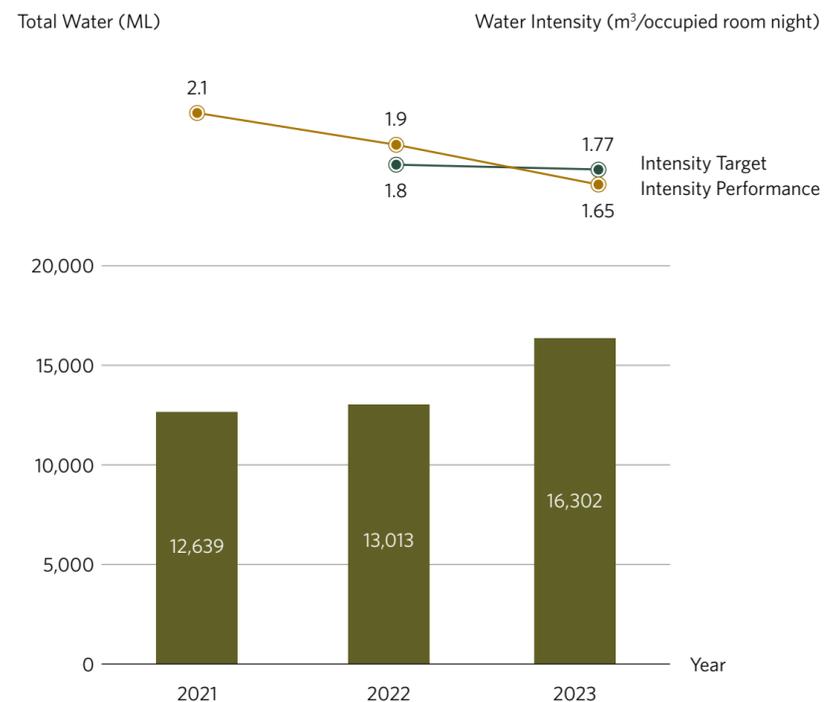
In 2023, there was a 25% increase in water use at our properties compared to 2022. Our targets are based on water intensity per occupied room night, which decreased to 1.65 m<sup>3</sup>/occupied room night (-7% relative to 2019 baseline). This performance exceeds our water intensity target of 1.77 m<sup>3</sup>/occupied room night for 2023.

This decrease in water use is in line with achieving our updated 2030 target of an 8% water intensity reduction compared to our 2019 baseline.

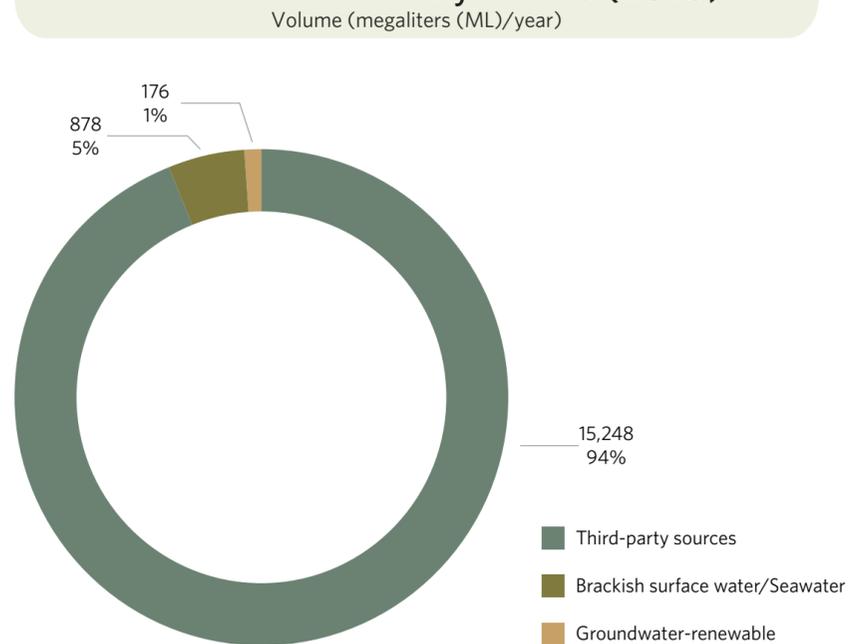
To ensure compliance with local regulations, we monitor the biological oxygen demand content of effluents from our properties.

There were no instances of non-compliance with relevant local laws and regulations relating to discharges into water and land that have had a significant impact on the Group's performance this year. Additionally, for the year 2023, our hotels did not have any issues in sourcing water that is fit for purpose.

## Total Water and Water Intensity



## Water Withdrawal by Source (2023)



## Water Saving Practices

Our properties utilise a range of water-saving practices to decrease our water consumption, including:

- Water-efficient taps in guest rooms, restrooms, kitchens, public areas, and back of house;
- Sensor flushing cisterns in guest rooms and public areas;
- Laundry water recovery projects;
- Rainwater harvesting for landscape irrigation;
- Greywater harvesting for treatment and reuse;
- Air-conditioning condensate water recapture for reuse; and
- Digital platform and smart meters implementation.

In addition to these initiatives, we piloted an initiative inviting guests to waive room cleaning if they stay multiple nights in our hotels. This gives our guests the choice to help decrease water and cleaning chemicals usage. We also placed information cards explaining our water-saving initiatives in guest rooms, inviting guests to take part in our water campaigns.

## Water Stress Analysis

This year, we performed a preliminary series of water stress analyses to determine which of our business operating areas face the possibility of water shortages or supply issues in the near future. Properties were ranked from low to very high risk of water scarcity risk, based on the World Wildlife Fund Water Risk Filter. This methodology allowed us to determine whether further water conservation action is likely to be required. Of the cities we are active in, only one is in areas classified as very high risk. We will continue to monitor these areas, working to mitigate our impacts wherever possible.

In areas facing very high or high risk of future water scarcity risk, as well as in other ecologically sensitive regions, we are working to create innovative solutions to protect the wellbeing of our guests, employees, and environment. Six of our resorts, including those in Boracay, Cebu, and the Maldives, operate desalination plants using groundwater or seawater to produce freshwater for consumption. In the Sultanate of Oman, the Maldives, and Mauritius, our resorts recycle water for irrigation, washing external surfaces, and other suitable purposes.

# Waste

## Single-Use Plastic Reduction

We are committed to reducing single-use plastic intensity across our organisation by 50% by 2026 compared with our 2019 baseline. We are well on track to achieve this goal so have set an additional, more ambitious goal to reduce our single-use plastic intensity by 65% by 2030 compared to our 2019 baseline.

To date, we have successfully reduced our single-use plastics usage through various measures across rooms, F&B and other parts of our operations.

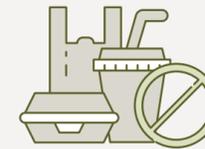
Single-use plastics intensity declined from 150g per occupied room night in 2022 to 104g per occupied room night in 2023 (-41% relative to 2019 baseline), achieving our 2023 reduction target of 132g per occupied room night. This reduction is in line with our updated 2030 target.

### Measures to Reduce Single-use Plastics

Banning plastic straws since 2019



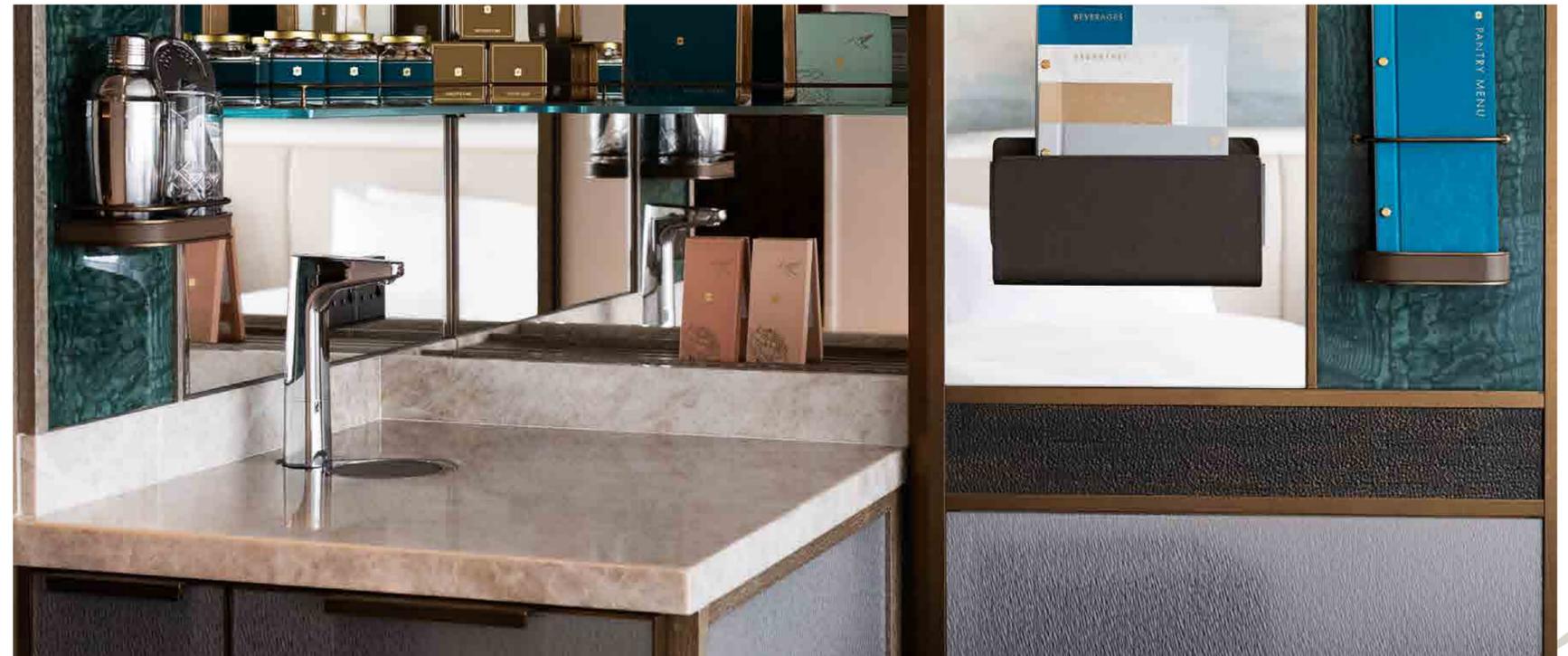
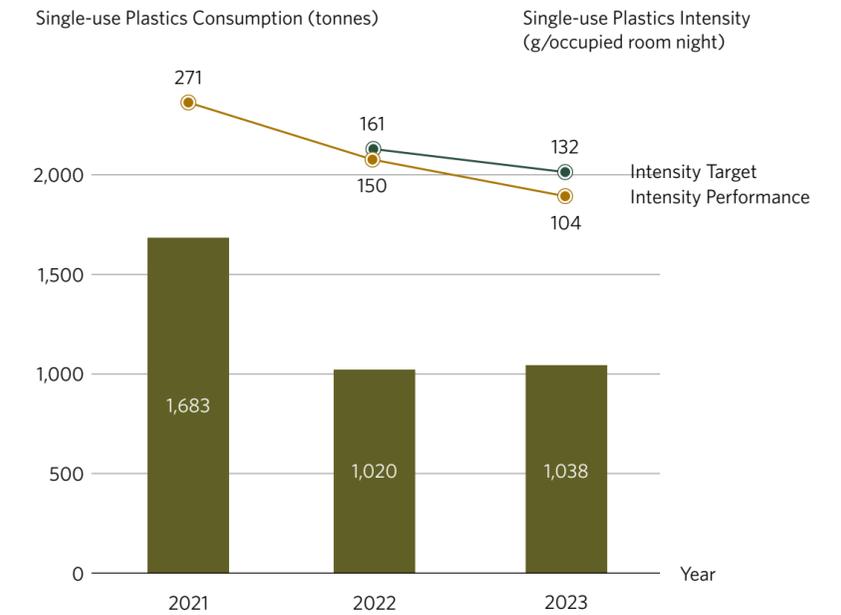
Eliminating full plastic takeaway containers, cutlery, and bags across all our hotel properties



Switching to providing filtered water in glass, plant-based, or recyclable bottles at **45** hotels, including installing filtered water taps in the guestrooms of **7** hotels



### Single-use Plastics Consumption and Intensity

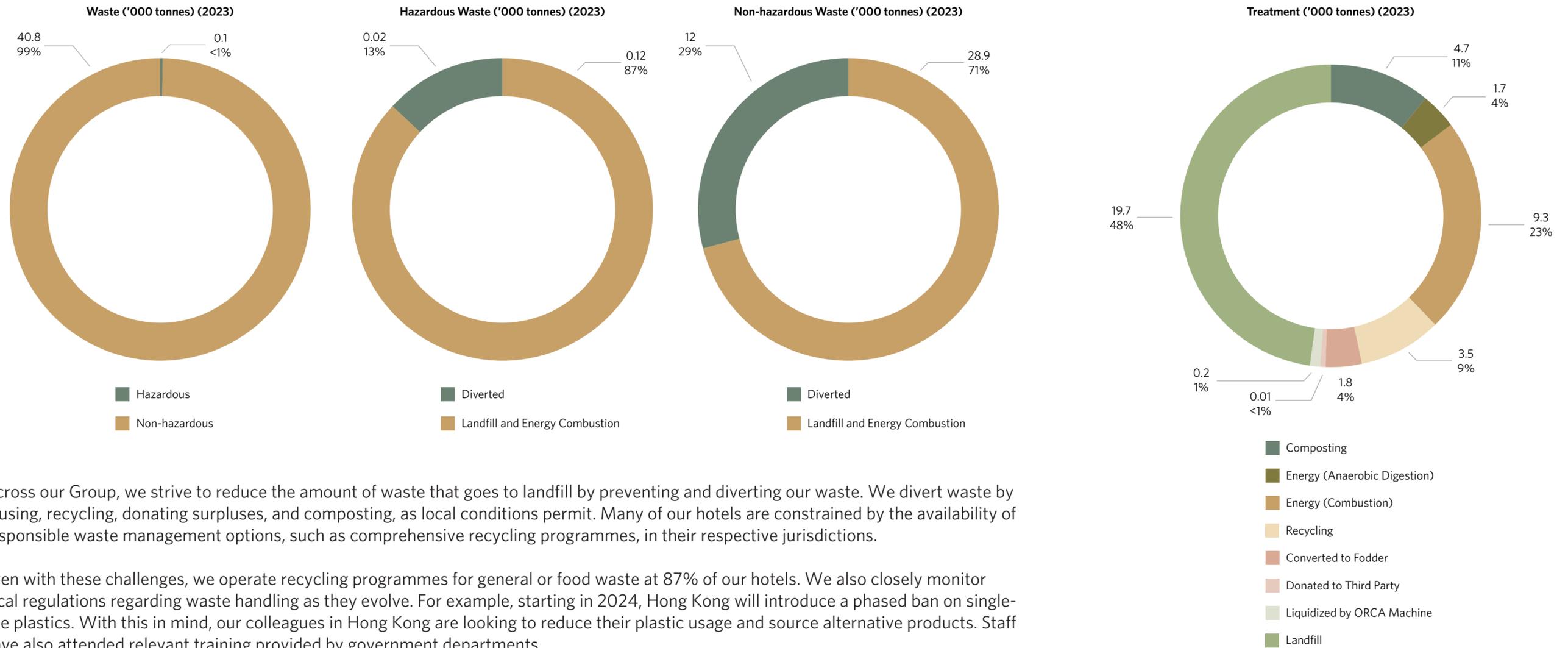


Filtered water tap in guestrooms at Island Shangri-La, Hong Kong

## Waste Reduction

We dispose of our waste responsibly and in accordance with the policies and procedures of our Environmental Management System (EMS), with strict enforcement and regular audits which ensure that hotels comply with locally applicable regulations and procedures.

This year, there have been no instances of non-compliance with relevant local laws and regulations relating to the generation of hazardous and non-hazardous waste that have had a significant impact on the Group's performance.



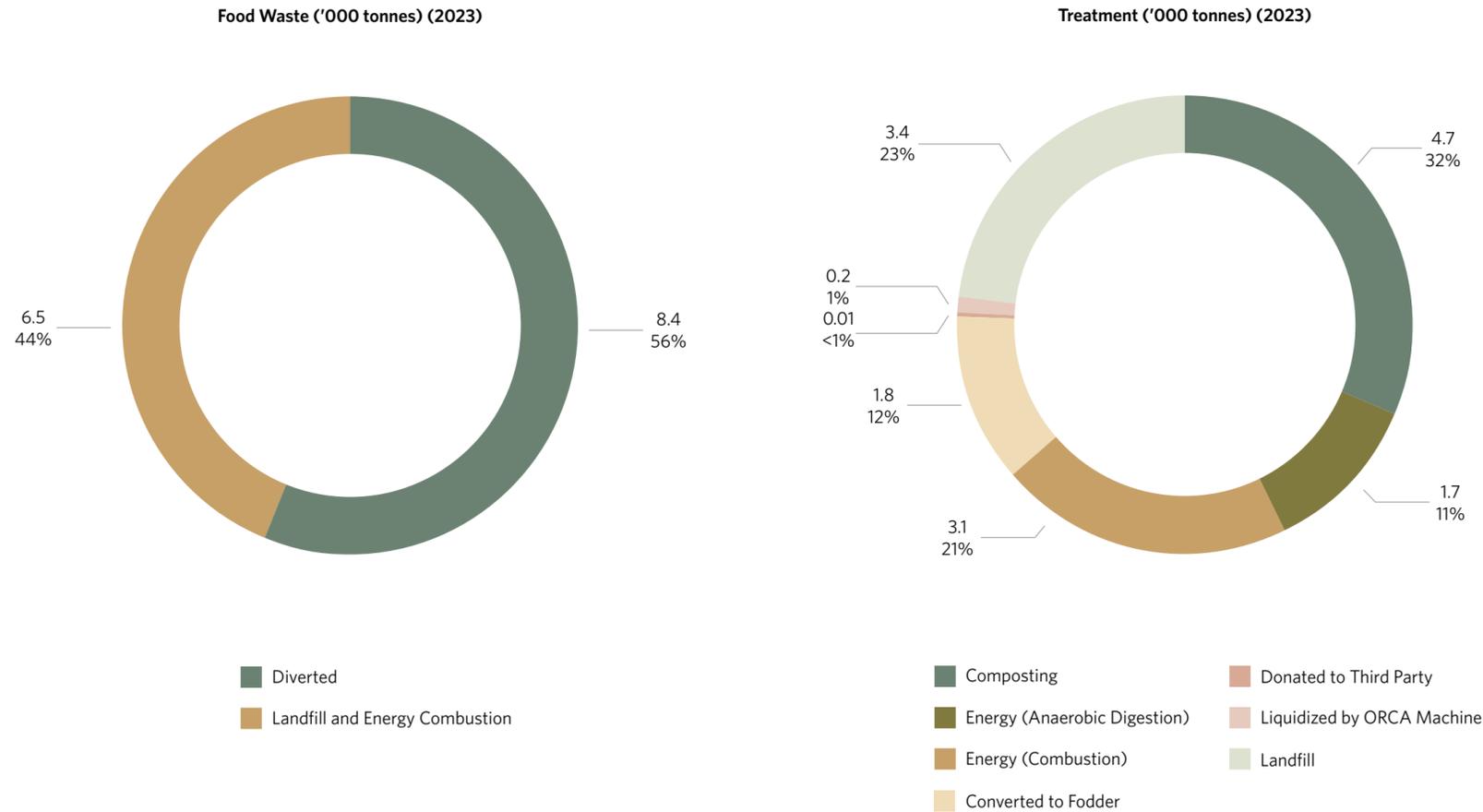
Across our Group, we strive to reduce the amount of waste that goes to landfill by preventing and diverting our waste. We divert waste by reusing, recycling, donating surpluses, and composting, as local conditions permit. Many of our hotels are constrained by the availability of responsible waste management options, such as comprehensive recycling programmes, in their respective jurisdictions.

Even with these challenges, we operate recycling programmes for general or food waste at 87% of our hotels. We also closely monitor local regulations regarding waste handling as they evolve. For example, starting in 2024, Hong Kong will introduce a phased ban on single-use plastics. With this in mind, our colleagues in Hong Kong are looking to reduce their plastic usage and source alternative products. Staff have also attended relevant training provided by government departments.

Although packaging material is not a significant part of waste generated, we will explore opportunities to enhance our reporting on packaging material waste and identify areas where improvements can be made. Our aim is to develop a more comprehensive and transparent reporting framework that accurately captures our packaging waste data. As with all our waste, all hazardous waste disposal complies fully with local regulations. Items such as paint containers and fluorescent lighting are either recycled, reused, or treated by designated collectors before disposal.

## Food Waste Management

Food waste is our hotels' most significant waste stream by weight. We are taking steps to avoid food waste at source through better planning, storage, and handling. We are also recycling unavoidable food waste through composting and conversion into animal feed. For more information on this topic, please see page 34-35.



## Environmental Policy

At Shangri-La, we recognise the importance of protecting the environment and reducing our impact on the planet. To this end, sustainability is woven into the fabric of our business strategy and operations.

Our Environmental Policy forms the foundation of our approach. It shapes our environmentally focused sustainability efforts in everything from the design and construction of our properties to the complete experience of our guests' stay. The policy sets out our commitments towards climate change, energy efficiency, our carbon footprint, water conservation, waste management, biodiversity, and our Group's environmental principles. For more information, please find our full [Environmental Policy](#). By implementing these commitments, we aim to minimise our environmental impact and help create a sustainable future for our business and planet.

## Soap and Linen Recycling

As part of our waste recycling efforts, 16 Shangri-La properties continued to support Diversey's Soap for Hope programme and other soap recycling programmes in 2023. Throughout the year, colleagues recovered leftover soap from guestrooms which was then transported to local facilities to be reprocessed, using an innovative cold-press method, by people in need of employment.

In 2023, we diverted a substantial 4.2 tonnes of used guest soaps from landfill, turning them into more than 34,000 new soap bars to be distributed to people in need.



Shangri-La Mactan, Cebu hosted a soap upcycling workshop for secondary school students. 30kg of guest soap was recycled and donated

We have also continued our support for Diversey's Linens for Life initiative. Through this project, our Fiji property, Shangri-La Yanuca Island, donates end-of-life linens to be converted into saleable items that support the livelihoods of local people. In 2023, the hotel donated over 2,700kg of linen to the project, more than doubling its 2022 donation.

# Guest Experience

## Safety and Security

Our guests' health, safety, and wellbeing are material ESG topics for us. As such, we have well-established policies and procedures covering safety and security. Our properties are subject to regular audits to verify their compliance with our Group standards for engineering, food, fire and life safety, as well as security. We actively monitor and respond to guest feedback, helping us ensure our guests receive an exceptional quality of service during their stay with us.



Preparing for the lifesaving competition

Cross-functional emergency response teams are on duty 24 hours a day, seven days a week for all our properties. Together with our Group Business Continuity Plan, our standard operating and emergency response procedures help guarantee the highest standards of security for guests, colleagues, and hotel visitors. Our Security and Safety Reporting System facilitates timely record-keeping and responses to reported incidents.

This year, our Group Security function completed table-top exercises for all properties to enhance our on-property Crisis Management Teams' skillset in managing potential crises. In 2022, our Group Security function created the first Shangri-La Safety and Security Skills Competition in Singapore, promoting active collaboration with local authorities and continuous learning among members of our Emergency Response teams, first-aid-trained personnel, and lifeguards. In 2023, the competition was expanded to include Shanghai, Hong Kong, Penang, Manila, Boracay and Cebu. Teams representing our hotels and properties competed in five events to hone their skills and build further collaboration between our hotels.

### Performance (2023)



**100%** of hotel properties passed operational audits in Fire and Life Safety, Engineering and Security

Skill Area	First Aid	Lifeguard - Open Seas	Lifeguard - Pool	Emergency Response Team Fire Response	Crime Prevention and Counter terrorism
Partner Agencies	Singapore Red Cross	Singapore Life Saving Association	Singapore Life Saving Association	Singapore Civil Defence Force	National Crime Prevention Council and Singapore Police Force
Format	Four colleagues from each hotel competed to demonstrate correct first aid techniques (e.g. bandaging, CPR, AED) in the shortest time	One or two lifeguards from each hotel demonstrated open sea rescues from beaches and floating platforms in the shortest time	One or two lifeguards from each hotel competed to demonstrate correct techniques for line throwing and tube rescues in the shortest time	Four to six colleagues from each hotel competed to demonstrate correct techniques for donning PPE and laying hose in the shortest time	Quiz-style competition for five colleagues from each hotel demonstrating security knowledge relating to front of house, housekeeping, engineering, F&B, and security

Competition categories and partner agencies in Singapore

## Fire and Life Safety

Our standards for fire and life safety (FLS) reference the USA National Fire Protection Association's regulations and other relevant codes in all jurisdictions. FLS managers at all properties are responsible for monitoring and maintaining FLS systems in accordance with our internal standards and external local codes.

## Shangri-La Cares

Our Shangri-La Cares promise comes straight from the heart, underpinning the caring spirit of our brand and guiding our unrelenting efforts to ensure every guest's wellbeing and comfort.

Shangri-La Cares comprises two key pillars:

- **Enhanced cleanliness and hygiene standards:** We continue to maintain stringent health and safety measures that help guests feel at ease when they are at our properties to stay, work, play, eat, or rest.
- **Safer and more convenient options:** Guests can enjoy more contactless functionality through our Shangri-La Circle app, online check-in and express check-out, digital menus, and payment.

As international travel resumes, we are implementing business as usual standards as part of our ongoing efforts to enhance cleaning and hygiene protocols. These standards help us offer a consistent level of assurance across all our hotels and create a trusted and nurturing environment for our guests and colleagues.

## Guest Feedback

**89.7** ★★★★★ | **▲ 3.2 points**  
Guest overall satisfaction score (vs. 2022 baseline)

Welcoming, listening to, and taking action on guest inquiries, feedback, and complaints allows us to further our goal of being the best-loved hospitality group. We obsess over customer experience, working with each guest to ensure every stay with Shangri-La is the best it can be.

We utilise several guest feedback management systems to ensure we continuously improve and personalise our guests' experience. We monitor feedback received face to face, from post-stay surveys, social media feedback, emails, and other channels. When negative feedback is received, our hotel teams reach out to the guest where possible, with the aim of understanding the situation and identifying internal and external recovery actions. These details are logged into a tracking and

monitoring system. Using text analytics and key driver analysis, we can identify trends in customer feedback, root causes and mitigating actions.

Our hotels reviews and addresses areas of improvement highlighted by our guest feedback management systems monthly. The Headquarter Customer Experience team also prepares monthly reports on customer experience performance, and will review with Regional Customer Experience Champions to identify and address areas of improvement.

As an extra incentive for our colleagues to constantly improve our guest experience, we have initiated a series of awards for properties that have implemented guest feedback to improve their Stay experience since 2022. Regionally, we present gold, silver, and bronze awards to our colleagues at the properties with the highest level of improvement following the receipt of guest experience statistics in every quarter. Globally, we present gold, silver and bronze awards to recognise the best projects among the quarterly winners on an annual basis.



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SAVOUR

# Savour the Flavours

As an Asian hospitality company, good food and beverage have long been at the heart of our hotels and a key part of our sustainability journey. This journey starts with sourcing ingredients, extends through delivery, preparation, and consumption, and ends with the responsible management of food waste.

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### Food production and sourcing

Focus on locally grown, sustainably sourced ingredients



### Transportation

Minimise transportation to maximise freshness and reduce carbon emissions



### Storage

Proper storage to minimise spoilage and wastage



### Preparation and consumption

Provide healthy options to customers

Eliminate full plastic takeaway containers, cutlery, and bags



### Food waste management

Analysis to reduce waste

- Food donation
- Composting

# Rooted in Nature

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Our Rooted in Nature (RIN) programme is the core of our commitment to providing sustainable food and beverage (F&B). Introduced in 2014, this initiative enables us to review our sustainable food supply chain holistically, including growing and harvesting our ingredients, transporting and storing them, transforming them into delicious food in our kitchens, and dealing with food waste responsibly.

In particular, our RIN programme emphasises good provenance, encouraging our F&B teams to buy local ingredients supplied by small-scale community farmers, fisheries, bakers, and other producers who preserve traditional customs and techniques in environmentally and socially responsible ways. RIN also incentivises our hotels to embrace in-house growing for the freshest, most local ingredients possible. As a result, many of our properties now boast small rooftop or kitchen gardens filled with crops and herbs.

In addition, the programme addresses responsible waste and disposal practices and helps us raise awareness among our guests and employees about where our food comes from and how our food choices impact local communities.

By following the guidelines set out in our RIN programme, we ensure our guests savour safe, healthy, and delicious food, sourced and created sustainably.

RIN criteria require that our menus include offerings that taste great while also meet at least one of the following guidelines:

### Locally grown fruits and vegetables

Produce must be grown in-house or come from farms located within a 100-kilometre radius of the hotel

### Free range meat, poultry, and eggs

Food producers must present certification demonstrating adherence with local free-range standards

### Certified organic, fair trade, and other local certifications guaranteeing limited use of chemical pesticides

Suppliers must possess fair-trade or organic certification and produce MSG-free food



### Chemical and pesticide-free local produce

Suppliers must show certification verifying that they do not use chemical pesticides, only compost and bio-sourced alternatives

### Sustainably sourced seafood

Seafood must be certified by the Marine Stewardship Council (MSC) or similar certification bodies, including local fishing groups supported by recognised partners, such as the WWF

In 2023, RIN led 94 of our properties' F&B teams to:



**1,700** dishes created and served with sustainability in mind



Over **7,300** colleagues attended RIN training since 2020



**7** bee farms and **6** hydroponic/aquaponic systems produce fresh food for our kitchens



Over **30** crops grown on 2,300 sqm. of on-site Chef's Farms



Over **60** partnerships with local farmers

## In-House Farming Systems



The Chef's Farm at Shangri-La Singapore



Workers collecting honey from beehives at Shangri-La Sydney

### Chef's Farm

As part of our RIN programme, we encourage the F&B teams at our properties to establish Chef's Farms, on-site spaces where herbs, vegetables, and fruit can be sustainably grown for use in our dishes. Many of the crops grown on these farms are indigenous to the region, enabling our kitchens to supply tasty, authentic dishes to our guests.

Shangri-La Singapore features one of our largest Chef's Farms, used to grow aubergine, bitter melon, banana, papaya, vanilla, and various herbs. Laksa leaf, a herb indigenous to Southeast Asia, is grown and used to add distinctive flavour to the hotel's laksa noodle soup, a local Singaporean delicacy. Guests and local school students make regular site visits to the hotel's Chef's Farm, enabling them to savour the experience of sustainable farming.

### Bee Farms

In addition to our Chef's Farms, seven of our properties have opened on-site bee farms. Bees and other pollinators play an essential role in maintaining biodiversity and enabling our food supply, but declining bee populations are a pressing issue in many of the locations we operate in. We are proud to provide these vital insects with a safe space for their hives. Honey produced by the bee farms is used predominantly in our restaurants but can also be used in the production of other goods, such as beer, butter, and soap.

Shangri-La Sydney introduced urban beehives in 2013, the first hotel in Sydney to join the beekeeping movement. The hotel's six hives generate 50 to 100 kg of honey per year, working as both a guest attraction and a source of honey for the hotel's dining service. This delicious, natural, and unfiltered honey can also be purchased in glass bottles, providing guests with a unique reminder of their stay while helping to raise awareness of the importance of bees and displaying Shangri-La's commitment to environmental protection.

### Hydroponic Systems

Five of our properties have opened hydroponic farming systems, growing plants such as lettuce without soil. One property has even built an aquaponic system, using fish to provide nutrients for hydroponically grown plants. These farms produce sustainably cultivated vegetables at a higher yield and with a lower use of water, pesticides, and herbicides for our restaurants. They also provide novel entertainment for our guests.

Shangri-La Rasa Sentosa, in Singapore, is at the forefront of our hydroponic gardening programme. Since 2018, the hotel has used hydroponic techniques to grow local herbs and lettuce that are employed in the hotel's RIN menu.

This year, the hotel invited local students from Kranji Secondary School to tour the hydroponic garden. As well as illustrating the benefits of hydroponics as an alternative to traditional farming methods, the visit gave students a greater understanding of food security issues and threat that climate change poses to global food supply.

The hotel has also launched a Kids Club Green programme, introducing children to sustainable farming through salad-making sessions using the herbs and vegetables from the hydroponic garden.

In October, Shangri-La Rasa Sentosa was recognised by the Singapore Food Agency's Farm-to-Table Recognition Programme for its commitment to using local farm produce.



Shangri-La Rasa Sentosa, Singapore and Shangri-La Singapore both obtained Farm-to-Table recognition for their commitment to local farm produce



Zhiqiang and Yingying of Lian Xiang Farm, one of our local suppliers



Shangri-La Guilin working with a local taro farm to ensure supply and quality for the hotel

## Local Farmer Partnerships

One core goal of our Rooted in Nature programme is to establish partnerships between our hotels and local farm that enable farmers to grow their businesses sustainably. Through these collaborations, our hotels can deepen their relationships with local communities, help create markets for sustainable farming, fishing, and livestock, and provide higher-quality ingredients to our guests.

## Lipu Taro at Shangri-La Guilin

Grown in the unique geography and climate of Lipu, Guilin, in Guangxi province, Lipu taro is renowned for its exceptional qualities — it's softer, stickier, larger and more nutritious than taro produced elsewhere.

Shangri-La Guilin has partnered with a local producer to sustainably and responsibly cultivate 26.5 acres of Lipu taro specifically for use in its restaurants. This collaboration benefits both the farmers and the hotel, forging stronger bonds with the local community and protecting local culture and traditions while ensuring a supply of high-quality, sustainable food to the hotel's restaurants.

One of the signature dishes at Shangri-La Guilin's Shang Palace and Li Café is a vegetarian "braised pork" dish featuring taro milk, showcasing the distinct flavour and texture of this remarkable ingredient.

## Lian Xiang Farm, Beijing

One of our valued partnerships is with Zhiqiang and Yingying, a young couple who run their Lian Xiang Farm — which translates as "Hometown Nostalgia" Farm — in Beijing. Against the advice of their families and the practices of other more established farms, the couple decided Lian Xiang Farm would use no pesticides or chemical fertilisers. Instead, they chose to farm and raise their animals organically and with a focus on sustainability.

Through our partnership, Zhiqiang and Yingying have built deep bonds not only with our hotels but also our guests through our regular presence at Beijing Farmer's Market activity. We hope to strengthen this partnership in the future and further support the organic, sustainable agriculture market.

# Food Safety

The health and safety of our guests is always of the utmost importance to us. We safeguard food and beverage safety and quality at all our properties in accordance with our comprehensive food safety management system.

## Food Safety Management System

Our food safety management system is established based on the principles of HACCP, Hazard Analysis and Critical Control Points. Shangri-La Food Safety Management System (SFS) policies classify the risks associated with food production and handling as high, medium and low, depending on the potential hazards or risks matrix.

In addition to the SFS, hotels are also encouraged to obtain certification relevant to local and international food safety standards.

In 2023, we refreshed the learning materials on our Shangri-La Academy for F&B colleagues, including all direct and indirect food handlers, helping to reinforce food safety awareness throughout our properties.

Food suppliers are categorised by the risk classification of the products they supply. For those classified as medium-risk and high-risk food suppliers, we have taken appropriate actions to ensure that suppliers have met our food safety requirements.

There have been no instances of non-compliance, warnings, or fines related to food safety, advertising, and labelling that have had a significant impact on the Group's performance. Additionally, there have been no instances of food products sold or shipped being subject to recalls for safety and health reasons.

98% of hotels have passed food safety audits. Hotels that did not pass have completed corrective action plans satisfactorily.



100% of medium- and high-risk food and beverage products suppliers have complied with our food safety requirements.



90 hotels are HACCP and/or ISO 22000 Food Safety Management certified.



## Feedback from Our Food Safety Audit Service Provider



Intertek collaborates with Shangri-La to provide audit services that promote the best hygiene practices among Shangri-La's small and medium partners, safeguarding the health and safety of Shangri-La's guests.

We emphasise the importance of preventive measures and responsible practices in food service and hospitality. This not only benefits Shangri-La but also sets a benchmark for the industry, fostering a sustainable and responsible approach to hospitality. Our partnership enables Shangri-La to differentiate its service quality in a highly competitive market."

**Hanny Widjaja**  
Vice President,  
Business Assurance & Food Services, Intertek

# Food Waste Reduction

Food waste is a significant challenge for the hospitality industry. As such, it is a key focus of our sustainability efforts at Shangri-La. We operate several initiatives and practices to reduce food waste across our properties and endeavour to continuously improve our food waste performance.

## Practices and Initiatives

Food waste reduction strategies in our hotels and resorts are based on three key principles: reducing overproduction, reducing spoilage and damage, and team collaboration to prevent waste.

To prevent food overproduction, our chefs regularly monitor and review leftover food and plate waste to identify high-waste areas and unpopular dishes for replacement or modification. We conduct surveys to determine guest preferences, helping to refine our menu design and increase guest satisfaction while reducing waste. Our F&B teams also keep track of and plan food production depending on elements that may impact demand, such as weather, day of the week, and local events.

To reduce spoilage and damage, our F&B teams follow detailed stock management and food delivery processes, ensuring food is stored correctly and dated when first received. Inventory deliveries are reviewed regularly to identify ingredients that could be delivered in smaller, more frequent quantities to prevent expiration.

Finally, Shangri-La encourages collaboration between our various departments to combat waste at an organisation level. Our F&B teams work together with the ESG, Procurement, and Finance teams to track food waste costs, reduce procurement amounts to match production, and foster an organisational culture of food waste management, helping Shangri-La achieve its sustainability goals.

In addition to these key areas, we are also working on utilising emerging technology to track and prevent food waste. In 2023, seven of our hotels implemented a food waste tracking system in their all-day-dining restaurants, including four that use AI-based technology.

A total of 45 hotels have established waste digestion and composting programmes, making use of natural processes to break down waste into a more sustainable form. This work prevents our food waste from entering landfills.

### Reducing Over-production

- Monitor and analyze leftover food and plate waste to identify high-waste areas and less popular dishes
- Conduct surveys to determine guest preferences
- Refine menu design
- Demand forecasting, e.g., adjust production based on local events



### Reducing Spoilage and Damage

- Frequent deliveries in small batches
- Correct storage and dating



### Waste Prevention

- Waste digesting/  
Composting programmes
- Food donation





JEN Singapore Orchard Gateway Hotel recycles coffee grounds from used coffee capsules to produce compost for the chef's garden



Kowloon Shangri-La in Hong Kong partners with Foodlink to donate unsold pastries and cakes for the underprivileged

### Food Donation

We have established programmes to donate safe, unconsumed excess food to our local communities. These programmes help our hotels prevent surplus food from becoming waste and allow us to foster deeper connections with local charity groups.

6 tonnes of food donated towards local charities



Since 2019, Island Shangri-La and Kowloon Shangri-La in Hong Kong have partnered with local NGO Foodlink to donate hot food, pastries, and whole fruits from our kitchens. In 2023, the two hotels collectively donated 1.9 tonnes of food, which was sent to local charities for distribution among low-income families and elderly people. We look forward to continuing this partnership in the future as part of our efforts to decrease our food waste and aid our local community.

### Coffee Residues from Table to Farm and Back Again

Our hotels also use food waste for other downstream purposes, embracing a circular, sustainable economy. One example of this is used coffee grounds from our hotels' coffee machines: rich in organic materials, the grounds make an excellent soil fertiliser.

JEN Singapore Orchard Gateway Hotel and Kerry Hotel, Hong Kong repurpose their used coffee grounds in their on-site Chef's Farm, helping to grow herbs and vegetables to be used in the hotels' restaurants.



Colleagues at Shangri-La Rasa Sayang, Penang and Shangri-La Golden Sands, Penang collecting produce

# Savour the Moments

As well as helping guests savour our delectable and sustainable food and beverage options, we are also dedicated to creating unique, impactful, and engaging experiences that are inspired by our Asian heritage.

## Themed family experience rooms and suites

We believe in blending education with entertainment to stimulate young minds. Our family experience themed rooms and suites offer immersive, interactive spaces designed to foster creativity and imagination. Families can select from a variety of themes, including safari, underwater, campervan, airship, and locally inspired options, such as one featuring the iconic tram in Hong Kong. These rooms provide a magical backdrop for children to learn about local flora, fauna, culture and history, and for families to create lasting memories together.

## Authentic Beijing Snacks

JEN Hotel in Beijing hosted a guest event at its Sun Wu Tang restaurant, known for its authentic Beijing snacks. Attendees learned how to make traditional Beijing palace snacks and indulged in afternoon tea, promoting traditional Chinese culture and traditions.

Two chefs from San Wu Tang shared insights into the cultural background and preparation of these snacks, engaging with participants throughout the workshop. The successful event strengthened the hotel's bond with its guests and showcased how our Savour commitment can provide fun, memorable, and educational local experiences at our properties.



Iconic tram themed family suites at Island Shangri-La, Hong Kong



Underwater themed family suite at Island Shangri-La, Hong Kong



Campervan themed family suite at Island Shangri-La, Hong Kong

### Skydiamond

Shangri-La The Shard in London is the first international hospitality venue to partner with Skydiamond, producers of the world’s first and only carbon-negative certified diamond. Through this partnership, the hotel invites guests to savour the experience of sustainable jewellery, a unique, planet-positive activity only offered at Shangri-La.

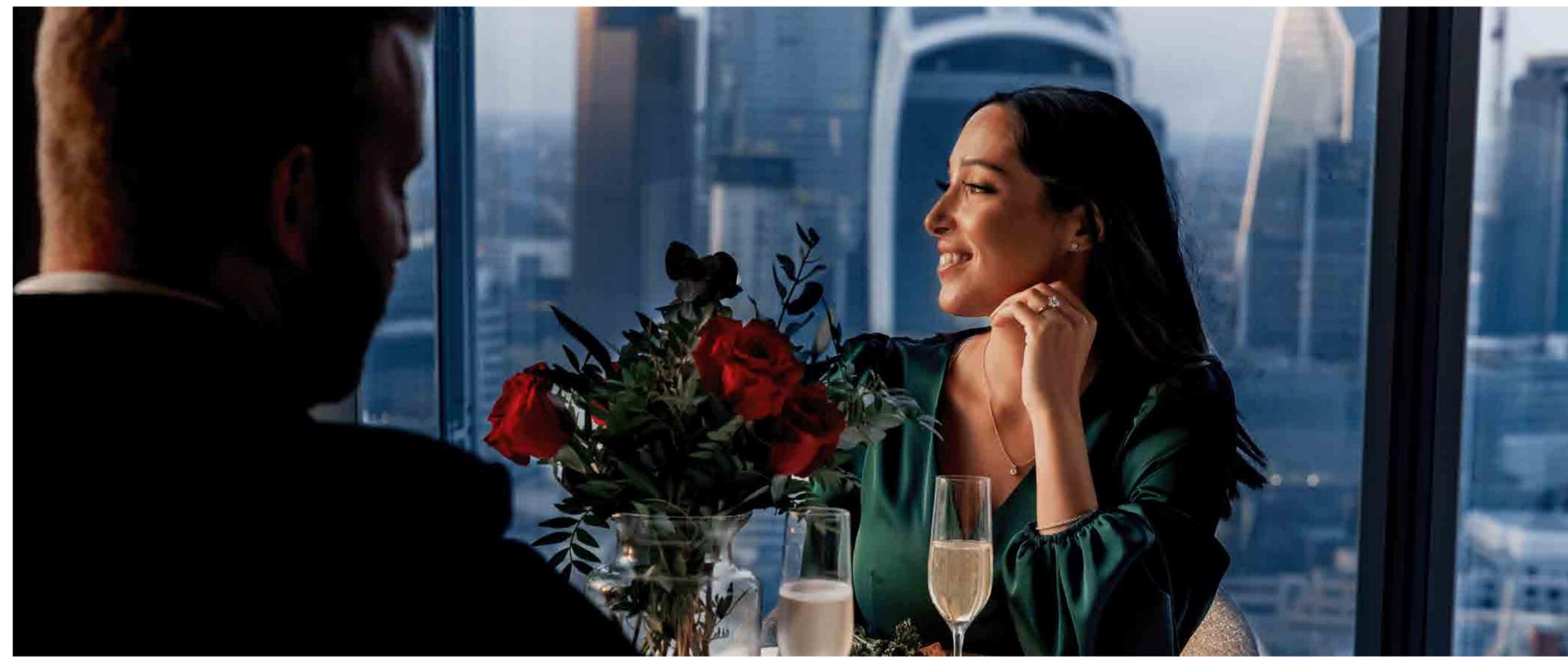
Skydiamond fuses carbon captured from the atmosphere with harvested rainwater, which is then heated and pressurised in a process powered by solar and wind power. The sustainable diamonds formed by this innovative, climate-friendly process are chemically identical to those mined from the ground.

Shangri-La guests receive an exclusive 20% off all jewellery and diamonds at skydiamond.com, access to the Shangri-La showcase — a collection of rare diamonds — and the option to order a tailor-made diamond ring.

### International Mother Earth Day

To celebrate International Mother Earth Day 2023, we kicked off a promotional campaign across our Group to raise awareness of sustainable farming practices and the need to protect endangered species. Together with children and young adults from our local communities, we hosted a series of workshops, visits, and cooking classes across almost 100 Shangri-La hotels. A total of 107 activities were held globally, involving over 2,300 volunteers.

In Hong Kong, 27 volunteers from our headquarters and four of our hotels partnered with the Hong Kong Federation of Youth Groups to host an organic farm visit. Around 100 underprivileged children from local schools took part, learning about the cultivation of local produce and sustainable farming in a fun and relaxed way. They also got involved in hands-on farming and eco workshops that helped highlight the importance of caring for our fragile planet.



Shangri-La The Shard in London collaborates with Skydiamond



Volunteers and children were excited to visit an organic farm in Hong Kong

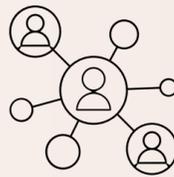


# Shine

The success of our business is driven by the sum of our people, suppliers, and their combined efforts to create a truly memorable experience for our guests and communities. That's why a welcoming, inclusive culture and a desire to care for and develop our colleagues is part of our DNA. Because by unleashing the full potential of our people, they build meaningful relationships with our suppliers, communities and guests that allow everyone to shine.

## Communities

We build long-lasting and meaningful partnerships with our communities, including our signature outreach campaigns Embrace and Sanctuary.



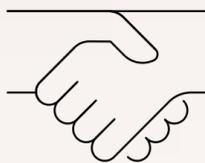
## Employees

We strive to do the right thing from the heart, with integrity, care and sustainability.



## Suppliers

Ensuring the sustainability of our suppliers is fundamental to our success as a business. We are committed to the core values of integrity, fairness, respect, ethical business conduct and excellence in service according to our Supplier Code of Conduct.



## Guests

We are obsessed with delivering heartfelt hospitality to our guests, creating moments of joy that truly matter.



For more on our best-in-class guest experiences, please refer to the Stay and Savour sections



# Our Employees

We value our talented employees and implement policies, processes, and procedures to foster a culture of care, safety, and achievement throughout our organisation. These guidelines address a range of material ESG topics related to human resources management, including talent acquisition and retention, training and development, succession planning, employee engagement, and occupational health and safety. Every day, our people strive to bring our company's beliefs and shared values to life. These values are embedded in our Code of Conduct and Ethics and Human Resources (HR) Policy.

WELCOME

STAY

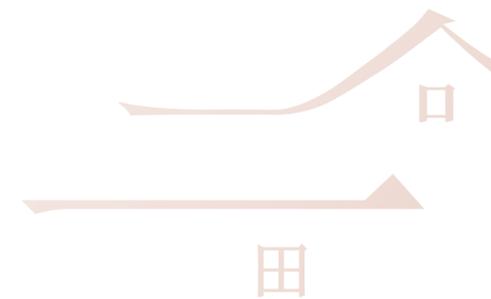
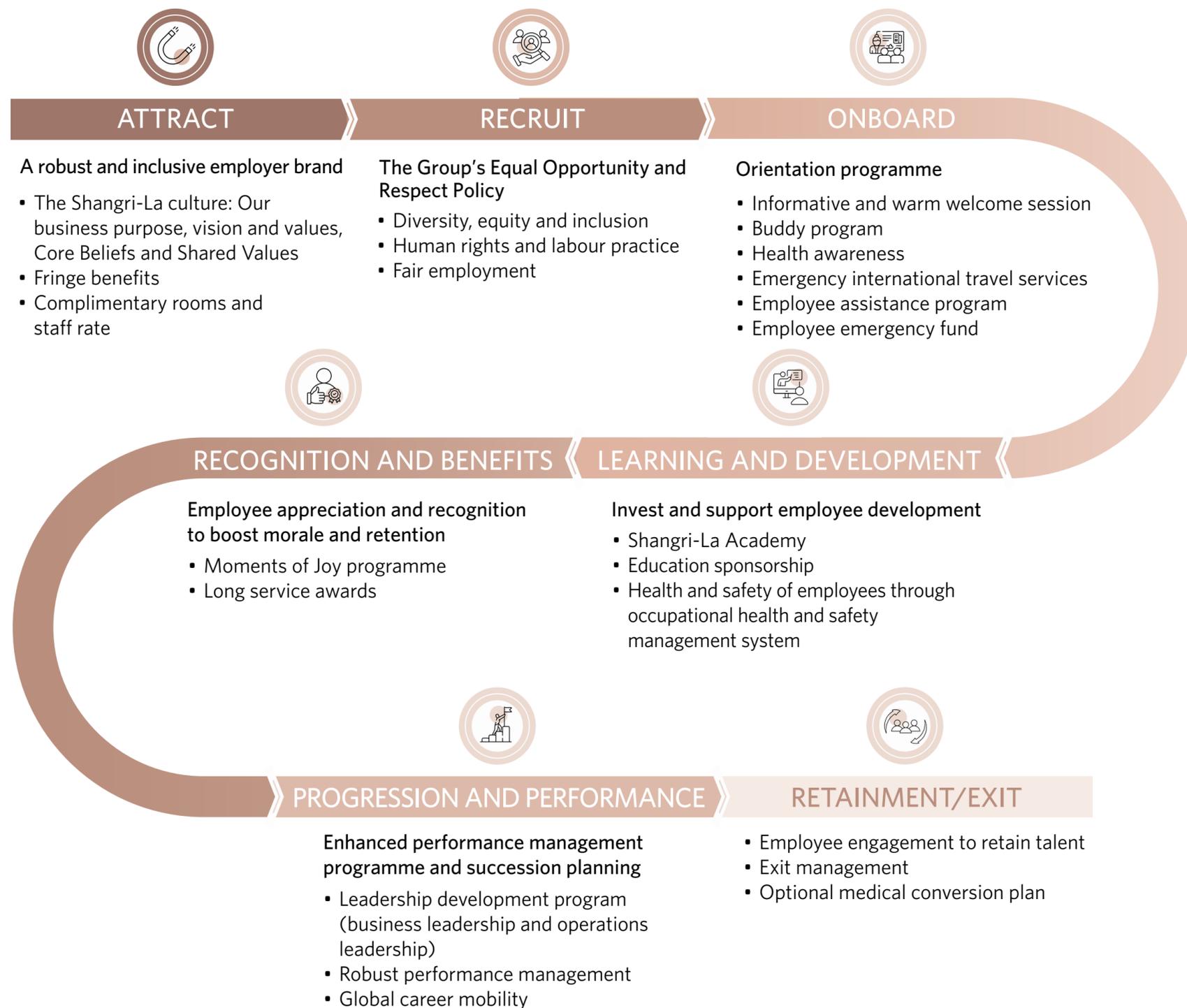
SAVOUR

SHINE

GOVERNANCE

CLIMATE-RELATED  
DISCLOSURES

APPENDIX



## Shangri-la Culture

Our Shangri-La culture is driven and demonstrated from the very top of our organisation and extends throughout our workforce.

### Our Vision, Our Purpose, Our Business

#### Our Vision

What we aspire to be



To be the best-loved hospitality group, pioneering new horizons and setting new benchmarks.

#### Our Purpose

Why we exist



We host people to the colourful joys of life in a sustainable manner.

#### Our Business

What we do



Inspired by our Asian heritage, we enable people to live, work, play, eat, and rest well through the environments we create and the memorable experiences we deliver.

### Our Beliefs

Code of behaviours we live by

#### Do good



We strive to do the right thing from the heart, with integrity, care and sustainability.

#### Obsess over customer experience



We are obsessed with delivering heartfelt hospitality to our guests, creating moments of joy that truly matter.

#### Own our success



We act with the desire to succeed and drive business results.

#### Compete to win



We have a winning mindset. We take pride in high performance and set new benchmarks.

#### Never give up



Resilience is in our DNA. We adapt to change with determination and flexibility.

## Staff Engagement

2023

Engagement score



▲ 0.11 points  
(vs. 2022 Baseline)

Net promoter score



▲ 7 pp.  
(vs. 2022 Baseline)

Completion rate



▲ 9.1 pp.  
(vs. 2022 Baseline)

The opinions and experiences of our colleagues are of the utmost importance to us, and we are always looking for ways to improve the working lives of our valued employees. In 2022, we conducted our first company-wide Shangri-La Culture Pulse Survey to help us better understand our employees' perspectives on our internal engagement strategies and to identify ways in which we can improve. Through the survey, we invited all colleagues to provide anonymous feedback on our corporate culture, with an emphasis on three critical behaviours: collaborate as one, recognise and celebrate, and courage to change.

In 2023, we conducted the Shangri-La Culture Pulse Survey again, using the same set of questions to compare our colleagues' awareness and adoption of our corporate culture against the 2022 baseline.

This year, we attained 99.2% completion of the survey, an increase from 2022's 90%. Based on the survey's four-point scale, we achieved an average ranking of 3.81, also an increase on 2022. These results indicate that our colleagues relate well to our culture at Shangri-La and are integrating these behaviours into their daily actions and interactions.

We will continue to monitor and evaluate our performance on embedding our culture into our organisation. All business units have created roadmaps with specific and time-bound action plans for further integrating the Shangri-La Culture into their operations. Moving forward, we will incentivise continuous improvement by calibrating our Balanced Scorecard according to operation needs and feedbacks received from our staff.

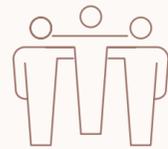


## Employment Profile

### Performance (2023)

Employee headcount

43,556



Women

Overall

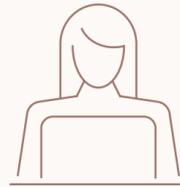
43%

Board of Directors

25%

Management (VP and above,  
excluding Senior Management)

40%



New hires

12,576



People with disabilities

1.2%

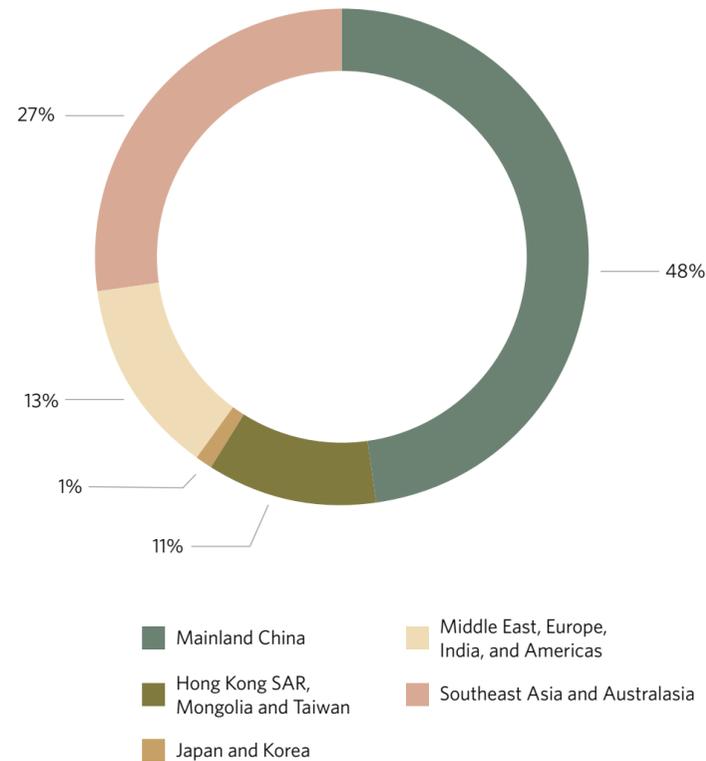


Voluntary turnover rate

19%



Geographical Spread (2023)  
(Total Employees — Region)



## Learning and Development

We treasure the development of our people, as they are our most important assets. As a result, our HR division invests significantly in our learning and development programme. We engage with our people to embrace and embody our beliefs and shared values, perform their roles with dedication and expertise, and bring to life our policies, processes, and procedures. Our Learning and Development team uses technology, storytelling, gamification, and video-based content to add colour to our learning experiences, and we strive to nurture our people to achieve their full potential by engaging senior leaders to aid the career development of emerging talent.



Staff at Edsa Shangri-La, Manila supporting Diversity, Equity and Inclusiveness

## Shangri-La Academy

Shangri-La Academy, our learning and development function, supports the transformation journey to empower our people to cultivate the mindsets, behaviours, and skills necessary to achieve our Vision 2030.

To help our colleagues build critical capabilities to pioneer new horizons and succeed in Shangri-La Group, we offer three types of learning pathways — Core, Functional, and Leadership — delivered through various blended learning interventions, including online courses, workshops, and on-the-job training.

Shangri-La Academy collects course evaluations from participants, allowing us to continually review and improve our learning and development programmes. All hotels maintain complete training records, which are subject to regular audits by the HR division to ensure consistency across our Group.

### Business Leaders Programme (BLP) and Operational Leaders Programme (OLP)

The BLP and OLP, our two role-specific leadership programmes, are helping us prepare our talented people to take the next steps in their careers. The BLP focuses on training future General Managers, while the OLP focuses on future Resident Managers. Following a professional assessment and opportunity analysis, senior leaders will work with the programme participants to identify the development needs that the training should meet. The subsequent learning journey includes a series of e-learning, experiential learning, and job-shadowing opportunities with experienced General Managers or Resident Managers and covers topics such as commercial acumen, operational knowledge, and leadership agility.

Following a review, in 2023 we streamlined both programmes from 18 months to 12 months. In addition, we have added more hands-on learning, such as job shadowing, project-based learning, and business case studies to the learning pathways. We are happy that both programmes were recognised this year by HRoot Awards as “Best Practice of Human Resources Management” in Greater China.

**100%** of in-scope permanent employees completed and passed our core learning programme on Shangri-La Culture



**58** average training hours per employee



**USD58** average training spent per employee



#### Description

#### 2023 Updates

#### 1 Core learning

Shares basic information for carrying out duties and ensuring the safety and security of our guests

Four new courses launched: Cybersecurity, Personal Data Protection, and two ESG courses. All core learning modules achieved a 100% completion rate for their target audiences in 2023.

#### 2 Functional learning

Enhances skills to perform and perfect role-specific functions

Launched 47 courses in 13 functions with 132,000 enrolments. 20 of the new courses involve information and technology platforms.

#### 3 Leadership learning

Nurtures high-potential talent for developing the next generation of leaders from within our Group

Includes:

- Business Leaders Programme (BLP) for future General Managers
- Operations Leaders Programme (OLP) for future Resident Managers
- Future Leaders Programme for future talent in mainland China
- Emerging Leaders Programme for middle managers across all regions

Launched a Leadership Transformation Workshop, which aims to inspire our leaders to pioneer new horizons and build optimal working relationships. 187 senior leaders completed the workshop.

Launched Shangri-La Transformational Coach Programme - Proficient Level, which supports our middle managers to become better coaches and builds on the fundamental-level programme launched in 2022.





Shangri-La Rasa Sayang, Penang spreads love and warmth by setting up a Christmas tree for colleagues and guests to write down their blessing messages



Eddy Tao, General Manager of Shangri-La Ningbo has been serving the Group for 40 years



Sakiusa Gavidu (middle) has served Shangri-La Yanuca Island, Fiji since 1986, and works alongside his daughter, Nanise Likusavu (left) and his daughter-in-law, Ro Nanise Ravouvou Sadreu (right)

## Employee Recognition

### Moments of Joy

To provide further opportunities for our people to shine, in March 2023, we launched the Moments of Joy programme across all our properties globally. Through the programme, staff who demonstrate a special commitment to embodying our culture and values are presented with certificates and rewards. Additionally, selected stories from each of our operating regions are featured in our monthly Shangri-La Pulse newsletter, giving a platform to our most dedicated workers and sharing their ethos and practices with our global colleagues.

Moments of Joy is one way in which we thank our guest-facing colleagues for the extra efforts they make. The programme also encourages peer-to-peer nominations, shining a light on exemplary acts that solve problems and bring joy to our guests.

Since the programme launched, it has captured over 44,000 nominations, with almost 7,500 nominees receiving rewards.

In 2024, we plan to roll out Moments of Joy to our non-property business units, including our Hong Kong headquarters.

### Long Service Staff

One illustration of our ongoing dedication to our people is the high proportion of long-serving colleagues in our workforce. As of 2023, nearly a quarter of colleagues have been a part of the Shangri-La family for a decade or more, showcasing the stability of our valued workforce and our commitment to a thriving culture. We endeavour to reward our dedicated colleagues whenever possible, presenting long-service awards and recognising our people at celebrations throughout the year.

Impressively, four colleagues at Shangri-La Singapore, our first hotel, have remained employed by us since the property opened in 1971, 52 years ago. The lifelong achievements of these incredibly dedicated colleagues were celebrated at a specially arranged dinner, where they were designated Guests of Honour.

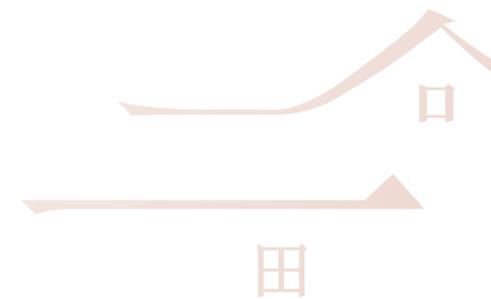
### Long Service Staff: Eddy Tao

One of our longest-serving colleagues is Eddy Tao, who this year celebrate his 40<sup>th</sup> year with us. Eddy started his journey with us at Shangri-La Hangzhou as an Assistant Executive Housekeeper and is now General Manager of Shangri-La Ningbo. During an interview conducted in 2023, Eddy spoke at length about the unique culture at Shangri-La, which has allowed him to proudly develop his career with the support of our colleagues and management. When asked why he was so dedicated to Shangri-La, Eddy stated: "When you are cared for like family, when your growth is intertwined with the development of the company, when you receive continuous training and your value is reflected in promotions, what reason is there to leave a company?"

### Cross-generation Staff

In addition to acknowledging and rewarding colleagues who serve with us for many years, we are also proud to see an emerging trend of cross-generational employment at our properties: colleagues recommending their children and other family members to join them in working with us.

At Shangri-La Fiji, for example, Banquet Manager Sakiusa Gavidu works alongside his daughter and daughter-in-law, who are part of the Finance and Guest Relations teams, respectively. Through their diverse roles, the three family members have each embraced life at Shangri-La Fiji and enjoy working together to care for our guests. During an interview conducted in 2023, the three emphasised the importance of Shangri-La to their lives, describing interesting and often humorous moments throughout their years of employment together.



## Equity, Diversity, and Inclusion

Our commitment to diversity and inclusion is integral to our value system and corporate identity. We are proud of our diverse, accepting culture and are devoted to maintaining a fair and inclusive workplace for all our colleagues.

In accordance with our policy on Equal Opportunity and Respect, we strive to ensure that our workplaces are free from discrimination with respect to gender, race, ethnicity, religion, nationality, disability, marital or family status, sexual orientation, or any other personal characteristic. We make employment decisions throughout our Group on merit, and we expect all colleagues to treat each other with courtesy, consideration, and respect. We are also committed to making reasonable accommodations in the workplace for religious observances.

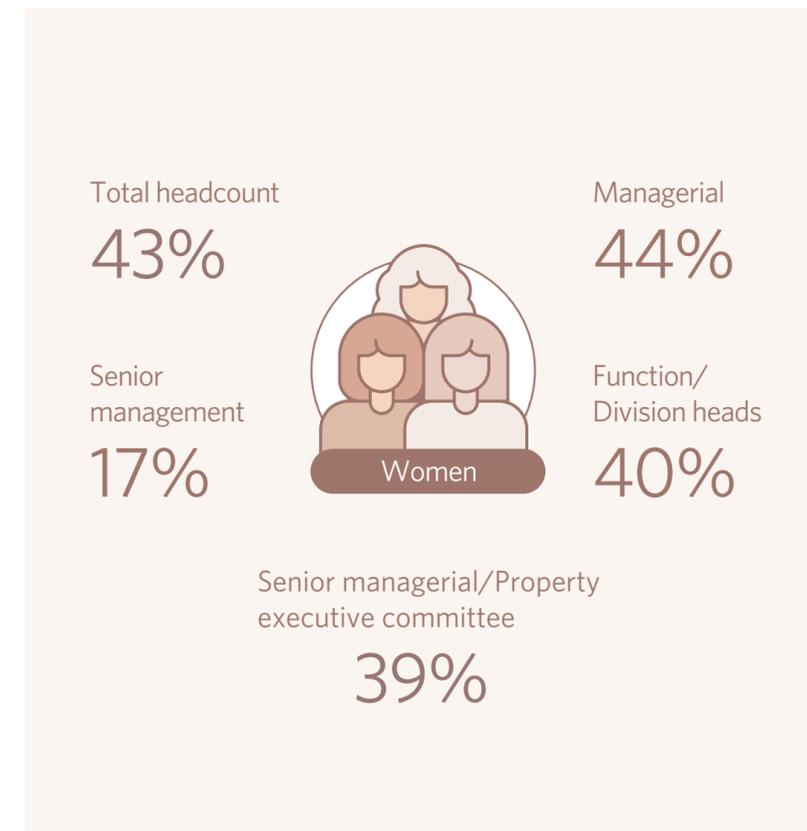
As part of our policy on Equal Opportunity and Respect, we inform all colleagues that any person who believes they have been discriminated against or who observes any discrimination or harassment should raise the matter with their HR representatives.



This year, **91%** of permanent hotel employees completed an online learning course covering unconscious bias, increasing their awareness of the importance of diversity and inclusion in the workplace.

## Supporting Women

Our meritocratic approach towards talent acquisition, promotion, remuneration, training, and transfer forms an important part of our efforts to achieve gender equality and female empowerment. Every year, we celebrate International Women's Day in recognition of the many successful and talented women who make up such a crucial part of our business family. This year, 60 hotels participated, hosting over 70 activities and enlisting over 1,100 volunteers to engage with their local communities, celebrate the achievements of women, and raise awareness of discrimination.



JEN Beijing by Shangri-La organised fitness classes for guests and community members to raise awareness of women's health on International Women's Day



## Hiring People with Disabilities

In line with our policy on Equal Opportunity and Respect, we endeavour to provide training and employment opportunities for people with disabilities across our properties. These efforts also form an important part of our commitment to the socioeconomic development of our local communities.

542  
colleagues



1.2%  
of total  
permanent  
headcount

People with disabilities

## Providing Job Opportunities for Low-income Workers in Mainland China

In 2021, the Chinese government announced plans to assist low-income families and individuals, a vulnerable group of over 66 million people throughout the country. As part of our commitment to rural revitalisation and supporting local communities, this year, we hired 310 individuals to work in our hotels who are identified as low-income by government standards. We aim to provide skills and training to these individuals, positively impacting their lives and enabling them to earn a living as part of our family.



Job opportunities are provided to low-income groups, supporting rural revitalisation in mainland China



Zi Le

Zi Le, who has mild autism, joined our team at JEN Singapore Orchardgateway as a part-time colleague in early 2022, successfully transitioning to full-time employment as a linen attendant in June that year.



Devender Singh

Devender Singh, a hard of hearing colleague at Shangri-La Eros, New Delhi, is an integral member of the hotel's Front Office team. Devender interacts with our guests through sign language, receiving excellent feedback for his efforts in going the extra mile to craft memorable guest experiences.



First left: Mike Cui (taken during an elderly visit activity)

Mike Cui

Mike Cui has been a valued member of the Kerry Hotel Beijing's HR team since 2010. Mike is hard of hearing and enthusiastic about helping other colleagues with disabilities solve any problems they have at work. Mike also assists in hosting the hotel's annual ESG Disability Day, supporting people with disabilities in the local Beijing community.

## Performance Management

Our performance management system works in harmony with performance development conversations, empowering managers to evaluate their team members' performance and behaviour. The conversations serve as a platform for managers to provide recommendations on tailored development activities that align with their team members' career aspirations.

In 2023, we took significant steps to enhance our performance management programme on a global scale. Each individual colleague formulated personalised objectives based on our Strategic Operating Framework, while also devising individual development action plans to support their career growth. Subsequently, managers conduct regular follow-up check-ins with team members, based around a meaningful two-way dialogue that ensures progress and alignment.

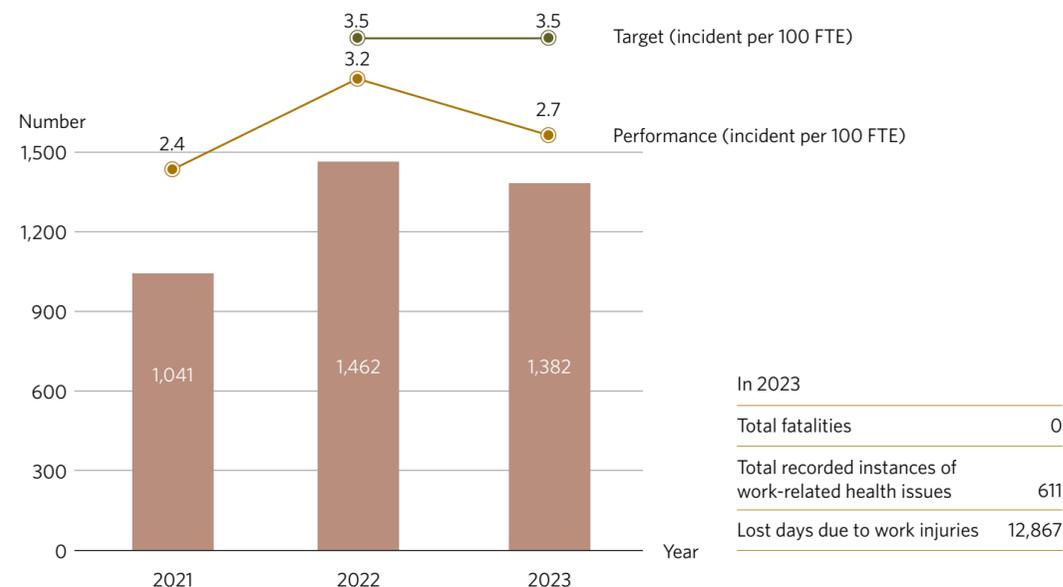
## Succession Planning

Because we want talented individuals to grow beyond their current roles, it is vitally important that we invest in platforms, resources, and opportunities to enable their development. Succession planning is included as a base metric in our Balanced Scorecard, with the objective of ensuring that business units build a talent pool across our Group to continue our legacy and support our expanding portfolio.

We are always looking to refine our annual talent review and succession planning process so, in 2023, we conducted comprehensive assessments of over 2,750 colleagues who hold senior positions worldwide. These reviews encompassed evaluations of organisational structures, leadership and functional competencies, and our talent and development pipeline.

The valuable insights gained from these reviews empowered us to further equip our leaders with the skill sets and capabilities they need to steer our business into the future. More than 85% of the positions we reviewed have at least one talented colleague described as a potential successor who is either ready now (capable of stepping up within one year) or ready later (capable of stepping up in one to three years).

## Employee Recorded Injuries Data



## Caring for Our Colleagues

We prioritise the health, safety, and wellbeing of our people, doing the utmost to care for our colleagues.

### Occupational Health and Safety

Our properties have occupational health and safety management systems (OHSMS) in place covering all workers. In 2023, 38 properties obtained external certification in accordance with internationally recognised health and safety standards, such as ISO 45001. Alongside this, all our people are required to attend an online fire and life safety training course to attain a basic knowledge of the subject.

We continue to build a safety-first culture, striving to keep injuries and accidents at a minimum. One of our tracked KPIs is employee injury rate, with a target of fewer than 3.5 incidents per 100 full-time equivalent employees per year. Through a continuous effort to achieve targets such as these, we enable our colleagues to work safely at full capacity. We monitor a number of other key performance indicators for occupational health and

safety, helping us identify successes and areas for improvement. This year, we met all our targets in this area. Our analysis revealed that the most common types of injury experienced by our colleagues are slip, falls, cuts and burns, and the most common types of work-related health issues are back pain and tendinopathy.

There were no instances of non-compliance with relevant laws and regulations relating to occupational health and safety that have had a significant impact on the Group's performance in 2023.

### Mental Wellbeing

In the Shangri-La Culture Pulse survey 2023, mental wellbeing was one of the top three areas that colleagues identified for improvement. Following this finding, we have worked to implement a number of initiatives intended to help safeguard the mental wellbeing of our people around the world. These include a blend of training opportunities, promoting our employee assistance programme (EAP), and offering mental health services through our Shangri-La medical plan.



### Training

Over **10,000** completions in courses related to looking after mental health, mindfulness, and establishing positive habits

Over **1,200** employees throughout our properties in China have taken our training course on positive psychology

**46** Mental Health First Aiders certified at our properties in London and Istanbul in collaboration with the Mental Health Foundation and the Mental Health First Aiders Academy

All our colleagues are encouraged to complete courses in wellbeing, encompassing topics such as living well, mindfulness, and looking after their mental health



### Employee Support Programme

Confidential counselling and referral services are included in our EAP in Hong Kong and Southeast Asia, helping to assist employees in handling personal or work-related stress or trauma

A Colleague Support Fund, available to all colleagues

globally, supported over **40** colleagues and their families in 2023

Employee engagement activities are arranged regularly, fostering workplace positivity

In addition to these initiatives, we have begun planning a structured global employees' mental wellbeing programme, with a pilot programme targeted for 2024.

## Innovation to Create a better Working Environment

### Innovation for Sustainability

Technological innovations have also helped to improve the sustainability of our hotels. In 2023, we established ten AI initiatives aimed at using innovation to support sustainability across our properties. These include fridge sensors to monitor and maintain safe food temperatures, as well as smart waste bins in our F&B departments, which help our chefs to track and reduce food waste.

We have established a foundation for connecting and integrating our sustainability-related data and have begun to employ machine-learning algorithms and other innovative approaches to aid in our analysis. This year, we conducted a pilot project using machine learning to track our energy usage, and we plan to conduct further studies in 2024. We also established an AI Initiatives programme with the objective of regularly reviewing our innovation progress and results. Through this programme, our aim is to foster a culture of innovation and identify further areas for improvement.

### Aiding Colleagues through Use of Robots

One major application of technology is the ability to free our colleagues from menial tasks, reducing their injury risk and allowing them to spend more time interacting with our valued guests. We are currently piloting and rolling out robots for a variety of uses, including: in the Housekeeping department for guest amenity delivery, scrubbing and vacuuming, and window cleaning; in F&B, to collect and deliver used dishes; and to aid our Security departments, patrolling our grounds with drones to ensure the safety of our guests.

Shangri-La Kuala Lumpur is currently utilising F&B service robots to automate the delivery of crockery and cutlery from side stations to the back of house. This initiative helps to enhance staff safety and welfare by eliminating the lifting of these heavy items. Since the project began, staff have experienced fewer accidents and are better able to focus on guest interaction. We are currently working on plans to roll out these robots to other hotels in our Group.

## Working Together

We place the highest importance on acting in full compliance with laws and regulations concerning employment, remuneration and benefits, freedom of association, and collective bargaining. In 2023, 49% of our colleagues were represented by an independent union and/or belonged to a collective bargaining agreement.

We aim to provide a harmonious workplace and attractive working environment for all employees, and our Grievance Handling Policy sets out the standards for grievance handling across our Group. Employees raising a genuine and substantiated grievance in good faith under the policy will be protected from reprisal or retaliation.

This year, there have been no instances of non-compliance with relevant local laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare that have had a significant impact on the Group's performance.



Robots used to deliver crockery and cutlery in Shangri-La Kuala Lumpur



# Our Suppliers

WELCOME

STAY

SAVOUR

SHINE

GOVERNANCE

CLIMATE-RELATED  
DISCLOSURES

APPENDIX

## Our Responsible Supply Chain Management and Status

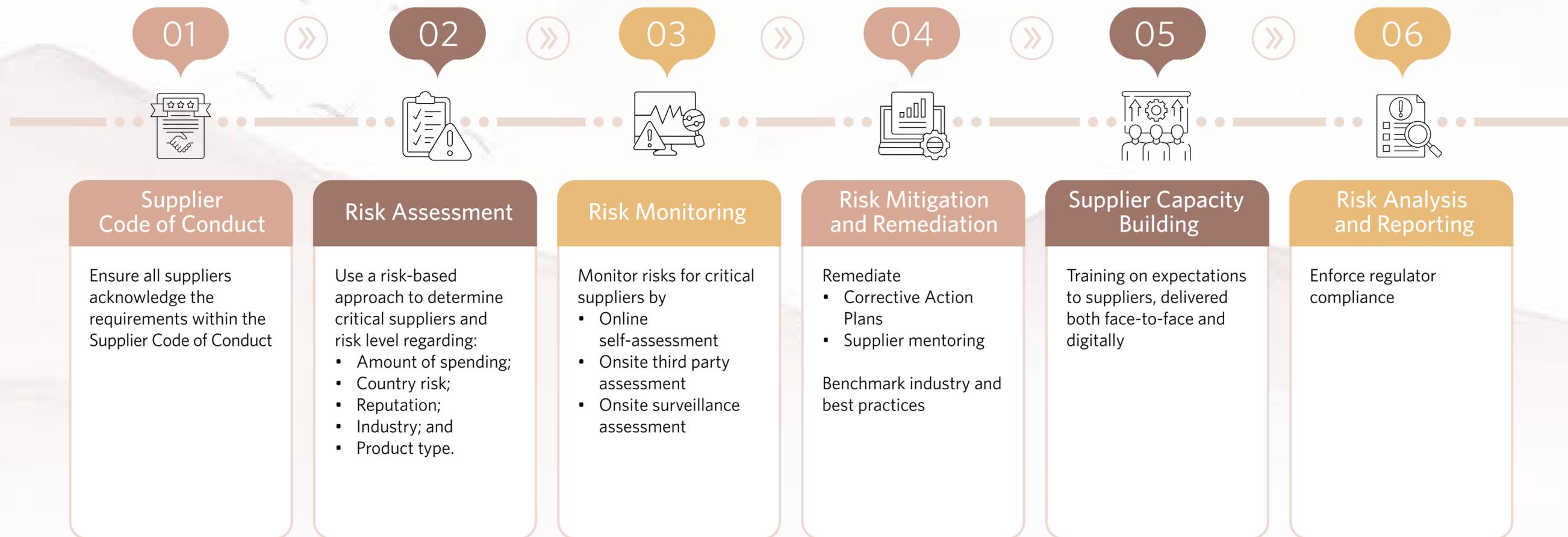
At Shangri-La, we are committed to conducting our business in a responsible and sustainable manner. Because we understand that responsible sourcing plays a crucial role in achieving this goal, we have developed a comprehensive Responsible Sourcing Programme that promotes transparency, sustainability, and ethical conduct throughout our supply chain.

The programme provides us with a better understanding of supplier-related risks and ensures we are notified promptly as

risks arise, enabling us to take appropriate, proactive action. We are able to identify and mitigate potential risks efficiently and safeguard against issues such as unethical practices, environmental damage, and human rights violations.

The [Responsible Sourcing Policy](#) outlines the Group's expectations for our employee and supplier commitments to ethical conduct, human rights, child and forced labour, environmental responsibility, and responsible and continuous improvement regarding these goals.

Our Responsible Sourcing Programme encompasses the following six components:



### Life Cycle Approach

An end-to-end supplier approach provides a better understanding of supplier risks, allowing us to better identify and deal with potential risks.



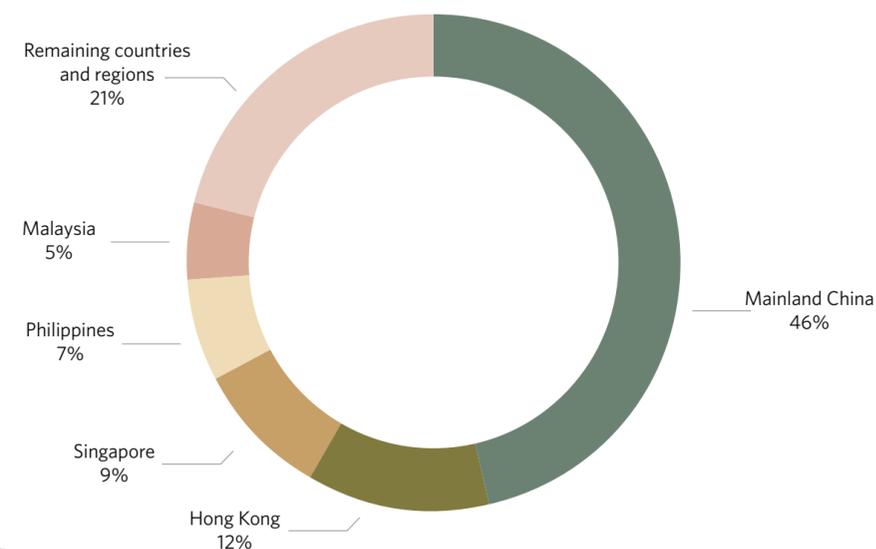
In 2023, we engaged with 18,904 suppliers across 48 countries and regions. Our top five sourcing countries and regions by number of suppliers this year were mainland China, Hong Kong, Malaysia, Singapore, and India.

### Suppliers by Location (2023)



Our sourcing is primarily concentrated in five countries and regions: mainland China, Hong Kong, Singapore, the Philippines, and Malaysia. The combined expenditure from these countries and regions accounts for more than 70% of our total procurement spend.

### Supplier Spend by Location (2023)



## Supplier Code of Conduct

We are committed to the core values of integrity, fairness, respect, ethical business conduct, and excellence in service that define our reputation and brand. These values are stated in our Supplier Code of Conduct which governs our approach to sustainable supply chain management.

We require suppliers and their employees, subsidiaries, affiliates, and subcontractors to adhere to ethically, socially, and environmentally responsible business practices when doing business with us. These requirements are outlined in our Supplier Code of Conduct. Failure to comply with any provision may result in termination of our business relationship. We actively seek supply chain partners for their commitment to good practice and encourage them to go beyond the minimum requirements.

To ensure that we source responsibly, we conducted a comprehensive assessment to verify our suppliers. The assessment found that 97% of our suppliers have accepted, acknowledged, or signed our Supplier Code of Conduct. We are committed to enhancing this acceptance level in future.



### Responsible business practices covered by our Supplier Code of Conduct

- Compliance with laws and regulations
- Product quality and safety
- Business integrity and ethics
- Labour standards and practices
- Environmental protection
- Community engagement
- Anti-corruption
- Accurate books and records
- Confidentiality
- Data protection
- Intellectual property rights

## Risk Assessment

We employ a risk-based approach to identifying critical suppliers that may require on-going risk monitoring. We assess suppliers based on their potential impact on our value chain, allowing us to allocate resources effectively for ongoing risk monitoring and mitigation. Our risk assessment takes into account a number of factors that help us determine the level of risk associated with suppliers. These include:

- Amount of spending;
- Country risk;
- Reputation;
- Industry; and
- Product type.

In 2023, we conducted a supply chain risk assessment, focusing on the largest suppliers who make up approximately 40% of our procurement spend under our Responsible Sourcing Programme.

We adopted the Worldwide Governance Indicators as a benchmark, specifically addressing six key dimensions: voice and accountability, political stability and absence of violence/terrorism, government effectiveness, regulatory quality, rule of law, and control of corruption. Based on our assessment, we have identified suppliers who require further risk monitoring, taking action where appropriate as described in the Risk Monitoring section.

## Risk Monitoring

Our comprehensive approach to monitoring risk aligns with international and industry standards and best practice, covering five key issues: environment, labour practices, health and safety, business ethics, and management systems.

We utilise several methods to assess risk, such as online self-assessment and onsite third-party and surveillance assessments, based on the applicable risk levels.

Initially, we ask selected critical suppliers to complete a self-assessment questionnaire. This online tool helps suppliers evaluate their ESG performance and identify areas for improvement while empowering them to better mitigate associated risks. The assessment consists of approximately 60 questions covering the five key issues we monitor.

Our onsite third-party assessments evaluate suppliers' performance against internationally recognised standards, applicable laws and regulations related to human rights, labour practices, health and safety, business ethics, and environmental practice. These assessments can be either announced or unannounced.

Onsite surveillance assessments are a supplementary tool used as required. The criteria for undertaking them could be, but are not limited to, zero-tolerance violations or any suspicion of social or environmental risk. Zero tolerance violations are critical issues that require immediate attention, such as employment of children or forced labour.

To ensure that we maintain our responsible sourcing practices, this year, we proactively invited 47 key suppliers to undergo either self-assessment or third-party assessments. As of the end of December 2023, we are pleased to report that no zero tolerance violations were found.

## Risk Mitigation

When we identify a risk, we collaborate with the supplier involved to implement suitable actions and develop corrective action plans (CAPs). By addressing root causes of the risk, we aim for the supplier to sustain compliance and mitigate future risks.

CAPs serve as a roadmap for our suppliers, outlining specific actions, timelines, and responsibilities to mitigate the identified risks and ensure compliance with our standards and requirements. We communicate CAPs to applicable suppliers for risk mitigation as necessary.

This collaborative and proactive approach ensures that our Responsible Sourcing Programme fosters a culture of continuous improvement throughout the supply chain.



## Supplier Capacity Building

Our training and capacity-building initiatives aim to equip suppliers with knowledge, skills, and resources to enhance their sustainable practices. This includes providing guidance on responsible sourcing principles, such as environmental stewardship, fair labour practices, health and safety standards, ethical business conduct, and effective management systems. We also carry out our commitment to building supplier capability by providing digital and face-to-face training opportunities.

## Local Sourcing

Local sourcing involves sourcing products or services from local suppliers or producers, rather than from distant locations.

Our mission statement on sustainable practices underlines our dedication to local sourcing, which can help us limit our environmental impact by reducing transportation emissions and energy usage. Additionally, local sourcing fosters economic growth by supporting regional economies, generating employment opportunities, and contributing to community development.

Shorter supply chains associated with local sourcing also often yield higher-quality products and faster delivery times. Since 2014, our Rooted in Nature programme has encouraged hotels to source food and beverage within a 100-km radius.

Currently, we are undertaking a holistic analysis of our local sourcing practices in other product categories, aiming to gain comprehensive insights into our practice in this area.

Initial analysis revealed that at least 80% of suppliers and procurement spend come from the same country/market as the purchasing property/entity.

## Eco-friendly Cleaning Products

We are working with various suppliers to identify certified green cleaning products for our properties, helping to care for the health and safety of our guests. These products include kitchen surface cleaners, laundry detergent, and bathroom cleansers which are designed to reduce or eliminate the use or generation of hazardous substances across the product's life cycle. We hope to complete the pilot of this eco-friendly cleaning product scheme in 2024.



Farmer's market at Shangri-La Shougang Park, Beijing

## Feedback from Our Supplier



The Shangri-La team took the lead in applying sustainable materials to our production of hotel bathroom accessories, reducing a large proportion of our plastic use. Additionally, our packaging has been upgraded to FSC-certified paper boxes with soybean ink printing, and in accordance with Shangri-La's business practices, we work to source natural ingredients without synthetic colourants.

Shangri-La's consideration of its products reflects its concern for guests and the environment. We hope to work with Shangri-La to make more contributions to sustainability in the future."

### Alex Liu

*Vice President and Executive Director  
Ming Fai International Holding Ltd.,  
a long-term Shangri-La business partner*



# Our Community

The communities local to the areas in which we operate are incredibly important to us. We continue to challenge ourselves to contribute positively towards local people and the environment through our signature community engagement programmes Embrace and Sanctuary, as well as through the many community projects organised by our hotels around the world. In every location, we engage with local stakeholders to support good causes in health, education, and environmental protection, and to create employment and promote local culture in balance with regional ecology.

As underpinned by our Code of Conduct and Ethics, the Group's policies encapsulate our commitment to community engagement and acting responsibly in the communities that the Group operates in.

## Four Community Engagement Focus Areas

**Embrace**  
focus on children and youth

**Sanctuary**  
biodiversity and climate

**Arts and Culture**  
supporting Chinese or local culture

**Humanitarian Aid**  
supporting families to rebuild their homes and lives

## 2023 Community Engagement Impact



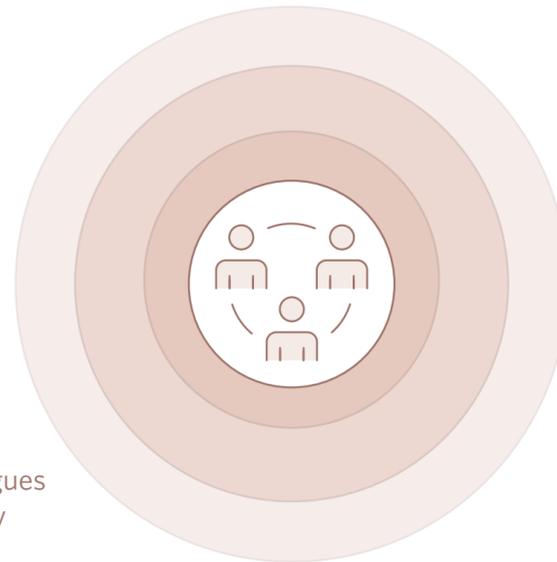
**124,000**  
volunteer hours



**2,400**  
volunteer activities



**59%** of our colleagues participated in community engagement activities



**138,000**  
beneficiaries reached



**USD 3.2M**  
in project expenses and donations

## Embrace: Our Care for People Programme

Embrace, our programme that showcases our care for people, has been operating since 2009 with the objective of promoting health, wellbeing, and education for children and young people in underprivileged communities. We implement community outreach initiatives in response to local needs, focusing on building lasting partnerships that have tangible impacts, such as improving literacy, increasing employment opportunities, improving nutrition, and treating diseases.

Nearly **9,400**  
children and young  
adults assisted

**74**  
active projects



Around **1,200**  
internships,  
apprenticeships, and  
job placements offered

Almost **280**  
activities



## World Children Day

Investing in our future means investing in our children. We are committed to improving children's welfare by promoting inclusive, equitable learning opportunities for all, in line with the United Nations Sustainable Development Goals.

In 2023, our hotels held various activities on World Children's Day to raise awareness of wellbeing and educational issues for young people. These included educational outings, healthy meal workshops, and other activities that highlighted the day's important topics. In total, 99 of our hotels hosted 101 activities, with our people donating over 6,000 hours through volunteering.

In Shangri-La Tangshan, China, for example, the hotel organised a charity visit to Tangshan Special Education School, promoting healthy eating habits and food safety knowledge to 25 children with disabilities. Our volunteers also shared over 2,000 healthy meals with the school in support of the children's healthy development.

## Make-A-Wish International

In 2022, our hotels in the Middle East, Europe, India, the Indian Ocean, and Canada launched a partnership on World Family Day with Make-A-Wish International to raise funds and awareness for the inspiring work the charity performs for children with critical illnesses. The activities held in support of Make-A-Wish this year include:

- In London, we welcomed a young lady with Complex Severe Cystic Fibrosis whose wish was to explore the city and its dazzling lights during a festive, once-in-a-lifetime shopping spree following by an afternoon tea experience at Shangri-La The Shard, London. She and her family had a Festive Skyline Afternoon Tea in TING Restaurant & Lounge, surrounded by stunning views of London below. The family were able to indulge in a Christmas-themed treat in the clouds, creating memories guaranteed to last a lifetime.
- In celebration of World Children's Day, we collaborated with Make-A-Wish in Dubai to hold a wish granting ceremony at Shangri-La Dubai to grant the wishes of five children suffering from critical illnesses.

- Turning our buildings at Shangri-La Qaryat Al Beri in Abu Dhabi blue and distributing Make-A-Wish badges and wristbands to support the charity's 43<sup>rd</sup> anniversary.

Since July 2022, we have donated over USD30,000 and provided the equivalent of USD100,000 in other gifts and wish granting value to Make-A-Wish International, helping to grant 25 wishes for the charity's inspirational children.

From 2024, we will expand our support for Make-A-Wish International from seven to 14 hotels in the region.



Students at Tangshan Special Education School create a poster to promote food safety during the arts workshop



Creating moments of joy by granting wishes to critically children





This year is the 15<sup>th</sup> anniversary of our partnership with Hong Kong’s Heep Hong Society, an education and rehabilitation organisation for children and young people. Throughout the past 15 years, we have raised funds, hosted festive activities, and organised educational programmes alongside Heep Hong to benefit our local community in Hong Kong.

“We deeply appreciate the willingness and dedication of Shangri-La to serve children through our partnership. Shangri-La has consistently shown a strong commitment to supporting children in Hong Kong, and their genuine care and attention to the children’s needs has been highly valued and appreciated throughout our partnership.

Shangri-La’s commitment has significantly influenced other corporations, particularly within the hotel industry, to create positive impacts on society. As one of the leading hotel chains in Hong Kong, Shangri-La serves as a role model for advocating social welfare awareness.”

### Heep Hong Society



Children of Heep Hong Society performed in the Christmas tree lighting ceremony at Island Shangri-La, Hong Kong

## Sanctuary: Our Care for Nature Programme

We are privileged to operate in some of the world’s most pristine natural habitats, and in these extraordinary places, it is our responsibility to conserve biodiversity for future generations. This is the rationale behind Sanctuary, our programme that cares for nature. Launched more than a decade ago, Sanctuary brings together a number of our properties’ conservation and climate-action initiatives. While every project is uniquely tailored to each hotel’s specific location, all properties seek to build long-term partnerships with their local communities that protect the environment and build climate resilience.

When Sanctuary launched in 2010, it was mainly targeted at resort hotels in areas of greater ecological sensitivity. As our understanding of environmental and climate issues has developed

over time, we have expanded the programme to include our city hotels and a greater range of more transformational projects.

We took this evolution a step further in 2023 by mapping the proximity of our hotels to Key Biodiversity Areas (KBAs), helping us more accurately assess our impact on ecologically sensitive areas. We performed this assessment with reference to the recommendations of the Taskforce on Nature-related Financial Disclosures.

Our analysis highlighted 12 hotels that either overlap or are adjacent to KBAs. Of these, three have existing Sanctuary projects aimed at protecting biodiversity and habitats. For the others, we have identified potential projects and will connect the hotels with local organisations to discuss opportunities for cooperation.

15 properties with active Sanctuary projects  
+ 1 regional project across mainland China



160 fish houses installed



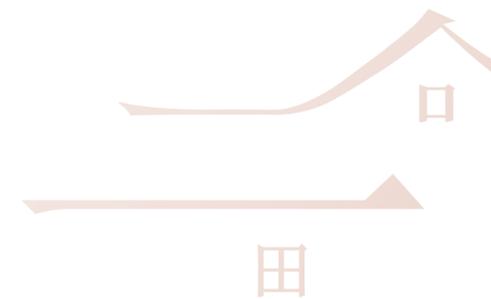
4,400 hawksbill and green sea turtles hatched



600 mangrove seedlings planted



Shangri-La Yanuca Island, Fiji has organised a mangrove seedling planting programme since 2012. Hotel staff and guests helped plant these critical trees on International Day of Biological Diversity 2023





Hotels in mainland China hosted various activities, such as an ice-bucket challenge in Beijing (left) and an education booth at Shangri-La Fuzhou



Guests at Shangri-La Chengdu can visit Dujiangyan Panda Saving and Disease Control Centre



In Hong Kong, volunteers participated in mudflat cleaning, removing oyster shells and trash to create a better living environment for coastal marine life including horseshoe crabs

## China Reforestation Programme: Race for Hope

Started in 2019, Race for Hope is our mainland China hotels' initiative to promote environmental awareness and sustainability. We partner with Alipay Ant Forest and engage our colleagues, guests, and local communities to promote a low-carbon lifestyle. Users can earn green energy points in daily life and grow the Shangri-La Caring Forest online.

Since the project's inception, our staff competitions, wellness activities and recycling programmes have engaged over 10,000 participants to live a greener lifestyle and helped plant over 3,500 trees. These virtual trees are being converted into real trees in Inner Mongolia to support ecological protection.

In July, 200 Shangri-La mainland China leadership team members participated in a teambuilding activity and an ice-bucket challenge in Beijing, while colleagues across mainland China also engaged in various low-carbon activities such as walking or cycling instead of taking public transport or purchasing from second-hand markets. Activities like these help make decarbonisation engaging for colleagues and maximise our environmental commitment.

## Panda Protection Project in Chengdu

As part of our Sanctuary initiative, Shangri-La Chengdu, China, has been organising panda conservation activities for over a decade. The city of Chengdu is famous for protecting the welfare of pandas, hosting two breeding centres.

Over its 11-year partnership with the Dujiangyan Panda Saving and Disease Control Centre, Shangri-La Chengdu has:

- Donated a 1.6-hectare bamboo plantation to ensure food security for the centre's pandas;
- Sponsored the development of a panda kitchen, where food is prepared for the pandas; and
- Provided a range of education tours and learning activities at the centre for its guests, raising awareness of environmental protection and panda welfare.

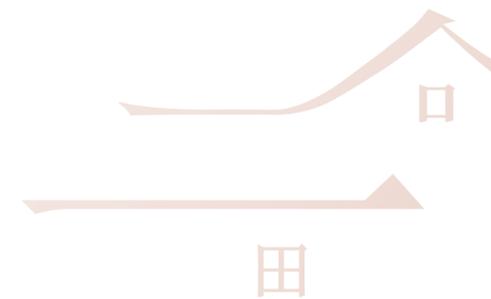
Since 2018, Shangri-La Chengdu has partnered with the centre to create a panda-volunteer room package for our guests. This experience includes making panda food, visiting the rescue centre's inhabitants, and exploring the bamboo forest. Additionally, colleagues at the hotel have committed to organising volunteering activities at least twice a year to protect these incredible and vulnerable animals.

## World Ocean Day

The ocean covers more than 70% of the planet and plays a crucial role in supporting the life of every organism on Earth. Many of our properties are located near the ocean, so we are keenly aware of our role as custodians of this vital environment.

To aid in ocean preservation, we celebrated World Ocean Day this year by organising clean-up activities around beaches, parks, and other natural areas near our properties. Some hotels also offered educational experiences, such as a visit to a marine education centre and a workshop hosted by environmental professionals, to students and community members to foster a deeper appreciation of our world's aquatic ecosystems.

Over 90 hotels participated in this year's activities, with 2,800 people volunteering almost 8,000 hours to aid in safeguarding the ocean.





The Sarimpak robe at Shangri-La Rasa Ria is made by local artisans

## Arts and Cultural Preservation

We have been pioneering the concept of Asian hospitality for over 50 years. Our hotels aim to preserve and promote local art and culture through the way our hotels operate and by hosting unique, exciting experiences for our guests.

## Traditional Robe Making in Malaysia

This year, Shangri-La Rasa Ria in Kota Kinabalu, Malaysia partnered with a local traditional garment maker to lead a range of projects promoting Asian art and culture and supporting the local community. The partnership's main project is a Rasa Ria robe training course, imparting the skills of pattern making and techniques for producing the traditional robes worn in the local community.

Since the project began, we have paid fifteen local artisans for over 1,500 hours of work, supporting their efforts to preserve traditional garment making. The robes created through this joint activity are subsequently provided as amenities in guest rooms, lending a local flair to our guest experience.



Group Chairman Hui Kuok presented the prizes to the winning teams of the Shangri-La International Mixed Grand Championship

## Hong Kong Dragon Boating

The Chinese Dragon Boat Festival, with its 2,000-year legacy, embodies health, teamwork, and community spirit through the sport of dragon boat racing. We sponsored two races in the 2023 Hong Kong International Dragon Boat Races, the first international sports event organised by the Hong Kong Tourism Board after the pandemic. The local Shangri-La Kowloon hotel served as the event's official hotel.

This sponsorship highlights our enthusiasm for promoting Asian festivities and sporting culture, as well as our desire to bring greater international attention to this major Hong Kong cultural event.



Board Director Shu Khoo leading the Shangri-La team to visit Friendship City



Heavily damaged infrastructure after the floods



Group Chairman Hui Kuok gave opening remarks at the Future Science Prize award ceremony

## Humanitarian Aid

We actively contribute to humanitarian aid efforts, helping victims receive lifesaving assistance.

### Türkiye Earthquake Support

In February 2023, southern and central Türkiye suffered a devastating earthquake. In collaboration with the Turkish Disaster and Emergency Management Presidency, we donated 300 containers to be used as temporary homes in Hatay, an area hit hard by the earthquake. The homes, designated a Dostluk Kenti or Friendship City in English, provided much-needed shelter to over 1,200 displaced residents following the disaster, helping them begin the process of recovery. Our contribution was made possible thanks to donations by our people across the world, which we then matched.

In addition to providing shelter, we are also supporting a number of children undergoing cancer treatment in the impacted region, sponsoring their education and aiding their families.

### China Flooding Relief

This year, super typhoon Doksuri brought heavy rainfall to mainland China, causing a series of devastating floods in the areas surrounding Beijing. In the wake of the floods, our hotels in the area immediately performed roll calls for staff in affected areas, arranging guest rooms, food, and supplies for them and their families to stay in while waiting for their homes to become safe.

## Other Partnerships and Initiatives

### Supporting Innovation: Future Science Prize sponsorship

The Future Science Prize, the largest non-government science prize in mainland China, held its award ceremony in Hong Kong for the first time this year. The prize is aimed at scientists who have made outstanding scientific achievements in mainland China, Hong Kong, Macao, or Taiwan, with rewards of over USD1,000,000 offered across three categories.

Leveraging our deep connections in Hong Kong, we were honoured to be designated as a 2023 Future Science Prize Week Partner, hosting the prize's banquet dinner at the Shangri-La Kerry Hotel. By supporting the Prize, we hope to shine a light on these unsung heroes of society, while promoting research, collaboration, and breakthroughs in all fields of science. We hope our sponsorship can help ignite public interest in science, technology, and innovation, contributing to the greater good of mainland China and the world.



# GOVERNANCE



# ESG Governance

We have a comprehensive ESG governance framework that embeds sustainability throughout our management and remuneration activities.

- WELCOME
- STAY
- SAVOUR
- SHINE



- CLIMATE-RELATED DISCLOSURES

- APPENDIX

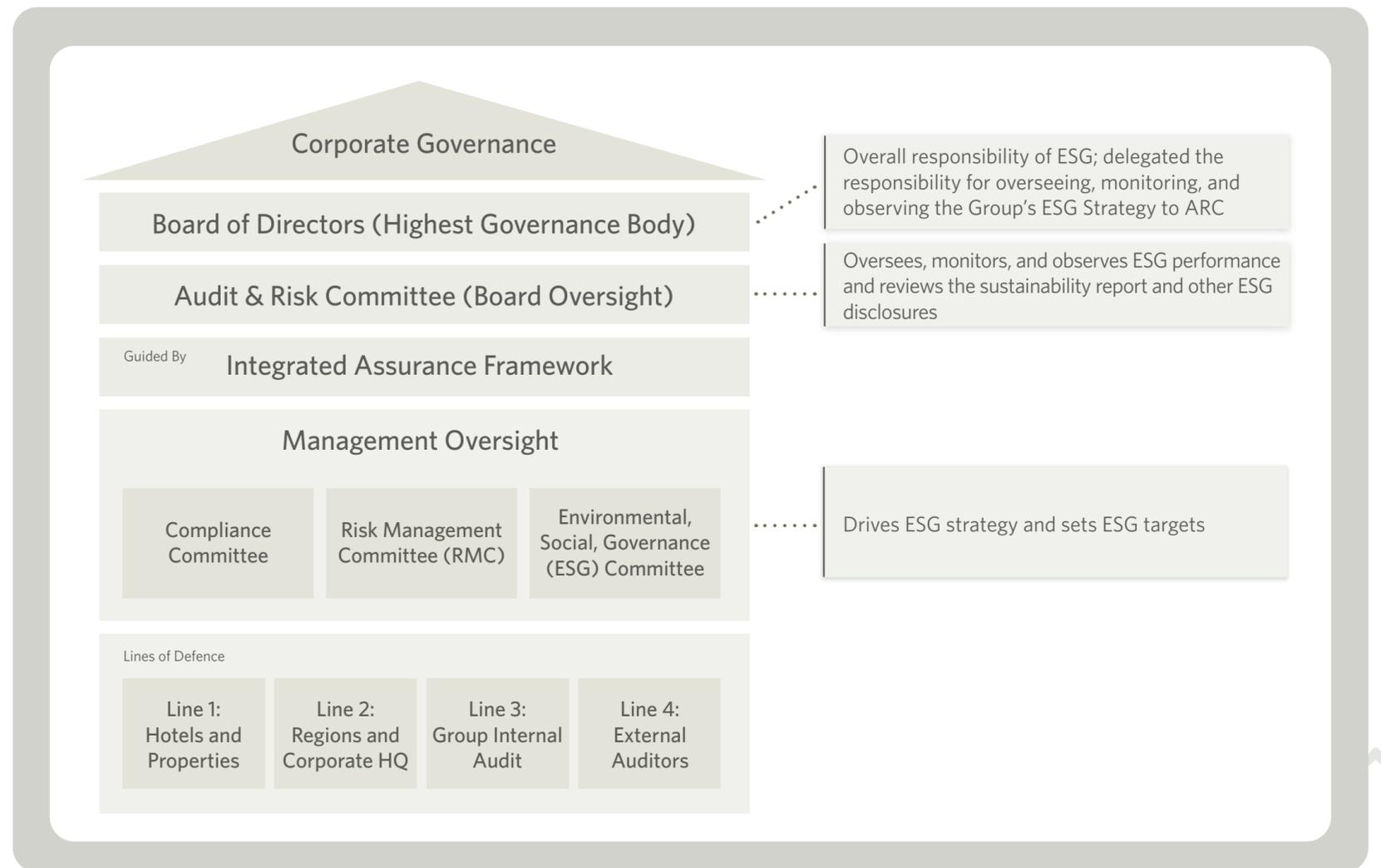
## Integrated Assurance Framework

Our approach to ESG governance stems from our Integrated Assurance Framework (IAF), which provides a robust and holistic basis for managing risks in our business and ensures the effectiveness of internal controls to mitigate these risks. Shangri-La's highest governance body, the Board of Directors, has delegated responsibility for overseeing, monitoring, and observing our ESG strategy to the Audit & Risk Committee (ARC). The ARC reviews our annual sustainability report and other ESG and climate-related disclosures for final endorsement by the Board. For more information about our IAF and ARC, please refer to the [Annual Report](#).

At a management level, the ESG Committee is responsible for developing and driving the implementation of our ESG strategy and ensures we are accountable for our performance with

reference to ESG metrics and targets. The ESG Committee is chaired by the Chief Financial Officer and comprises senior management representatives from key group functions, including Operations, Engineering, Project and Design, Human Resources, Procurement, Corporate Communications, Legal and Company Secretary, Information Technology, and Group Internal Audit. Each member of the Committee is responsible for related goals or targets and provides quarterly updates to the Committee on progress and challenges. The ESG Committee reports to the ARC four times a year and to the Board at least once a year to review and address our sustainability strategies, initiatives, and targets.

From January 2023, the ESG Committee has been supported by the newly created ESG Division, based in corporate headquarters. The ESG Division liaises closely with group functions, regions, and properties to design and coordinate ESG initiatives.

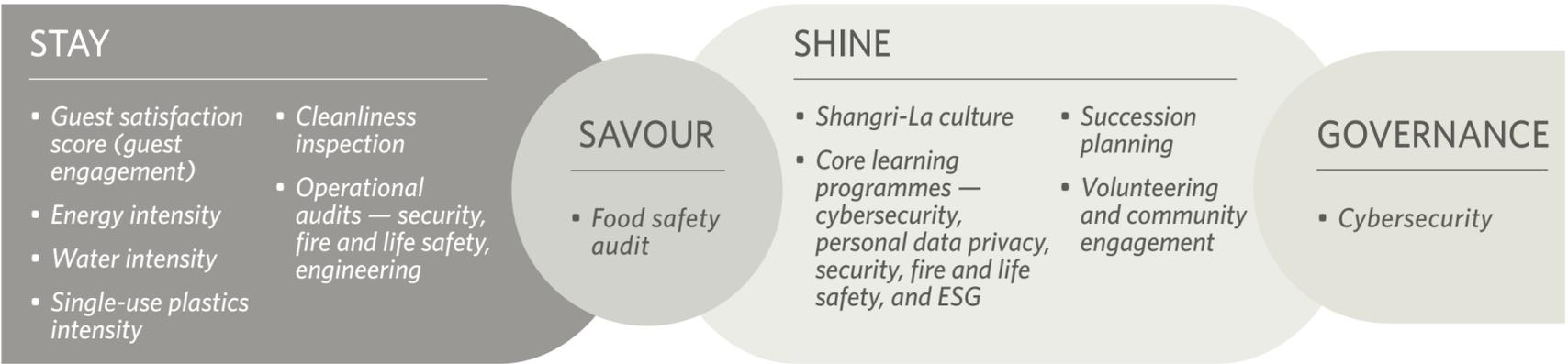




### Balanced Scorecard

The Balanced Scorecard is our groupwide strategic management tool for evaluating the performance of our headquarters, regions, and properties. Incorporating ESG-related metrics into our Balanced Scorecard is a strategically important commitment that aligns our business with our sustainability strategy and contributes to the achievement of our overall sustainability efforts. Since 2022, we have incorporated KPIs relating to our material ESG topics into our Balanced Scorecard.

### 2023 Balanced Scorecard Items

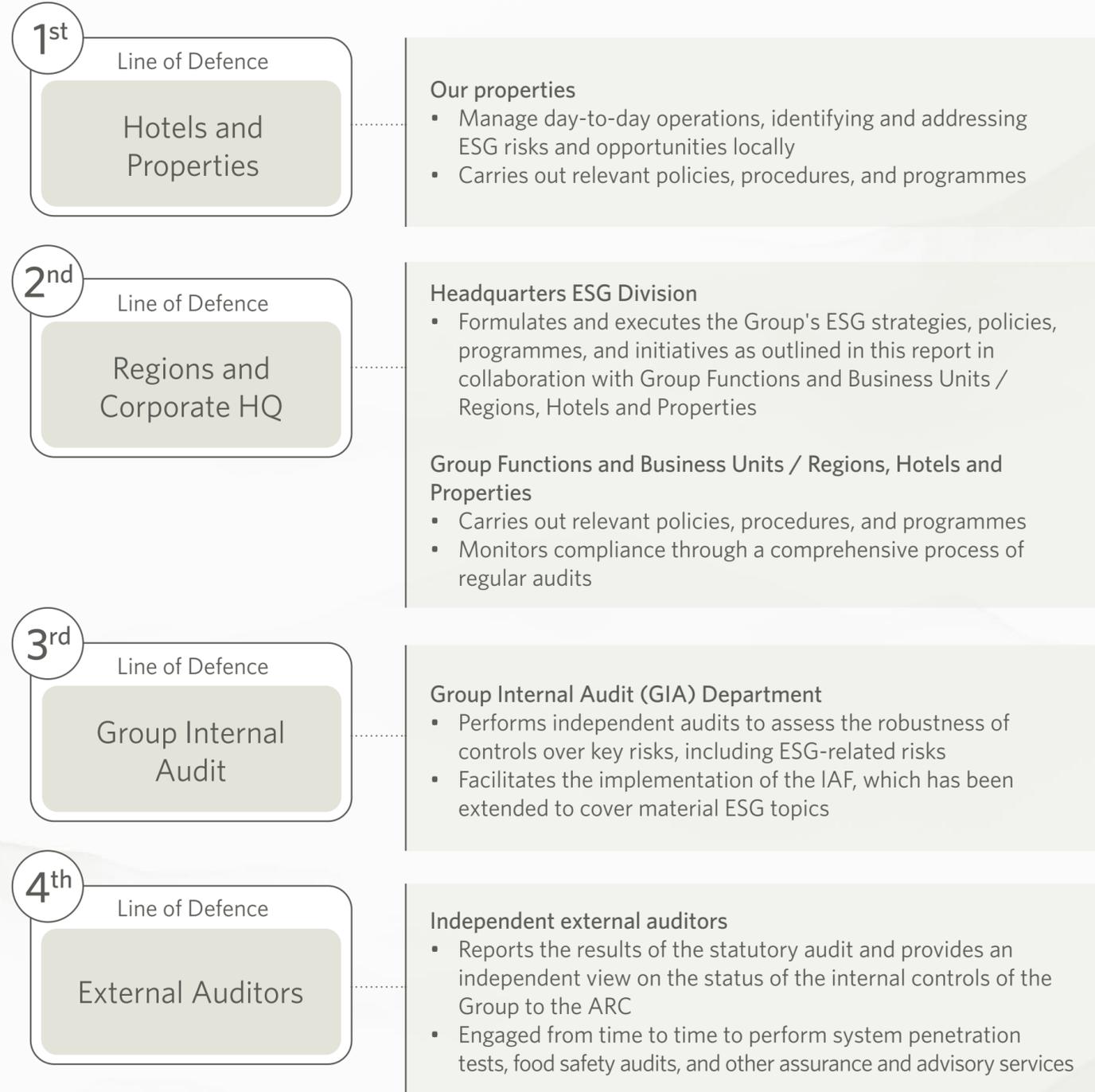




## Risk Management

Several key risks identified and monitored under the IAF correspond to material ESG and climate-related topics in our sustainability strategy. These include investment and asset management risks, fraud and corruption, workplace health and safety risks, and cybersecurity. To remain adaptable to the needs and circumstances of diverse market conditions, we strive to balance centralised internal controls with local decision-making. Our headquarters ESG Division and regional offices act as a second line of defence by actively encouraging and supporting our properties, the first line of defence, to identify and manage local ESG risks.

This year, we updated our risk registers to integrate more ESG and climate-related risks and opportunities into our considerations, reflecting our new sustainability strategy. For more information about our risk management processes, please refer to the [Annual Report](#).





# Directors' Handbook and Group Code of Conduct and Ethics

Our Directors' Handbook is a comprehensive guide that outlines the responsibilities and behaviours of members of our highest governance body. Except for the provision that the positions of Chairman and Chief Executive may be served by the same person, this handbook complies fully with the Corporate Governance Code of the HKEX. It is supplemented by our Code of Conduct and Ethics, which sets out the values and principles with which we conduct our business as a Group.

The Group Code of Conduct and Ethics underpins the values and principles with which we conduct our business. The Code sets out high standards of behaviour for all directors, officers, and employees, covering areas such as equal opportunity and respect in the workplace, corruption and bribery prevention, conflict of interest, workplace health and safety, personal data and confidential information protection, insider dealing, and protection of company assets and reputation.

## Human Rights

We believe that businesses should respect the rights of people everywhere, so we observe high standards of human rights in our workplaces and in our relationships with stakeholders.

As a signatory to the United Nations Global Compact since 2011, we are committed to upholding fundamental human rights throughout our supply chain. This commitment is guided by reference to the internationally recognised human rights principles contained in the United Nations Guiding Principles on Business and Human Rights, the International Bill of Human Rights, and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.

We insist that all suppliers implement fair, humane and non-discriminatory employment practices, and treat their employees with dignity and with respect for diversity and inclusion. We do not condone any form of slavery, human trafficking or forced labour, including coerced, bonded, indentured, or child labour.

In December 2023, we released an updated version of Human Rights Policy, which can be found here: [Human Rights Policy](#).

This year, there have been no instances of non-compliance with relevant laws and regulations relating to child and forced labour that have had a significant impact on the Group's performance.

## Anti-corruption

Our commitment to ethical business practices as outlined in our Code of Conduct and Ethics is steadfast. At Shangri-La, we are dedicated to upholding our ethical obligation to speak out about any suspected instances of fraud, dishonesty, bribery, corruption, extortion or money laundering, as well as to avoid conflicts of interest and prevent bribery. In addition, our internal anti-money laundering policies require employees to undertake due diligence and suspicious transaction reporting where appropriate. Any suspected anti-corruption, money laundering, or other issues should be dealt with according to our Grievance Handling Procedures.

The Corruption Prevention Guide and Toolkit on Director's Ethics, prepared by the Independent Commission Against Corruption, Hong Kong, was shared with all directors as a refresher in 2023, together with material on anti-corruption legislation in different countries. An anti-corruption training module was launched in December 2023 and is mandatory for all our employees. Anti-Bribery and Corruption training is also part of our Group's Board members regular training.

In 2023, there were no concluded legal cases brought against our Group concerning corruption or fraud. Additionally, there have been no instances of non-compliance with relevant laws and regulations relating to bribery, extortion, fraud, and money laundering that have had a significant impact on the Group's performance.



## Data Privacy and Intellectual Property

Our Group Corporate Data Protection Policy sets out our commitment to safeguarding the personal information of our guests, colleagues, and business partners in full compliance with applicable laws and regulations, such as the People’s Republic of China’s Personal Information Protection Law, the European Union’s General Data Protection Regulation, Hong Kong’s Personal Data (Privacy) Ordinance, and Singapore’s Personal Data Protection Act.

We have various personal data protection training modules to enhance our colleagues’ understanding of the importance of personal data protection and to provide guidance on data handling procedures and processes through real-life examples.

We take reasonable measures to protect our intellectual property rights in relevant jurisdictions, including trademarks and copyrights, and to respect the intellectual property rights of others. Such measures include prohibiting the download of unauthorised software packages, registering our intellectual property rights, issuing guidance notes for our people about brand and logo usage, and our established Digital Assets Management System that regulates the use of images and videos. We also work with external parties to monitor intellectual property compliance and take enforcement action to protect our rights when necessary.

During 2023, there were no cases reported to a regulatory body concerning a breach of customer privacy by our business and no identified material leak, theft or loss of customer data.

## Cybersecurity

Since 2019, we have progressively implemented a group-wide information technology security framework to reinforce our defence against increasingly sophisticated digital attacks. Our baseline security protection comprises 15 key security controls which have already been implemented group-wide across our properties and business units. Since 2023, we have embarked on further strengthening of our security controls according to the US National Institute of Standards and Technology (NIST) Cybersecurity Framework. In addition, recognising that our people are the first line of our cybersecurity defence, we require all employees to complete our Cybersecurity Orientation and Personal Data Protection training annually. New hires are also required to attend a mandatory phishing fundamentals course. Monthly phishing email simulation tests are conducted for the group, and any colleague who fails our monthly phishing email simulation tests must attend refresher training. We continue to monitor and review our cybersecurity practices and adapt to changes in the threat landscape proactively.

### International Symposium on Cyber Policing, Hong Kong

In 2023, we were pleased to host the Hong Kong International Symposium on Cyber Policing. The event, organised by the Hong Kong Police Force and held at the Grand Ballroom of Island Shangri-La, brought together esteemed speakers, senior police leaders, and cybercrime experts from around the world to address the pressing issue of cybercrime in today’s rapidly developing technology landscape. Our support for this prestigious event underlines our commitment to improving our own cybersecurity policies and procedures.



## Whistleblowing

Our [Whistleblowing and Whistleblower Protection Policy](#) outlines our procedures for inviting, facilitating, and following up on reports of suspected wrongdoing from any concerned party, including our people and business partners. Our whistleblowing procedures are implemented and monitored by our Whistleblowing Officer and Group Internal Audit function, with reports being escalated to the Audit & Risk Committee as appropriate.

We are not aware of any instances of non-compliance that have had a significant impact on our performance during the reporting period.



# CLIMATE-RELATED DISCLOSURES

# Climate-Related Disclosures

We recognise that climate change may pose the greatest set of sustainability challenges to our business and the communities we serve. We are therefore focused on strengthening the ability of our business to anticipate, prepare for, and respond to all threats from changing climate, whether they be “physical” — resulting from specific events or climate patterns — or “transitional” — because moving to a lower-carbon economy will involve policy, legal, technological, and market disruptions.

# Governance

Our Board of Directors guides the overall direction of our Group’s strategies and development, including our sustainability and climate-related strategies and initiatives. Our approach to ESG governance stems from our IAF, which provides a robust and holistic basis for managing risks in our business and ensuring the effectiveness of internal controls to mitigate the risks. Details of the IAF can be found on the Risk Management and Internal Control Systems section of our Annual Report.

Members of our Board sit on the Audit & Risk Committee that has oversight of ESG matters. These Board members have extensive experience in overseeing strategies for responding to climate-related matters. To ensure the whole Board is kept updated on such matters, management incorporates updates on climate-related information, risks, and opportunities into a quarterly summary supplied to Board members.

At a management level, the ESG Committee is responsible for developing and driving the implementation of ESG strategy and ensuring accountability for our Group’s performance with reference to ESG metrics and targets. For more information on the ESG Committee, please refer to the ESG Governance section.

Our core remuneration programmes are tied to assessments of the contributions, impact and development areas of colleagues throughout the performance review cycle. Indicators such as carbon emissions and energy use that form part of the reporting metrics on actions towards climate mitigation are included in those assessments. For more information on remuneration, please refer to the Balanced Scorecard section.

## Selected ESG experience of Board members

The Board's membership includes diversified competencies in ESG (including climate) matters, enabling the Board to better understand and evaluate ESG risks and opportunities.

The below highlights only a subset of our Directors' skills and competencies relevant to the management of ESG matters. In addition to the above, our Board possesses significant knowledge derived from industry, management, strategy and policy experience across various sectors and listed companies.



As chairman of the HKSAR Council for Sustainable Development from March 2015 to February 2019, Professor Arthur Li led the Council's work in advising the HKSAR government on priority areas for promoting sustainable development, encouraging community participation and public understanding of sustainable development, and implementing stakeholder engagement processes on sustainability issues. This included the Council's submission of the landmark report on Long Term Decarbonisation Strategy to the HKSAR government in November 2020, after an extensive public engagement process. The report set out a long-term vision and six overarching objectives for guiding the development of the long-term decarbonisation strategy for Hong Kong.



Mr. Yap Chee Keong has extensive governance and risk management experience gained from serving on the Boards of various listed companies in the food and agriculture, marine, utilities, urban development, power and other sectors where ESG (including climate) considerations are key. This includes his role as an independent director of Olam Group, an SGX-ST listed company included in the FTSE4Good Index Series which identifies companies with strong ESG practices. Mr. Yap previously served on the board of Singapore's Accounting and Corporate Regulatory Authority (ACRA) and was a member of ACRA's Public Accountants Oversight Committee. He was a member of the working group convened by the Monetary Authority of Singapore (MAS), Singapore Exchange (SGX) and ACRA to review the Guidebook for Audit Committees in Singapore, as well as the panel convened by MAS, SGX, ACRA and the Singapore Institute of Directors, which formulated guidelines for board risk committees.



Ms. Shulamite Khoo brings valuable expertise to the social and governance aspects of ESG matters, with experience serving as an independent non-executive director of Kerry Logistics Network Limited (listed on HKEX with stock code 00636) from July 2017 to October 2021, an independent director of CIMB Group Holdings Berhad (listed on the Malaysia stock exchange) since May 2020, and an independent non-executive director of AIA Company Limited since October 2022. Prior to joining the Board, Ms. Khoo was the Group Human Resources Director and Executive Vice President of AIA Group between 2011 to 2018. She has also held several senior executive positions at AXA and was previously an International Advisory Panel Member of the Singapore Public Service Division. Ms. Khoo has deep experience in human capital and work-force related matters including employee wellbeing, diversity and inclusion, fair pay, professional development, and company ethics and culture.

# Strategy

We recognise that climate change has a significant impact on our business and communities. As a first step, we have carried out model-based analysis to identify our exposure to climate-related risks and opportunities and assess their potential implications for our business. Using a third-party dynamic climate model, two IPCC adapted climate scenarios (RCP4.5/SSP2-4.5 and RCP8.5/SSP5-8.5) were selected to evaluate the impact of climate change on our top 30 properties by asset value, representing 70% of Shangri-La's global portfolio. The selected scenarios represent two distinct climate futures: one that projects a global mean temperature rise of 2.4°C (moderate emission), the other that anticipates a rise above 4.3°C by 2100 (high emission), providing data projections that enable us to assess the predicted impact of climate change in the short to medium term (2030) and long term (2050). These time horizons align with our business' capital investment time frame and the Paris Climate Agreement.

Due to uncertainty in the data associated with our identified risks and opportunities, we are not yet able to fully quantify the impacts within our financial planning processes. The modelled financial metrics are therefore used as an indicator to prioritise the climate-related risks and opportunities and identify the mitigating actions. To accurately quantify the financial implications, we have developed a workplan to account for detailed costs arising from such climate-related risks and opportunities, and we intend to report on them in the short to medium term. We have included qualitative descriptions of the possible financial implications resulting from some of the identified risks and opportunities in the table below.

Risk variables	Description	Time horizon	Potential impacts	Financial implication
<i>Physical Risk — Chronic</i>				
<b>Temperature extremes</b>	Increased frequency and intensity of temperature extremes and heatwaves.	Short/Medium term	<ul style="list-style-type: none"> <li>Increased cooling demand for thermal comfort, hence increased utility cost and potential HVAC maintenance and upgrades.</li> <li>Changes in employees and their productivity, as well as visitor demand and travel patterns.</li> </ul>	<ul style="list-style-type: none"> <li>Increased capital and operational cost for additional cooling requirements and maintenance.</li> <li>Decreased revenue due to changes in consumer pattern and demand.</li> </ul>
<i>Physical Risk — Acute</i>				
<b>Fluvial flooding</b>	Flooding from streams and natural water-flow networks within the basin in which an asset is located.	Short/Medium term	<ul style="list-style-type: none"> <li>Business interruptions, including closure and reduced operating days due to flooding hazard.</li> <li>Increased cleaning up and repair due to flood damage to facilities and equipment.</li> </ul>	<ul style="list-style-type: none"> <li>Increased operating costs for asset repairs, replacement, and suspended construction.</li> <li>Decreased revenue owing to business disruption.</li> </ul>
<b>Pluvial flooding</b>	Flooding driven by extreme precipitation, which results in infrastructure damage and poses threats to life.	Short/Medium term		

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Risk variables	Description	Time horizon	Potential impacts	Financial implication
<i>Transition Risk</i>				
<b>Technology</b>	Growing trend for technological development in the transition to a lower-carbon economy.	Short/Medium term	<ul style="list-style-type: none"> <li>Lack of green technologies, including EV infrastructure, energy storage, and carbon capture and storage and higher risks of stranded assets.</li> </ul>	<ul style="list-style-type: none"> <li>Decreased revenue due to the inability to accommodate visitors' needs and outdated technology/systems.</li> <li>Increased operating costs in utility expense and potential carbon regulation.</li> </ul>
<b>Carbon pricing</b>	Policies and regulations that may impose a carbon price through mechanisms such as carbon taxes or emission trading.	Long term	<ul style="list-style-type: none"> <li>Increased potential for the introduction of carbon pricing in operating markets.</li> </ul>	<ul style="list-style-type: none"> <li>Increased contingent liability and operating costs for potential carbon pricing mechanism, including taxes or offset requirement.</li> </ul>
<i>Opportunities</i>				
<b>Products and services</b>	New low-emission products and services adopted to enhance competitiveness amidst shifting consumer preferences towards low-carbon economy.	Short/Medium term	<ul style="list-style-type: none"> <li>Increased investment and new partnerships for delivering energy-efficient and low-carbon products, processes, and services.</li> </ul>	<ul style="list-style-type: none"> <li>Decreased operating costs attributed to lower energy consumption.</li> <li>Increased revenues through identifying new revenue streams from socially responsible and environmentally beneficial products for clients and consumers.</li> </ul>



## Transition Plans for Climate Resiliency

In response to the identified climate impacts, we are strengthening our Group’s ability to mitigate such risks and enhance climate resilience by integrating climate actions into our business strategy and corporate policy. The table below summarises our plans and actions to mitigate the risks identified and capitalise on their opportunities.

Risk/Opportunity category	Risk/Opportunity	Actions to mitigate risk or capitalize on opportunity and progress
<b>Physical risk</b>	Temperature extremes	We are working to incorporate climate risk factors when identifying asset-level risks. As a first step, we are reviewing our business continuity plans for assets with higher exposures to climate-related risks in order to adequately safeguard our customers’ and employees’ health and safety. We are also working towards asset-level assessments to determine the effect of temperature extremes on our equipment, ensuring there will be no disruptions to our business activities and enhancing our climate resilience.
<b>Physical risk</b>	Flooding	<p>When planning and designing our new development projects, our Group takes into consideration the vulnerability of potential sites to extreme weather conditions. Our design and renovation guidance ensures that new developments are suitably equipped with enhanced safety features and other green criteria for climate risk mitigation and disaster prevention and management.</p> <p>For future investments, we are reviewing the possibility of including climate-related risk factors in our risk assessment and evaluation process to ensure their risk exposure to significant climate-related risks is within acceptable limits.</p>
<b>Transition risk</b>	Technology	As the world moves towards net zero, there will be more advanced technology to achieve lower carbon emissions or further enhance energy efficiency. These technologies will likely mean more spending in order for us to achieve our carbon emissions and energy efficiency targets. Furthermore, the demand for greener products and services from our customers will also require us to invest in technologies such as electric vehicle charging facilities. We are working towards asset-level assessments to evaluate the financial implication of this technological risk and to identify the necessary investments required.
<b>Transition risk</b>	Carbon pricing	<p>Carbon pricing, in one form or another, is likely to be an essential element of mitigation strategies as the world transitions to net zero. The immediate impact to our financial position would be due to the implementation of carbon tax in the countries where we operate.</p> <p>Our key mitigation action is to reduce our greenhouse gas emissions, especially through the implementation of energy efficiency measures in our assets. Details can be found in the Stay section.</p>
<b>Opportunity</b>	Products and services	As the market and customer preference increasingly favours a low-carbon economy, we have been seeking to make use of innovative low-carbon technologies and developing and promoting eco-friendly products and services. In order to continue to appeal to customers who wish to reduce their carbon footprint, we are undertaking work to clarify how green hotels will be defined — given the broad range of certifications and ratings in this space — and how we can adopt climate-related clauses and performance indicators into hotel management agreements.

# Risk Management

Risk management plays a crucial role in business management, and we have established a robust management structure and internal control system to ensure effective governance. Our IAF serves as a guiding force for the enterprise risk management (ERM) process to identify, assess, monitor, and manage risks. For more details, please refer to the Risk Management and Internal Control Systems section of our Annual Report.

We used a climate model to enhance our understanding of climate risks in the hospitality industry and to develop more effective climate risk management strategies. The model was used as a screening tool to identify material risks and opportunities that significantly affect our Group when viewed in aggregate and to rank the risks and opportunities. We are currently in the process of integrating the results from the climate model into our existing ERM process to enhance our evaluation of climate-related risk and opportunities and aim to complete over the next one to two years. This integration allows for a comprehensive approach to risk management, ensuring that climate-related risks are adequately identified, assessed, treated, monitored, and reported alongside other types of risks.

At the project level, we work to understand local climate conditions in our operating areas through site surveys and collaboration with local authorities. Following these investigations, our engineering team works to design a combination of adaptation procedures as required. These measures have included raising the floor level of our hotels in Fuzhou and Putien in China, as well as Chiang Mai in Thailand, above potential flooding levels, helping to mitigate the effects of extreme weather events.

In line with our approach towards climate resilience, we regularly monitor climate change impacts, evaluating the need for additional measures. On top of to our engineering design considerations, we have building management protocols in place for extreme weather events. We have plans to commence a physical risk assessment to better understand potential climate hazards and will communicate these results to our senior management for continuous monitoring and follow-up.

# Targets and Metrics

Our Group acknowledges the importance of transparent disclosure on climate performance and has made ongoing commitments to manage climate-related risks while pursuing sustainable growth. For details and progress on our climate-related targets, please refer to sections on Carbon Emissions and Energy.

While we are continuing our work to enhance our climate-related metrics, please see the table below that summarises our progress and our ongoing work plan to develop robust metrics for disclosure in future reports.

Metric category	Our approach and progress
GHG Emissions	We have set up an online platform to collect environmental data, and our Scope 1 and 2 and some Scope 3 emissions from operations are subsequently measured in the platform with reference to the GHG protocol, IEA, and other relevant standards (see the GHG metric section for more details). We aim to complete a Scope 3 inventory exercise within the next two years for detailed reporting of the applicable categories.
Transition and Physical Risks, Climate-related opportunities	In 2023, we conducted a climate-related risk assessment and scenario analysis on our top 30 assets ranked on an effective valuation basis, representing around 70% of our global portfolio. From the analysis, we identified material transition and physical risks and climate-related opportunities. We observed from the results of the initial climate modelling that the financial implications arising from temperature extremes are higher for assets in northern mainland China, while financial implications arising from flooding affects assets in cities within 5km of a waterfront. Technology that forms part of the transition risks affects assets regardless of location but has more impact on assets using older technology or less efficient equipment or design.  Based on this initial analysis, we are looking at improving our data collection methods to accurately quantify the impacts from climate-related risks and opportunities and determine which assets are most vulnerable to such risks and aligned with the potential opportunities.
Capital deployment	We have ongoing capital expenditures on upgrades that directly or indirectly contribute to the mitigation of climate-related impacts. These include the implementation of energy-efficiency measures, the integration of green building technology, and the utilization of renewable energy.  Moving forward, we are committed to monitoring these key initiatives and closely collaborating with our Finance team over the next two to three years to quantify and analyse the investments and expenditures allocated to support our low-carbon transition and climate-resilience efforts. Through this monitoring, financial analysis, and reporting, we aim to foster a shared understanding among stakeholders of our dedication to addressing climate-related challenges effectively.

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# APPENDIX

# Performance Tables

## Scope

	Operating hotels	Operating Investment Properties
Reporting boundary <sup>1</sup>	103	14

## Environment<sup>2</sup>

	Unit	2021	2022	2023
<b>Energy</b>				
Total	GWh	1,497	1,645	1,868
Intensity	kWh/m <sup>2</sup>	192	207	240
Purchased electricity	GWh	879	956	1,103
Natural gas	GWh	361	379	440
Diesel	GWh	86	103	110
Purchased heat	GWh	113	120	116
LPG	GWh	32	48	56
Chilled water	GWh	22	34	39
Gasoline	GWh	3	4	5
Coal	GWh	0.6	<0.1	0

Notes:

- 1 Unless otherwise specified, 2023 Performance Data Table includes 103 operating hotels and 14 operating investment properties. The scope of disclosure covers the properties under Shangri-La's operational control.
- 2 Properties open for less than 12 months in a reporting year are excluded from the calculation of energy, carbon and water consumption and relevant data to maintain consistency and enable meaningful analysis with reduced fluctuations.

	Unit	2021	2022	2023
<b>Carbon emissions<sup>3</sup></b>				
Total greenhouse gas emissions	'000 Tonnes CO <sub>2</sub> e	NA	835	940
Scope 1 and 2 GHG emissions (Location-based)	'000 Tonnes CO <sub>2</sub> e	696	749	869
Scope 1	'000 Tonnes CO <sub>2</sub> e	NA	107	150
Scope 2 (Location-based)	'000 Tonnes CO <sub>2</sub> e	NA	642	719
Scope 2 (Market-based)	'000 Tonnes CO <sub>2</sub> e	NA	NA	717
Scope 3	'000 Tonnes CO <sub>2</sub> e	NA	86	71
Scope 1 and 2 GHG intensity	kg CO <sub>2</sub> e/m <sup>2</sup>	89	94	112
<b>Water<sup>4</sup></b>				
Consumption	ML	12,639	13,013	16,302
Intensity	m <sup>3</sup> /occupied room night	2.1	1.9	1.65

NA:Data not available or not collected

Notes:

3 Calculation measures and methodologies for GHG carbon emissions:

- a GHG carbon emissions are measured with reference to the methodology outlined in the GHG Protocol.
- b Greenhouse gases covered by the Kyoto Protocol are measured: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), as well as hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF<sub>6</sub>).
- c Scope 1: Direct GHG carbon emissions from fuel combustion such as natural gas, liquefied petroleum gas, diesel, gasoline, coal, etc., as well as fugitive emissions including CH<sub>4</sub> from domestic wastewater treatment; CO<sub>2</sub>, SF<sub>6</sub>, HFCs from fire safety equipment; PFCs, HFCs from refrigerant used in air conditioners and cooling systems.
- d Scope 2: Indirect GHG emissions from the generation of purchased electricity, heating, cooling, and steam consumed by properties.
- e Scope 3: We have assessed three sources of Scope 3 GHG emissions in our value chain: Category 3: Fuel- and Energy-related Activities not included in Scope 1 or Scope 2; Category 5: Waste Generated in Operations; and Category 6: Business Travel.
- f For location-based Scope 2 carbon emissions: Average energy generation emission factors from national or subnational official sources are used, as well as those from international bodies, such as IEA and IPCC.
- g For market-based Scope 2 carbon emissions: Where possible, relevant supplier-specific emission factors are used.
- h The total GHG fugitive emissions are estimated as 3% of the calculated Scope 1 and 2 carbon emissions. This does not have a material impact.
- i Biofuel consumption in 2023: 0 kWh; Total CO<sub>2</sub>e emission of biofuel: 0 kg CO<sub>2</sub>e.
- j 0 emissions from nitrogen trifluoride (NF<sub>3</sub>) in 2023, as no related material used.

4 Total water consumption refers to the amount of water used by our in-scope properties. These include drinking water, bathroom usage (showers, toilets, faucets), cooking, cleaning and laundry operations, swimming pool maintenance, landscaping, and other operations that require water usage.

	Unit	2021	2022	2023
<b>Waste<sup>5</sup></b>				
Hazardous waste				
Total	Tonnes	223.0	151.5	139.0
Landfill and Energy Combustion	Tonnes	NA	117.7	120.6
Diverted	Tonnes	NA	33.7	18.4
Diversion rate	%	NA	22%	13%
<b>Non-hazardous waste</b>				
Total	'000 Tonnes	33.9	27.8	40.8
Landfill and Energy Combustion	'000 Tonnes	13.3	15.7	28.9
Diverted	'000 Tonnes	20.6	12.1	12.0
Diversion rate	%	43%	44%	29%
Total food waste				
Landfill and Energy Combustion	'000 Tonnes	2.9	2.6	6.5
Diverted	'000 Tonnes	13.4	7.4	8.4
<b>Single-use plastics<sup>6</sup></b>				
Total single-use plastics waste	Tonnes	1,683	1,020	1,038
Single-use plastics intensity	g/occupied room night	271	150	104
<b>Green buildings</b>				
Certified green buildings	Number	36	36	34

NA:Data not available or not collected

Notes:

5 Waste data only includes 103 operating hotels.

a Hazardous waste includes grease, batteries, fluorescent lightings, e-waste, chemicals, and paint. These materials are collected by licensed waste management companies and are disposed of according to relevant national and local regulations.

b Non-hazardous waste includes food waste, paper, cardboard, glass, used cooking oil, plastic, metal, soaps and linens. Our properties work with local licensed waste management companies.

c Hazardous waste diverted is calculated by dividing diverted hazardous waste by total hazardous waste. Hazardous waste diversion includes recycling.

d Non-hazardous waste diverted is calculated by dividing diverted non-hazardous waste by total non-hazardous waste. Non-hazardous waste diversion includes reuse, recycling, energy (anaerobic digestion), food waste composting, food waste converted to fodder, food waste liquidised by ORCA machine, and surplus food donated to third parties.

e Food waste refers to any food that is discarded or unused from our restaurants and kitchens, including food scraps, peelings, cores, unserved, leftover, spoiled or expired, coffee ground, tea bags, shells, and bones. It does not include used cooking oil.

f The calculation of the waste diversion rate is adjusted in 2023 by excluding energy combustion from the diversion rate. Energy combustion is included in the landfill starting from 2023.

6 Single-use plastics waste includes plastic water bottles, guestroom shower bottles, bathroom amenities, food and beverage takeaway containers, soft drink bottles, and others.

## Social

		2021	2022	2023
<b>Workforce</b>				
<b>Employee headcount<sup>7</sup></b>		<b>39,017</b>	<b>40,746</b>	<b>43,556</b>
by Gender	Male	22,072	23,345	24,634
	Female	16,945	17,401	18,922
by Age Group	Under 30 years	12,780	12,769	14,912
	30-50 years	20,443	21,297	21,869
	Over 50 years	5,794	6,680	6,775
by Location	Mainland China, Hong Kong SAR and Taiwan	24,592	24,191	25,820
	Rest of world	14,425	16,555	17,736
	Mainland China	NA	19,640	20,930
	Hong Kong, Mongolia and Taiwan <sup>8</sup>	NA	4,551	4,890
	Japan and Korea	NA	235	260
	Middle East, Europe, India, and Americas	NA	5,203	5,525
	Southeast Asia and Australasia	NA	11,117	11,951
by Employment Level	Senior management	8	7	6
	Function/Division Heads — VP level or above but excluding senior management	79	73	70
	Senior managerial/Property Executive Committee — M4-M6	893	921	942
	Managerial — M1-M3	7,307	7,494	7,862
	Non-managerial	30,730	32,251	34,676
by Female Representation	Total headcount	43%	43%	43%
	Senior management	25%	14%	17%
	Function/Division Heads- VP level or above but excluding senior management	34%	37%	40%
	Senior managerial/Property Executive Committee — M4-M6	40%	39%	39%
	Managerial — M1-M3	44%	44%	44%
by People with Disabilities	Number	550	479	542
	% of total headcount	2%	1%	1%

NA:Data not available or not collected

Notes:

<sup>7</sup> Definition of Employee: Unless otherwise specified, the scope of employment data in this report reflects persons who are in a direct employment relationship with the Group, excluding contractors.

<sup>8</sup> Figures are revised as they have been recategorised in Sustainability Report 2023.

		2021	2022	2023
<b>New Hires</b>				
<b>Total number of new hires</b>		<b>8,934</b>	<b>11,158</b>	<b>12,576</b>
by Gender	Male	4,529	6,110	6,556
	Female	4,405	5,048	6,020
by Age Group	Under 30 years	6,226	6,891	7,959
	30–50 years	2,308	3,733	3,875
	Over 50 years	400	534	742
by Location	Mainland China, Hong Kong SAR and Taiwan	7,892	6,334	8,548
	Rest of World	1,042	4,824	4,028
	Mainland China	NA	NA	7,234
	Hong Kong, Mongolia and Taiwan	NA	NA	1,314
	Japan and Korea	NA	NA	82
	Middle East, Europe, India, and Americas	NA	NA	1,253
	Southeast Asia and Australasia	NA	NA	2,693
<b>Turnover<sup>9</sup></b>				
<b>Total number of leavers</b>		<b>9,111</b>	<b>7,906</b>	<b>8,019</b>
by Gender	Male	5,101	4,431	4,477
	Female	4,010	3,475	3,542
by Age Group	Under 30 years	4,637	3,756	4,034
	30–50 years	3,998	3,717	3,512
	Over 50 years	476	433	473
by Location	Mainland China, Hong Kong SAR and Taiwan	6,274	4,634	5,006
	Rest of World	2,837	3,272	3,013
	Mainland China	NA	NA	3,940
	Hong Kong, Mongolia and Taiwan	NA	NA	1,066
	Japan and Korea	NA	NA	61
	Middle East, Europe, India, and Americas	NA	NA	1,175
	Southeast Asia and Australasia	NA	NA	1,777
by turnover rate		22%	19%	19%

NA:Data not available or not collected

Note:

<sup>9</sup> Includes only voluntary turnover: Number of employees leaving employment following resignation only (i.e., excluding internal transfers, retirement, or dismissal).

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		2021	2022	2023
<b>Learning and Development</b>				
Shangri-La Academy online training hours		1.1 million	1.5 million	2.5 million
Average training hours completed per colleague		28	36	58
Average training hours completed per male colleague		NA	35	55
Average training hours completed per female colleague		NA	37	60
Average training hours completed per Managerial colleague (M1 and above)		NA	41	9
Average training hours completed per Non-managerial colleague		NA	35	70
Average training spend (in USD) per employee		168	82	58
<b>Occupational Health and Safety</b>				
Fatalities		0	0	0
Total recorded injuries		1,041	1,462	1,382
Lost days due to work injuries		10,828	11,655	12,867
Full-time Equivalent (FTE) <sup>10</sup>		43,106	45,765	52,003
Employee Work Injury Rate (per 100 FTE)		2.4	3.2	2.7
<b>Community Contribution</b>				
by Volunteering	Volunteers	22,985	21,776	25,841
	Volunteer hours	115,334	126,115	124,260
	Beneficiaries reached	NA	241,701	138,721
	Activities	810	2,410	2,370
by Project expenses and donations	Total	2,692,934	1,588,548	3,187,387
	Children's education and health	542,717	785,500	516,697
	Environment and climate action	43,777	113,928	55,283
	Culture and sports	—	—	77,419
	Humanitarian aid	1,418,440	600,000	2,255,844
	Innovation	—	—	51,613
	Others <sup>11</sup>	688,000	89,120	230,531
<b>Rooted in Nature</b>				
Number of properties participating in Rooted in Nature		94	92	94
Rooted in Nature menu items		2,227	2,763	1,648

NA: Data not available or not collected

Notes:

10 FTE represents the total equivalent hours worked by a full-time employee, consisting of all permanent, casual, and contractual staff who are in a direct employment relationship with the Group.

11 Amount includes SLC points donation from guests.

## Governance

	2021	2022	2023
<b>Guests Experience</b>			
Overall Stay Experience (OSE) Rating <sup>12</sup>	83	86.5	89.7
<b>Food Safety</b>			
Properties with ISO22000: FSMS and/or Hazard Analysis Critical Control Point	85	90	90
<b>Cybersecurity</b>			
Information security breaches or other incidents	0	1	0
Substantiated complaints from regulators or other third parties	0	7	0
Fines and penalties received or paid	0	0	0

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Note:  
12 Definition of OSE: Average rating from guests on stay experiences across hotels.



# Hong Kong Stock Exchange Index

HKEX ESG Guide		Section	Remark
<b>Mandatory Disclosure Requirements</b>			
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Message from the Chairman ESG Statement ESG Governance Sustainability at a Glance Climate-Related Disclosures — Governance, Strategy	—
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison	About This Report Reporting Principles Our Sustainability Strategy Stakeholder Engagement and Materiality Assessment Carbon Emissions Energy Performance Tables	—
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About This Report Boundary and Scope Performance Tables	—
<b>Comply or Explain Provisions</b>			
<b>A. ENVIRONMENTAL</b>			
<i>Aspect A1: Emissions</i>			
General disclosure	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Carbon Emissions Water Waste Environmental Policy	—

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HKEX ESG Guide		Section	Remark
KPI A1.1	The types of emissions and respective emissions data.		Our operations rely heavily on electricity provided by our electricity supplier, with limited on-site generation. Air emissions are insignificant in our operations.
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) GHG emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Tables	—
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		—
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		—
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Hotel Showcase Carbon Emissions Energy	—
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Hotel Showcase Waste	—
<i>Aspect A2: Use of Resources</i>			
General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Policy	—
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Performance Tables	—
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).		—
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Hotel Showcase Energy	—
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Hotel Showcase Water	—
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	—	<p>We primarily engage in development, ownership and operation of hotel properties and investment properties, hotel management and related services, and development and sale of real estate properties. Although packaging material is not a significant part of waste generated, moving forward we will develop a more comprehensive and transparent reporting framework that accurately captures our packaging waste data.</p> <p>For more information on packaging related to procurement of goods, please refer to the Waste section.</p>

HKEX ESG Guide		Section	Remark
<i>Aspect A3: The Environment and Natural Resources</i>			
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	Environmental Policy	—
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Building and Interior Design Rooted in Nature Sanctuary: Our Care For Nature Programme	—
<i>Aspect A4: Climate Change</i>			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Environmental Policy	—
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	ESG Governance Climate-related Disclosures	—
<b>B. SOCIAL</b>			
Employment and Labour Practices			
<i>Aspect B1: Employment</i>			
General Disclosure	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Our Employees Equity, Diversity and Inclusion Human Rights	—
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Performance Tables	—
KPI B1.2	Employee turnover rate by gender, age group and geographical region.		—
<i>Aspect B2: Health and Safety</i>			
General disclosure	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Caring for Our Colleagues	—
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Performance Tables	—
KPI B2.2	Lost days due to work injury.		—
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Caring for Our Colleagues	—

HKEX ESG Guide		Section	Remark
<i>Aspect B3: Development and Training</i>			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Learning and Development	—
KPI B3.1	The percentage of employees trained by gender and employee category. (e.g. senior management, middle management).	Performance Tables	100% of employees undertake mandatory training.
KPI B3.2	The average training hours completed per employee by gender and employee category.		—
<i>Aspect B4: Labour Standards</i>			
General Disclosure	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Our Suppliers Human Rights	For more information, please refer to our Responsible Sourcing Policy, Supplier Code of Conduct and Human Rights Policy.
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.		
KPI B4.2	Description of steps taken to eliminate such practices when discovered.		
Operating Practices			
<i>Aspect B5: Supply Chain Management</i>			
General disclosure	Policies on managing environmental and social risks of the supply chain.	Our Suppliers	For more information, please refer to our Responsible Sourcing Policy.
KPI B5.1	Number of suppliers by geographical region.		—
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.		—
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.		—
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.		—
<i>Aspect B6: Product Responsibility</i>			
General Disclosure	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Safety and Security Food Safety Data Privacy and Intellectual Property	—
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Food Safety Management System	There have been no instances of food products sold or shipped being subject to recalls for safety and health reasons.

HKEX ESG Guide		Section	Remark
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Guest Feedback	In 2023, there were no substantiated complaints received relating to products and services provided that had a significant impact on the Group's performance.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Data Privacy and Intellectual Property	—
KPI B6.4	Description of quality assurance process and recall procedures.	Guest Experience Food Safety Our Suppliers	—
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Data Privacy and Intellectual Property	—
<i>Aspect B7: Anti-corruption</i>			
General disclosure	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-Corruption	—
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.		In 2023, there were no concluded legal cases brought against our Group concerning corrupt practices.
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-Corruption Whistleblowing	For more information, please refer to our Whistleblowing and Whistleblower Protection Policy.
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-Corruption	Starting in December 2023, an anti-corruption training module was launched and is mandatory for all our employees.
<b>Community</b>			
<i>Aspect B8: Community Investment</i>			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		—
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Our Community Performance Tables	—
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.		—

# GRI Index

GRI Standards		Section	Remarks
<i>GRI 2: General disclosures 2021</i>			
2-1	Organisational details	About Shangri-La	Please refer to the Corporate Information section in 2023 Annual Report for further details.
2-2	Entities included in the organisation's sustainability reporting	About This Report Performance Tables	—
2-3	Reporting period, frequency, and contact point	Boundary and Scope	This report covers calendar year 2023 or cumulative year-end data, unless otherwise stated. Sustainability reporting is aligned with our fiscal year and the publishing of our Annual Report. For questions regarding the report, please contact: <a href="mailto:esg@shangri-la.com">esg@shangri-la.com</a>
2-4	Restatements of information	—	N/A
2-5	External assurance	Integrated Assurance Framework Assurance Statement	HKQAA verified five targets and 2019 baseline: employee work injury rate, carbon emissions intensity, energy intensity, water intensity, and single-use plastics intensity.
2-6	Activities, value chain, and other business relationships	About Shangri-La Our Suppliers	—
2-7	Employees	Our Employees Performance Tables	—
2-9	Governance structure and composition	ESG Governance	Please refer to the following sections in 2023 Annual Report for further details: — Board of Directors, Company Secretary, and Senior Management section — Corporate Governance Report: Corporate Governance Functions, Board, Executive Committee, Nomination Committee, Remuneration & Human Capital Committee, Audit & Risk Committee and Management Committees
2-10	Nomination and selection of the highest governance body		
2-12	Role of the highest governance body in overseeing the management of impacts		
2-13	Delegation of responsibility for managing impacts		
2-14	Role of the highest governance body in sustainability reporting		
2-15	Conflict of interest	Director's Handbook and Group Code of Conduct and Ethics	—
2-17	Collective knowledge of the highest governance body		Please refer to the Directors' Training section under Corporate Governance Report of the 2023 Annual Report for further details.
2-18	Evaluation of the performance of the highest governance body	ESG Governance	Please refer to the Nomination Committee section under Corporate Governance Report of the 2023 Annual Report for further details.
2-19	Remuneration policies		Please refer to the Remuneration & Human Capital Committee section under Corporate Governance Report of the 2023 Annual Report for further details.
2-20	Process to determine remuneration		
2-22	Statement on sustainable development strategy	Message from the Chairman	—

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GRI Standards		Section	Remarks
2-23	Policy commitments	Our Suppliers	—
2-24	Embedding policy commitments	Annual Report	—
2-25	Processes to remediate negative impacts	Working Together	—
2-26	Mechanisms for seeking advice and raising concerns	Working Together Whistleblowing	—
2-27	Compliance with laws and regulations	—	There were no significant instances of non-compliance with laws and regulations in 2023.
2-28	Membership associations	—	Shangri-La is not a significant player in any industrial associations.
2-29	Approach to stakeholder engagement	Stakeholder Engagement and Materiality Assessment	—
2-30	Collective bargaining agreements	Working Together	We place the highest importance on acting in full compliance with laws and regulations concerning employment, remuneration and benefits, freedom of association, and collective bargaining. In 2023, 49% of our colleagues were represented by an independent union and/or belonged to a collective bargaining agreement.
<i>GRI 204: Procurement Practices 2016</i>			
3-3	Management of material topics	Our Suppliers	—
204-1	Proportion of spending on local suppliers	Local Sourcing	Our local supplier spending remains above 80%, reflecting our commitment to supporting local communities. Local suppliers are defined as suppliers located within the same country or region as the properties.
<i>GRI 205: Anti-corruption 2016</i>			
3-3	Management of material topics	Anti-Corruption	—
205-1	Operations assessed for risks related to corruption	—	The identification and monitoring of risks related to corruption is fully integrated in the IAF.
205-2	Communication and training about anti-corruption policies and procedures	Anti-Corruption	Starting in December 2023, an anti-corruption training module was launched and is mandatory for all our employees.
205-3	Confirmed incidents of corruption and action taken	—	In 2023, there were no confirmed incidents of corruption.
<i>GRI 302: Energy 2016</i>			
3-3	Management of material topics	Energy Environmental Policy	—
302-1	Energy consumption within the organisation	Performance Tables	—
302-3	Energy intensity	Performance Tables	—
302-4	Reduction of energy consumption	Building and Interior Design Energy	The achieved reductions in energy consumption as a direct result of conservation and efficiency initiatives amount to 198,630,553 kWh. These reductions encompass various types of energy, including electricity, fuel, heating and chilled water.  The calculations for the reductions in energy consumption are based on energy efficiency, calculated using the net energy reduction using the same conversion factors employed in 2019.
302-5	Reductions in energy requirements of products and services	Performance Tables	—

GRI Standards		Section	Remarks
<i>GRI 303: Water and Effluents 2018</i>			
3-3	Management of material topics		—
303-1	Interactions with water as a shared resource	Water Environmental Policy	—
303-2	Management of water discharge related impacts		—
303-5	Water consumption	Performance Tables	—
<i>GRI 304: Biodiversity 2016</i>			
3-3	Management of material topics	Sanctuary: Our Care for Nature Programme Building and Interior Design Environmental Policy	—
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		—
304-2	Significant impacts of activities, products and services on biodiversity	Sanctuary: Our Care for Nature Programme	—
304-3	Habitats protected or restored		—
<i>GRI 305: Emissions 2016</i>			
3-3	Management of material topics	Carbon Emissions Environmental Policy	—
305-1	Direct (Scope 1) GHG emissions		—
305-2	Energy indirect (Scope 2) GHG emissions		—
305-3	Other indirect (Scope 3) GHG emissions	Performance Tables	—
305-4	GHG emissions intensity		—
305-5	Reduction of GHG emissions	Building and Interior Design Carbon Emissions	As a direct result of the reduction initiatives, 281,673 metric tons of CO <sub>2</sub> e in GHG emissions was reduced. The calculation encompasses CO <sub>2</sub> , CH <sub>4</sub> , and N <sub>2</sub> O gases.  The reductions in GHG emissions occurred in both Scope 1 and Scope 2 categories, calculated using the net energy reduction using the same conversion factors employed in 2019.
305-6	Emissions of ozone-depleting substances (ODS)	—	
305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	—	Our operations rely heavily on electricity provided by our electricity supplier, with limited on-site generation. Air emissions are insignificant in our operations.
<i>GRI 306: Waste 2020</i>			
3-3	Management of material topics	Waste Environmental Policy	—
306-1	Waste generation and significant waste-related impact		—
306-2	Management of significant waste-related impact	Waste	—



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306-3	Waste generated		—																		
306-4	Waste diverted from disposal	Performance Tables	—																		
306-5	Waste directed to disposal		—																		
<i>GRI 308: Supplier Environmental Assessment 2016</i>																					
3-3	Management of material topics	Our Suppliers	—																		
308-1	New suppliers that were screened using environmental criteria	—	In our ongoing commitment to sustainability, we have plans in the pipeline to screen new suppliers with environmental criteria in the near future. We recognize the importance of integrating these criteria into our supplier selection process and are actively working towards implementing these measures.																		
308-2	Negative environmental impacts in the supply chain and actions taken	Our Suppliers	—																		
<i>GRI 401: Employment 2016</i>																					
3-3	Management of material topics	Our Employees	—																		
401-1	New employee hires and employee turnover	Performance Tables	—																		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	—	<p>Full-time employees enjoy life insurance, health care, parental leave, and retirement provision at headquarters.</p> <p>Benefits provided to temporary or part-time employees meet or go beyond the legal minimum requirements of local regulations.</p> <table border="1"> <thead> <tr> <th>Parental leave</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>Number of employees that were entitled to parental leave</td> <td>18,473</td> <td>12,416</td> </tr> <tr> <td>Number of employees that took parental leave</td> <td>488</td> <td>478</td> </tr> <tr> <td>Number of employees that returned to work in the reporting period after parental leave ended</td> <td>468</td> <td>416</td> </tr> <tr> <td>Number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work</td> <td>409</td> <td>399</td> </tr> <tr> <td>Return to work and retention rates of employees that took parental leave</td> <td>96%</td> <td>87%</td> </tr> </tbody> </table>	Parental leave	Male	Female	Number of employees that were entitled to parental leave	18,473	12,416	Number of employees that took parental leave	488	478	Number of employees that returned to work in the reporting period after parental leave ended	468	416	Number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	409	399	Return to work and retention rates of employees that took parental leave	96%	87%
Parental leave	Male	Female																			
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Number of employees that returned to work in the reporting period after parental leave ended	468	416																			
Number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	409	399																			
Return to work and retention rates of employees that took parental leave	96%	87%																			
<i>GRI 402: Labor/Management Relations 2016</i>																					
3-3	Management of material topics	Our Employees	—																		
402-1	Minimum notice periods regarding operational changes	—	Subject to the specific circumstances, collective bargaining agreements, and local labor laws.																		

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GRI Standards		Section	Remarks
<i>GRI 403: Occupational Health and Safety 2018</i>			
3-3	Management of material topics	Caring for Our Colleagues	—
403-1	Occupational health and safety management system		—
403-2	Hazard identification, risk assessment, and incident investigation	Risk Management	—
403-3	Occupational health services	Caring for Our Colleagues	—
403-4	Worker participation, consultation, and communication on occupational health and safety	Staff Engagement	—
403-5	Worker training on occupational health and safety	Caring for Our Colleagues	—
403-6	Promotion of worker health	—	Workers' access to non-occupational medical and healthcare services is facilitated through the provision of detailed information in the employee handbook and/or HR portal about the employee benefits program, which encompasses medical and healthcare services.  Voluntary health promotion services and programs are also offered to address major non-work-related health risks. These initiatives aim to target specific health risks through various channels, including safety campaigns, publications, billboards, discussions, sharing sessions, and mandatory and specialized training programs.
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Supplier Code of Conduct	—
403-8	Workers covered by an occupational health and safety management system	Caring for Our Colleagues	—
403-9	Work-related injuries	Performance Tables	—
403-10	Work-related ill health	—	There are no fatalities as a result of work-related ill health in 2023.  The number of cases of work-related ill health is not tracked in Shangri-La as our operations generally do not involve working environments with high levels of noise and dust that are known to contribute to occupational health issues. However, we continuously monitor the health and safety conditions in our workplaces to ensure the well-being of our employees and take proactive measures to prevent any potential health risks.
<i>GRI 404: Training and Education 2016</i>			
3-3	Management of material topics	Learning and Development	—
404-1	Average hours of training per year per employee	Performance Tables	—
404-2	Programmes for upgrading employee skills and transition assistance programmes	Shine Learning and Development	—
404-3	Percentage of employees receiving regular performance and career development reviews	—	All regular active full-time or part-time colleagues who joined the organization before 1 October 2023 would receive a regular performance and career development review during year 2023.

GRI Standards		Section	Remarks
<i>GRI 405: Diversity and Equal Opportunity 2016</i>			
3-3	Management of material topics	Equity, Diversity, and Inclusion	—
405-1	Diversity of governance bodies and employees	Performance Tables	—
405-2	Ratio of basic salary and remuneration of women to men	—	Managerial (female to male ratio): 0.95:1 Non-managerial (female to male ratio): 1.03:1
<i>GRI 406: Non-discrimination 2016</i>			
3-3	Management of material topics	Our Employees Human Rights	—
406-1	Incidents of discrimination and corrective actions taken	—	This year, there have been no instance on non-compliance with anti-discrimination that have had a significant impact on the Group's performance.
<i>GRI 408: Child Labour 2016</i>			
3-3	Management of material topics	Our Suppliers Human Rights	—
408-1	Operations and suppliers at significant risk for incidents of child labour	Our Suppliers	—
<i>GRI 409: Forced or Compulsory Labour 2016</i>			
3-3	Management of material topics	Our Suppliers Human Rights	—
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Our Suppliers	—
<i>GRI 413: Local Communities 2016</i>			
3-3	Management of material topics	Our Community	—
413-1	Operations with local community engagement, impact assessments, and development programmes	Our Community	All of our hotels (except properties that are not fully operational) actively engage in local community engagement and development programs, which encompass initiatives focused on children's education and health, environmental conservation, support for women, and the elderly, on the property level.



GRI Standards		Section	Remarks
<i>GRI 414: Supplier Social Assessment 2016</i>			
3-3	Management of material topics	Our Suppliers	—
414-1	New suppliers that were screened using social criteria	—	In our ongoing commitment to sustainability, we have plans in the pipeline to screen new suppliers with social criteria in the near future. We recognize the importance of integrating these criteria into our supplier selection process and are actively working towards implementing these measures.
414-2	Negative social impacts in the supply chain and actions taken	Our Suppliers Human Rights	—
<i>GRI 416: Customer Health and Safety 2016</i>			
3-3	Management of material topics	Shangri-La Cares Guest Experience Food Safety	—
416-1	Assessment of the health and safety impacts of product and service categories	Safety and Security Food Safety Management System	100% of our hotel properties passed operational audits in Fire and Life Safety, Engineering and Security.  98% of hotels have passed food safety audits. Hotels that did not pass have completed corrective action plans satisfactorily.  100% of active medium- and high-risk food and beverage products suppliers have complied with our food safety audits.
416-2	Incidents of non-compliance concerning the health and safety impact of products and services		In 2023, there have been no instance of no-compliance related to health and safety impacts of products and services.
<i>GRI 418: Customer Privacy 2016</i>			
3-3	Management of material topics	Data Privacy and Intellectual Property	—
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	—	In 2023, there have been no substantiated complaints concerning breaches of customer privacy identified.





# Verification Statement

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## Verification Objectives

Hong Kong Quality Assurance Agency (“HKQAA”) was commissioned by Shangri-La Asia Limited to conduct an independent verification of a set of key sustainability performance indicators (“selected information”) stated in its Sustainability Report 2023 (“the Report”). The selected information covered the period from 1st January 2023 to 31st December 2023 and represented the sustainability performance of The Shangri-La Group (“Shangri-La”) refer to Shangri-La Asia Limited and its subsidiaries and affiliates. The objective of the verification process was to provide an independent opinion with limited level of assurance on whether the selected information disclosed in the Report is accurate over the period covered.

## Verification Scope

Shangri-La engaged HKQAA to verify the following selected information:

- Energy intensity (in kWh per square meter)
- Carbon intensity (in kg CO<sub>2</sub>e per square meter)
- Water intensity (in Cubic Meter per occupied room)
- Single Use Plastic — weight (g) per occupied room per year
- Employee work injury rate (No. of Incidents per 100 Full Time Equivalent (FTE))

The organizational boundary of the verification was Shangri-La’s owned and managed hotels and investment properties.

## Level of Assurance and Methodology

The verification procedure undertaken by HKQAA is a risk-based driven and sampling approach. Our assurance engagement is referencing the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. The verification procedure is designed for devising opinions and conclusions to obtain a limited level of assurance.

Within the scope of our verification, the following procedures were undertaken as part of the evidence gathering process for this assurance engagement:

- reviewing internal data management processes for collecting, analyzing, aggregating and reporting of the performance data.
- interviewing personnel with accountability for handling the data.
- Examining raw data and supporting evidence of the selected samples according to the risk-based sampling plan.

## Independence

Our verification activities are independent and impartial. HKQAA’s Code of Conduct with respect to integrity, impartiality and confidentiality has been strictly followed.

## Conclusion

Based on the verification procedures performed and evidence obtained, nothing has come to the verification team’s attention that causes us to believe that the selected information:

- is not materially correct; and
- is not a fair representation of Shangri-La’s sustainability performance.

**Signed on behalf of Hong Kong  
Quality Assurance Agency**

**Connie Sham**  
Head of Audit  
March 2024