Responsible Business

Shangri-La’s Villingili Resort & Spa, Maldives
Responsible Business

Group-wide commitment to sustainability

At Shangri-La, we operate our business responsibly with the aim of improving people’s lives while caring for the environment. In 2018, we introduced a Balance Scorecard to assess the performance of our hotels across six dimensions – guest experience, people development, financial performance, corporate initiatives, compliance and community engagement. This holistic evaluation forms the basis of our performance incentive structure and is designed to reward and recognise our colleagues for promoting sustainable development across the Group.

SUSTAINABILITY REPORTING

We report on the social and environmental impact of Group-owned hotels, hotels under lease agreements, and hotels owned by third parties. Reflecting our commitment to transparency and accountability, we have prepared this report with reference to several GRI Standards published by the Global Reporting Initiative, and we disclose our climate and water impact annually through Carbon Disclosure Project (CDP), the global environmental disclosure system.

In 2018, Shangri-La Asia Limited was listed on the Hang Seng Corporate Sustainability Index and Dow Jones Sustainability Asia Pacific Index. We are also a signatory to the UN Global Compact.

Scope of ESG disclosures

The scope of our ESG data for 2018 includes 102 properties that were in operation for at least one full calendar year before 31 December 2018, including Group-owned hotels, hotels under lease agreements, and hotels owned by third parties. Investment and development projects, property rentals and property sales, which are under the management control of the Group, are not currently within the scope of our ESG disclosures.

HKEX ESG Content Index

This report complies with applicable provisions set out in The Hong Kong Exchange (HKEX) Main Board Listing Rule 13.91 and ESG Reporting Guide. For direction to the location of all relevant disclosures, please refer to the HKEX ESG Content Index at the end of this chapter.

Stakeholder Engagement And Materiality

We proactively engage our internal and external stakeholders to understand their needs and guide the sustainability focus of our work. For the purposes of sustainability reporting, a comprehensive materiality assessment of our business was conducted in 2012 and updated in 2016. We plan to conduct another materiality study in 2019-2020.

In 2018, the focus of our internal engagement was the new Balance Scorecard (BSC). During the year, senior hotel and corporate office managers created actionable strategies and targets for each dimension of the scorecard.

As a result, all hotels launched new Leadership Competencies guidelines that align our expectations for effective behaviours of Shangri-La leaders across the Group. We also rolled out enhanced Core Learning programmes for all hotel employees focused on the Group’s commitment on hotel security, Fire Life Safety, information security and the Shangri-La Food Safety Management System.

1 Refer to our GRI Content Index at: http://www.shangri-la.com/corporate/about-us/corporate-social-responsibility/sustainability/reports/
2 The scope of ESG disclosures includes 101 operating hotels and the Aberdeen Marina Club, Hong Kong.
PEOPLE

To ensure the long-term success of our business, we must attract, retain and develop talented people from diverse backgrounds and experiences. We strive to provide fair and inclusive workplaces where all colleagues are treated with courtesy and respect.

Profile of our Employees

In 2018, the number of people directly employed by Shangri-La was 44,418, including all employees of 102 properties within the scope of this report, together with our head office Shangri-La International Hotel Management Limited (SLIM) and our regional offices.

Full Time Employment

<table>
<thead>
<tr>
<th>By Age Group</th>
<th>Number</th>
<th>Percentage of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 20 years</td>
<td>869</td>
<td>2%</td>
</tr>
<tr>
<td>20-40 years</td>
<td>29,147</td>
<td>66%</td>
</tr>
<tr>
<td>Over 40 years</td>
<td>14,402</td>
<td>32%</td>
</tr>
<tr>
<td>By Region</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mainland China &amp; Hong Kong</td>
<td>20,729</td>
<td>47%</td>
</tr>
<tr>
<td>Rest of the world</td>
<td>23,689</td>
<td>53%</td>
</tr>
<tr>
<td>By Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>18,828</td>
<td>42%</td>
</tr>
<tr>
<td>Female</td>
<td>25,590</td>
<td>58%</td>
</tr>
</tbody>
</table>

Turnover of Full Time Permanent Employee

<table>
<thead>
<tr>
<th>By Age Group</th>
<th>Turnover rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 20 years</td>
<td>1%</td>
</tr>
<tr>
<td>20-40 years</td>
<td>21%</td>
</tr>
<tr>
<td>Over 40 years</td>
<td>4%</td>
</tr>
<tr>
<td>By Region</td>
<td></td>
</tr>
<tr>
<td>Mainland China &amp; Hong Kong</td>
<td>16%</td>
</tr>
<tr>
<td>Rest of the world</td>
<td>10%</td>
</tr>
</tbody>
</table>

Employment Practices

We support and uphold human rights throughout our business by ensuring that our operations and suppliers do not participate in any form of forced, coerced or bonded labour, and that the legal minimum age requirements for employment are strictly observed in every jurisdiction where we operate. Our hotels do not provide work to any person below 16 years of age, including suppliers of goods and services, unless he or she is participating in a recognised professional apprenticeship programme.

Ethical Conduct

Our Code of Conduct and Ethics sets out the core values—humility, courtesy, sincerity, respect and helpfulness—and high standards of behaviour that we expect every employee to uphold. Our colleagues have a duty of care to report any violations of our Code of Conduct and Ethics. We have a whistleblowing and whistle-blower protection policy in place to support anyone who wishes to come forward with a query or complaint.

During the reporting period, we are not aware of any instances of non-compliance with relevant laws and regulations that have a significant impact on the Group regarding our employment practices (including compensation, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare), providing a safe working environment or preventing child and forced labour. We are also not aware of any breach of laws and regulations regarding bribery, extortion, fraud and money laundering. Furthermore, there were no legal cases regarding corrupt practices brought against SLIM or its employees during the reporting period.

Diversity & Inclusion

We embrace diversity in our workplace, while striving to eliminate all forms of discrimination based on gender, race, religion, disability, marital status, sexual orientation, family status or any other personal characteristics as prohibited by local laws. We do not condone any form of harassment or behaviour that may embarrass or cause our colleagues or guests to feel uncomfortable. Our hotels are strongly encouraged to employ people from their local communities, and in particular to provide opportunities for People with Disabilities (PWDs). We have partnered with local organisations to offer training and employment for PWDs, and in 2018, we employed 773 PWDs, which represents an average of 1.74% of our workforce.

Employees are defined as workers who are in an employment relationship with the organisation according to local law or its application.

Turnover rate: Number of leavers during 2018 divided by the average headcount between December 2017 and December 2018.
Employee Experience and Wellbeing

We regularly engage with our colleagues to understand how we can support and empower them to pursue their personal and professional goals.

Training & Development

Shangri-La Academy was set up in 2004 with a focus on nurturing talented colleagues, developing hospitality leaders, and building organisational capabilities. In 2018, we made a strategic decision to reposition and rebrand Shangri-La Academy as a global provider of blended and experiential learning opportunities that will empower people from across the Group to take responsibility for their own learning journeys. In addition to piloting an online digital learning platform that is freely accessible to our colleagues via their mobile devices, we have started to curate our in-house learning content comprising over 200 videos and 100 other learning materials and have begun to leverage opportunities for social learning through sharing of best practices.

Occupational Health & Safety

Every hotel has an Occupational Health and Safety (OHS) management system in place to identify and control potential health and safety hazards in the workplace. In 2018, 54 hotels were OHSAS 18001: Occupational Health and Safety Assessment Series certified, and two hotels achieved certification in compliance with the most recently released standard, ISO 45001.

We collect data on accidents, lost time injuries and absenteeism through our Security and Safety Reporting System that has been in place since 2015. In 2018, we maintained a record of zero workplace fatalities, and recorded 671 and 30 workplace accidents and injuries from our employees and contractors, respectively. The decline in employee accidents and injuries from 782 during the previous reporting period, reflects the effectiveness of increased safety efforts and initiatives across the Group. We are also vigilant in combating the spread of infectious diseases, for example, by providing training to minimise the threat of disease transmission.

Number of Recorded Employee Accidents and Injuries

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>703</td>
<td>814</td>
<td>782</td>
<td>671</td>
</tr>
</tbody>
</table>

GUEST EXPERIENCE

Our mission is to delight our guests every time by creating engaging experiences straight from our heart.

Guest Satisfaction

TrustYou is our third-party vendor who helps to monitor guest satisfaction in our hotels with reference to internal post-stay and post-event survey results, combined with ratings from external travel and hotel review sources such as TripAdvisor and Booking.com. Each hotel receives a TrustYou Performance Score, which is an average of its overall experience ratings. In 2018, the year-end TrustYou Performance Score for Shangri-La Group was 89.4, within the “Excellent” range of 86–100. During the year, data coverage for our internal survey (i.e. the percentage of survey invitations responded to by guests who provided an email address upon check out) was 13.6% compared with 8.2% in 2017.

Every guest complaint is entered into our tracking system known as DR³, which stands for Defect Reporting, Recording and Resolution. Our hotels monitor defect trends so they can implement action plans to address recurring defects. In 2018, our system recorded 138,221 guest feedback, with the most common complaints concerning guest room air-conditioning malfunction, poor food taste and guest rooms being unavailable for 2 pm check-in. In line with our “Recover to Gain Loyalty” approach, every guest query and complaint will be handled appropriately by our hotel colleagues who have received training in “One-Stop-Shop” problem recovery.
Oman Sanctuary

Turtle Care

Each year about 100 mother turtles return to the private beach cove of Shangri-La Al Husn Resort & Spa in the Sultanate of Oman to lay their eggs. This is one of only five nesting sites in Oman. The resort therefore plays a crucial role in the protection and conservation of two species of turtle - the Hawksbill turtle and the Green turtle – both indigenous to the area.

We have a dedicated turtle ranger who protects the nests and helps raise awareness through educational activities at the Eco Centre located in our sister property, the Shangri-La Barr Al Jissah Resort & Spa. During hatching season between March and August, guests at both hotels are invited to witness turtle hatchlings emerging from their nests to venture on their first journey out to sea.

Guest Safety & Security

Shangri-La has several group policies in place concerning guest security, including but not limited to, conflict resolution, crime, medical emergencies and emergency evacuations. The Security division of SLIM is responsible for the oversight of these policies in line with our corporate values, including our commitment to anti-corruption and protecting human rights. Our security staff receives training to deal with emergencies of all types. We conduct comprehensive annual security audits at each hotel. All properties are equipped with closed-circuit televisions and recording technology, and are monitored 24 x 7 by trained security officers.

In 2018, we are not aware of any instances of non-compliance with relevant laws and regulations that have a significant impact on the Group concerning health and safety or any other aspects of product/service responsibility including but not limited to data privacy, Fire Life Safety, food safety and indoor air quality.

Data Security & Protection

We take data security protection very seriously. Our new Group Policy on Corporate Data Protection was launched in January 2018. It provides guidance on consistent application of robust data protection and data security standards for processing personal data, including that of our colleagues, guests, loyalty programme members, strategic partners, vendors and business contacts. It also sets out our framework for global exchange of data among members of the Shangri-La Group, which is designed to ensure an adequate level of data protection for cross-border data flow in compliance with all applicable laws.

We are committed to comply with data protection laws in the jurisdictions where we are listed – Hong Kong, Singapore, Thailand, Malaysia – as well as with the European Union’s General Data Protection Regulation. In 2018, we experienced a cyber-security breach involving the loss of personal data belonging to a limited number of Golden Circle members. We immediately investigated and contained the breach. We also notified all affected individuals and regulatory authorities in the relevant jurisdictions.

Customer Data Security & Data Privacy Protection Highlights

We are continuously improving our security to safeguard our customers’ data:

- Employee Personal Information Collection Statement and updated policies are internally available to all employees
- Online Privacy Policy and Cookies Policy are publicly available on our corporate website
- Mobile app and IT environment have undergone independent review, including penetration testing and remediation of gaps
- IT fraud detection systems are in place, including captcha and 24x7 monitoring of “robot” activities
- Feedback loops for handling of security incidents directly involving the Chief Risk Officer and General Counsel
- Contingency plans are in place
- Internal security awareness training is mandatory for all employees

Responsible Business

Fire Life Safety
We have zero tolerance for non-compliance with our Fire Life Safety standards and procedures. In addition to conducting annual inspections in all hotels, we have dedicated Fire Life Safety Officers in each property who are responsible for monitoring and maintaining Fire Life Safety systems on an ongoing basis. Our internal standards for Fire Life Safety reference the USA National Fire Protection Association’s regulations, China Green Building codes and other relevant codes in the countries where we operate.

Food Safety
Food Safety is governed by Shangri-La’s comprehensive food safety management system, in addition to which all hotels are expected to obtain certification for compliance with relevant local and international food safety standards. In 2018, 69 hotels were Hazard Analysis and Critical Control Points (HACCP) and/or ISO 22000 Food Safety Management certified. We have recently updated our food safety programme to incorporate changes to several policies. In addition to introducing more targeted training for food handlers, including casual workers in our food and beverage outlets, we have also launched a centralised assurance programme for food safety involving third-party audits for designated high-risk suppliers.

Indoor Air Quality
Indoor air quality (IAQ) is a topic of increasing concern for our guests and colleagues given the growing awareness on the health effects of indoor air pollutants. Our Engineering division ensures that each hotel makes adequate provisions for ventilation and air filtration in accordance with our mechanical and engineering design standard. Continual monitoring of IAQ is mandated under each hotel’s Environmental Management Systems (EMS). It is also our policy to measure the IAQ of each hotel every three years, or as often as required by local authorities.

ENVIRONMENT
Environmental protection is part of Shangri-La’s guiding principles and Code of Conduct and Ethics. Our colleagues are expected to uphold this principle and to help improve the environmental stewardship in the properties. More than half the guests who responded to our surveys consider it important for our hotels to demonstrate sustainable environmental practices, including but not limited to energy efficiency, reducing emissions and conserving water.

Environmental Management Systems
Environmental considerations have been fully integrated into the daily operations of our hotels through Environmental Management Systems (EMS) and policies that serve to create a robust framework for planning, managing and controlling our environmental impact. In 2018, 57 of our hotels obtained EMS: ISO14001 certification. We strive to achieve continual improvement in environmental performance through more efficient use of resources and waste reduction.

During the reporting period, we are not aware of any instances of non-compliance with relevant laws and regulations that have a significant impact on the Group concerning air emissions, water discharges or disposal of hazardous and non-hazardous waste.

Green building certification
We invest in green buildings by integrating sustainable design features, construction techniques and operational processes in the development of our hotels. In 2018, 17 hotels obtained Leadership in Energy and Environmental Design (LEED) certification from the United States Green Building Council, the most widely used green building rating system globally. Another 18 hotels were certified under schemes such as the China Hotel Association’s China Green Hotel rating system, the National Australian Built Environment Rating System (NABERS), Green Mark in Singapore, and the Building Research Establishment Environmental Assessment Method (BREEAM) in the United Kingdom.

Climate Change, Energy And Emissions
The impact of climate change around the world has led to calls for stronger global action. Greenhouse gas (GHG) emissions - commonly referred to as carbon emissions - exacerbate global warming and contribute to ecological damage of our planet. At Shangri-La, we continually assess the risks and opportunities associated with climate change for our business so that we can develop appropriate mitigation and adaption measures. Our efforts include conducting Environmental Impact Assessments for new hotels under development, and running responsible resource management initiatives in our existing portfolio. For additional information, refer to our 2018 CDP Climate Change response.

Energy consumption and GHG emissions
The main driver of energy consumption and GHG emissions across our portfolio is purchased electricity for lighting, air-conditioning and other general purposes in our hotels. Within the scope of this report, our total energy consumption in 2018 was equivalent to 2,054.32 GWh, and we produced scope 1 and scope 2 GHG emissions amounting to 176,341 and 919,805 tonnes of carbon dioxide equivalent (CO₂e), respectively.

https://www.cdp.net/en/responses?utf8=%E2%9C%93&queries%5Bname%5D=shangri-la
Total Energy Consumption by Type (GWh)

<table>
<thead>
<tr>
<th>Type</th>
<th>Consumption (GWh)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heating &amp; Genset</td>
<td>750.95</td>
<td>37%</td>
</tr>
<tr>
<td>Electricity</td>
<td>1133.31</td>
<td>55%</td>
</tr>
<tr>
<td>Kitchen Fuel</td>
<td>133.49</td>
<td>6%</td>
</tr>
<tr>
<td>Chilled Water</td>
<td>36.57</td>
<td>2%</td>
</tr>
</tbody>
</table>

**Target setting**

We aim to achieve a 15% reduction in the energy, GHG and water footprints of our properties by 2020 compared with their baselines. To achieve this, each property is expected to meet annual intensity reduction targets. Our intensity metric reflects a measure of the number of overnight guests and other guests in each hotel during the year, referred to as a business unit (BU).

**2018 Energy, GHG and Water Footprint Reduction Targets**

- **Group-wide**: 9% reduction from 2015 baseline
- **Opened in 2015**: 6% reduction from 2016 baseline
- **Opened in 2016**: 3% reduction from 2017 baseline
- **Opened in 2017 & 2018**: Not included in the Group performance evaluation

**Reducing Single Use Plastics**

In 2018, we conducted a group-wide plastic consumption baseline study to identify our top 10 Single Use Plastic (SUP) items by usage. Eighty-nine hotels took part in a follow up survey, indicating their readiness to switch to more sustainable alternatives and to reduce plastic waste. In 2019, we plan to introduce a Group-wide policy to eliminate SUP straws and stirrers, and to reduce consumption of SUP bottles in rooms and banquet areas.

We operate water bottling plants at our resorts in the Maldives, Mauritius, Kota Kinabalu, Penang, Cebu and Boracay to help reduce the number of SUP bottles consumed and disposed of in these relatively remote and ecologically sensitive areas. In 2018, we filled up over 1.1 million bottles of water across these plants, thereby reducing our consumption of SUPs by an equivalent amount.

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7 Please refer to our GRI Content Index for information on the basis of calculation of our reported energy data.
8 For properties opened before 2015, the baseline is each property’s performance in 2015. For properties opened in 2015 or 2016, the baseline is each property’s performance in 2016 or 2017, respectively. During the reporting period, environmental targets and performance evaluations were not applicable for properties opened after 2016.
In 2018, 50 properties achieved their reduction targets for energy intensity and 48 properties achieved their reduction targets for GHG intensity. The average energy intensity of 102 properties included in our Group performance evaluation was 74 kWh per BU, which represents an 8% decrease from the baseline. Average Scope 1 & 2 GHG emissions intensity decreased 9% from the baseline to 6.5 kilograms of CO$_2$e per BU.

Renewable energy
In addition to the energy consumption reported above, 11 hotels generated small amounts of renewable energy using photovoltaic systems to convert sunlight into hot water or electricity. In 2018, these systems produced 2.29 GWh of renewable energy, all of which was consumed within the hotels.

Energy savings
Across the Group, we have implemented various energy saving technologies such as centralised heat pumps that are three times more efficient at transferring energy than using boilers or heaters to generate heat; and vacuum boilers that are 15–30% more efficient than conventional steam and hot water boiler systems. In 2018, these technologies helped us to achieve estimated energy savings of 39.69 GWh per year. Reducing the temperature at which laundry is washed also has a considerable impact on energy use. In 2018, our low temperature laundry programme was implemented in 82 hotels.

### Summary of energy saving technologies

<table>
<thead>
<tr>
<th>Technology</th>
<th>Number of hotels</th>
<th>Estimated Energy Savings (GWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centralised heat pumps</td>
<td>16 (including 8 implemented in 2018)</td>
<td>37.60</td>
</tr>
<tr>
<td>Vacuum boilers</td>
<td>3</td>
<td>2.09</td>
</tr>
</tbody>
</table>

We have two major initiatives in place to further enhance the energy performance of our portfolio: (i) improving the efficiency of chillers that provide cooling energy in our hotels’ central air conditioning systems, and (ii) upgrading older lighting systems with LEDs up to 80% more efficient. In 2019, we plan to initiate chiller optimisation projects in our top 20 hotels ranked by total energy consumption, and to undertake comprehensive LED lighting replacement in 42 hotels.

WATER

In 2018, a total of 18.4 million cubic metres (m$^3$) of water was consumed by properties within the scope of this report, comprising mostly freshwater from municipal supplies for drinking, cooking, cleaning, irrigation, and recreational amenities. During the reporting period, 35 hotels achieved their reduction targets for water consumption intensity. At 0.68 cubic meters per BU, overall water intensity in 2018 declined 3% from the baseline.

We recognise that responsible water management is an increasingly important issue for our planet and our business. Through our BSC management approach, hotels are incentivised to make concerted efforts to achieve our 2020 water intensity reduction target. During 2018, we completed tests on new water-saving showerheads that can reduce water consumption by 15–40% without compromising the showering experience. In 2019, we plan to progressively rollout a Group-wide showerhead replacement programme.

Effluents
Forty eight of our hotels operate aerobic, anaerobic or septic wastewater treatment systems in accordance with their local circumstances and requirements. In 2018, these hotels discharged 8.28 million m$^3$ of treated effluents, mostly to municipal wastewater management services. In order to ensure compliance with local regulations and provide data for accurate calculation of scope 1 GHG emissions, our Engineering division monitors the BOD (Biological Oxygen Demand) content of effluents from the hotels.

Water stress
To reduce the burden of our operations on scarce freshwater supplies in remote and ecologically sensitive locations, our resorts in Cebu, Boracay, the Maldives and Mauritius operate desalination plants using groundwater or seawater to produce freshwater. Six properties, including our resorts in the Sultanate of Oman, Maldives and Mauritius, help to conserve local supplies of freshwater by operating Sewage Treatment Plants (STPs) that produce recycled water for irrigation, washing of external surfaces and other suitable purposes.
Summary of impact in areas of water stress

<table>
<thead>
<tr>
<th>Hotels</th>
<th>Total water withdrawal (m³)</th>
<th>Water source(s)</th>
<th>On-site water desalination (m³)</th>
<th>On-site water recycling (m³)</th>
<th>Discharge of treated effluent (m³)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shangri-La’s Mactan Resort and Spa, Cebu</td>
<td>382,230</td>
<td>Municipal supply and groundwater</td>
<td>247,323</td>
<td>-</td>
<td>305,651</td>
</tr>
<tr>
<td>Shangri-La’s Boracay Resort and Spa</td>
<td>260,992</td>
<td>Municipal supply and groundwater</td>
<td>51,676</td>
<td>-</td>
<td>34,616</td>
</tr>
<tr>
<td>Shangri-La Barr Al Jissah Resort &amp; Spa, Sultanate of Oman</td>
<td>495,682</td>
<td>Third-party supplier of desalinated seawater</td>
<td>-</td>
<td>170,943</td>
<td>168,564</td>
</tr>
<tr>
<td>Shangri-La’s Villingili Resort &amp; Spa, Maldives</td>
<td>206,132</td>
<td>Seawater</td>
<td>206,132</td>
<td>1,819</td>
<td>57,362</td>
</tr>
<tr>
<td>Sule Shangri-La, Yangon</td>
<td>169,520</td>
<td>Groundwater</td>
<td>169,520</td>
<td>-</td>
<td>224,239</td>
</tr>
<tr>
<td>Shangri-La’s Le Touessrok Resort &amp; Spa, Mauritius</td>
<td>75,513</td>
<td>Municipal supply and groundwater</td>
<td>64,509</td>
<td>46,424</td>
<td>46,424</td>
</tr>
</tbody>
</table>

WASTE

We are working to improve our data collection system to facilitate more effective monitoring and management of waste. In 2018, our hotels recorded approximately 171,550 metric tonnes of non-hazardous waste, including food waste, paper and cardboard, plastics, metals, glass and others such as garden waste. During the year, over 137,700 tonnes of non-hazardous waste were diverted from landfill, representing an overall diversion rate of 80%. This level of waste diversion was achieved largely through recycling by licensed contractors, as well as food donation and food waste conversion. Furthermore, to reduce the production of paper waste at source, paperless check-in has been implemented in 78 hotels.

Disposal and Diversion of Non-Hazardous Waste (tonnes)

- **Sent to Landfill:** Other Non-Hazardous (18,929 tonnes) 11%
- **Diverted from Landfill:** Food Waste (11,398 tonnes) 7%
- **Sent to Landfill:** Food Waste (14,909 tonnes) 9%
- **Diverted from Landfill:** Other Non-Hazardous (126,309 tonnes) 73%

Food Waste

Reduction of food waste is a strategic priority for our hotels. In 2018, our hotels donated over 733 tonnes of food to third parties, such as non-profit organisations who then re-distribute food to the needy; collected over 330 tonnes of used cooking oil for resale to reputable service providers. We estimate that we upcycled over 10,300 tonnes of food waste, including composting it for use in our hotel gardens and providing it to authorised agents for conversion into energy or animal fodder.

We have recently completed a baseline study on waste arising from food preparation, spoilage and guest plates in our all-day dining outlets, colleagues’ cafes and banquets. The aim is to identify the main causes and locations of waste production in order to explore opportunities for waste reduction. By 2020, we intend to establish targets for our hotels to eliminate over-production of food, in particular, buffet waste.

Hazardous Waste

The relatively small amount of hazardous waste produced by our hotels is handled responsibly in accordance with locally applicable regulations and procedures. In 2018, our hotels disposed of approximately 23.4 tonnes of scheduled waste, including cleaning chemicals, retired light fittings and electrical equipment.

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9 Compared with 2017, the scope of our waste data disclosure for 2018 has increased from 94 to 102 properties.
The C.O.R.A.L. Nature Project at Shangri-La’s Boracay Resort and Spa, epitomises our balanced approach to looking after the environment by protecting both land and the sea. Our Eco Centre gives guests first-hand experiences of the island’s extraordinary flora and fauna—including Golden-Crowned Flying foxes (Acerodon jubatus), Panay Monitor Lizards (Varanus mabitang), Staghorn Corals (Acropora cervicornis) and Hawksbill Turtles (Eretmochelys imbricata)—as well as the rich cultural history of the indigenous Ati tribe.

Reef restoration has been ongoing at this resort since 2013. We worked with local partners to deploy fish houses and coral nursery units that supply high quality coral nubbins for growth.

In 2018, when there was a temporary six-month closure of Boracay Island by the government to facilitate environmental rehabilitation, we made the most of this time and deployed over 430 fish houses and propagated over 160 corals. We also rescued a young hawksbill turtle, affectionately named “Coko,” at Punta Bunga beach. Under the guidance of the Municipal Environmental and Natural Resources Office (MENRO), we nursed Coko back to health and released him on World Wildlife Day (3 March 2019).
Sanctuary Projects at a Glance
In 2018, we donated USD87,400 and 2,824 colleagues volunteered their time to our Sanctuary projects.

* Several of our Sanctuary projects create artificial reefs to support natural recruitment of corals. We transplant coral fragments to aid the recovery of specific coral species and drop fish houses to help increase the abundance and diversity of fish species.
We want to offer guests the best sustainable seafood from our culinary team while helping to raise public awareness on eating healthy and being more environmentally conscious. It’s about making sustainable food choices.

GAEI MOUREAU
Corporate Executive Chef,
Shangri-La International Hotels Management Limited

SUPPLY CHAIN
We proactively engage and partner with our suppliers to help us uphold our commitment to corporate social responsibility throughout our value chain. In 2018, we worked with over 22,000 suppliers of our food and beverage, rooms, engineering and IT divisions to ensure they meet our requirements for goods and services.

Supplier Code of Conduct
Our comprehensive Supplier Code of Conduct (the “Code”) was updated in January 2018. It sets out our expectations for suppliers concerning compliance with laws and regulations, product quality and

Restoring Mangrove Habitats
To celebrate national Arbor Day, a day where individuals and groups are encouraged to plant trees, a team of volunteers from Shangri-La’s Sanya Resort & Spa, Hainan, China, helped to transplant over 3,000 mangrove samplings at the Sanya Tielu Mangrove Wetland Reserve, a government restoration project covering 1.68 sqkm in Haitang Bay.

Mangrove forests are one of the most precious natural resources of Hainan Island. These trees live halfway between the land and sea, creating a unique ecosystem that conserves biodiversity and actively protects coastal areas from erosion.

Soaps for Hope and Linens for Life
We have partnered with Diversey, one of our key global suppliers, to recycle and upcycle our used soaps and hotel linens.

"Soap for Hope" is an international initiative to support at-risk communities by salvaging used soap slivers and turning them into new soap bars. “Linens for Life” provides training for low-income families to improve their livelihoods by converting discarded linens into new and useful items they can sell. In 2018, Shangri-La hotels donated over 145 tonnes of used soap and 16 tonnes of used linen to Diversey for these causes.

safety, business integrity and ethics, labour standards and practices, the environment, anti-corruption, record-keeping, confidentiality, data protection and intellectual property rights. We aim to do business with partners whose operations exceed the basic stipulations of the Code. All suppliers are required to declare their compliance with the Code and to report any violations or suspected violations to Shangri-La via a dedicated link on our website.

**Responsible Procurement**

Since 2010, we have prohibited the serving of shark fin in all our food and beverage outlets. As part of our on-going commitment to sustainable seafood, we source products certified by the Marine Stewardship Council (MSC) wherever possible.

**Leadership in Sustainable Seafood**

In 2018, our company received full seafood Chain of Custody certification from the MSC for 53 hotels across Mainland China and Hong Kong. MSC certification means the seafood is fully traceable from a legal fishery; has proven minimal impact on the marine environment and other species, including threatened or endangered species and juvenile fish.

We are the first hotel group in Asia to partner with the MSC as part of our commitment to protect future seafood supplies. We have since introduced the trusted MSC ecolabel in our restaurant menus.

In August 2018, culinary teams from 19 hotels created over 180 sustainable seafood dishes for guests to enjoy in our Chinese restaurants. In November 2018, we received the MSC “Leadership in Sustainable Seafood Award” and Shangri-La Hotel Qingdao received the MSC China Hotel of the Year Award in recognition of its creative efforts to provide MSC certified seafood choices.
Responsible Business

In November 2018, over 5,000 local riders participated in “Ride for Hope 3”, a charity fund-raising event organised by Shangri-La in support of children with hip disabilities under China’s Ai You Foundation’s Morning Star Project.

The riders covered a 5,000 km course spanning 68 cities and four different routes across Mainland China and Hong Kong. Preparation for the event involved over 1,000 colleagues from 30 Shangri-La hotels. Through the collaboration and support of partners, colleagues, sponsors, guests and riders, we succeeded in raising nearly RMB 5.7 million to benefit at least 150 such special needs children.

We appreciate the innovative way of using a cycling event to raise public awareness around a social cause. It is heart-warming to see the close partnership with companies and the public to solve social problems together.

ZHENZHEN LUO
Assistant Secretary General,
Ai You Foundation

Local sourcing

Launched in 2014, our “Rooted in Nature” initiative aims to promote the finest locally and ethically sourced ingredients as part of our unique culinary offerings to our guests. In 2018, we offered over 500 such dishes in our restaurants. To qualify they had to meet at least one of several criteria, such as being locally grown, chemical-free, sustainably sourced, or certified organic or fair trade.

COMMUNITY

Our hospitality and care for people extends not only to our guests, but to the local communities where we operate.

Embrace

Through Embrace, Shangri-La’s Care for People Project, our hotels have formed long-standing partnerships with their local communities to achieve specific and measurable outcomes. In 2018, there were 100 active Embrace projects in place: 34 hotels worked with children and young adults with special needs; 16 hotels invested in health services to help people with acute medical needs; and the remaining 50 hotels provided educational support for children. In total, our hotels spent over USD2.4 million to reach an estimated 46,000 beneficiaries.

Embrace ++

We aim to contribute to the social and economic development of local communities by providing employment and training opportunities through Embrace ++. Introduced in 2012, this programme encourages hotels to provide skills training to disadvantaged members of their communities with a view to helping them gain permanent employment within the Group. Training includes, but is not limited to, housekeeping, administration, kitchen and service skills, engineering and carpentry. In 2018, we provided 775 traineeships and 36 work placements under this scheme.

Local sourcing

Some of the riders in “Ride for Hope” cycling to one of the participating cities

A new dish created with sustainably-sourced Australian Rock Lobster

We appreciate the innovative way of using a cycling event to raise public awareness around a social cause. It is heart-warming to see the close partnership with companies and the public to solve social problems together.

ZHENZHEN LUO
Assistant Secretary General,
Ai You Foundation
Golden Circle Donation Scheme

Golden Circle, Shangri-La Hotels and Resorts’ guest loyalty programme, operates a Points Donation initiative allowing members to donate their Award Points in support of designated charities and projects. For every 1,000 GC Award Points given by a member, we donate USD20 on the member’s behalf. Over the past three years, over USD33,300 have been donated to the scheme’s beneficiary organisations. Oxfam is an international development and humanitarian organisation, and MedArt is a Hong Kong registered charity bringing care and comfort to people in long-term confinement. Shangri-La’s Care for Panda project was launched in 2012 to support a 1.6-hectare bamboo plantation in Sichuan province to ensure food security for local pandas.

Volunteering

We encourage every permanent employee and trainee to participate in corporate social responsibility activities by offering them paid volunteer leave on an annual basis. Our goal is to provide opportunities for our colleagues to combine their talents and skills to benefit society and the local community.

In 2018, over 38,000 volunteers, representing about 80% of the permanent headcount in our hotels, dedicated over 138,000 volunteer hours to Embrace and Sanctuary, as well as other activities such as tree planting and beach clean-ups.

Golden Circle Donations (USD)

Kowloon Shangri-La works closely with the Yan Oi Tong Chan Wong Suk Fong Memorial Secondary School in Tuen Mun, Hong Kong, to provide opportunities for young people from low income families. Colleagues from the hotel mentor students as part of a two-year programme.

To raise awareness about opportunities in the hospitality sector, the hotel provides training videos and facilitates site-visits. In 2018, it went a step further by creating a simulated hotel guestroom on the school campus - complete with king-size bed, lamps, a closet with robes and hangers, and a bathroom stocked with amenities - so students can gain hands-on experience of hotel operations.
HKEX ESG CONTENT INDEX
Shangri-La Asia Limited has complied with all “Comply or Explain” provisions in accordance with Hong Kong Exchange Main Board Listing Rule 13.91 and ESG Reporting Guide. This index summarises the location of relevant disclosures, including General Disclosures and Key Performance Indicators (“KPIs”), and provides some additional information.

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<tr>
<th>Comply or Explain Provisions</th>
<th>Location of Disclosures and Additional Information</th>
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<td>Aspect A1: Emissions and waste GENERAL DISCLOSURE on policies and regulatory compliance</td>
<td>ENVIRONMENT: Climate change, Energy and Emissions, Waste KPI A1.1 (Emissions of NOx, SOx and Particulate Matter): We do not monitor emissions of these gases from our hotels. This data is not available.</td>
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<tr>
<td>Aspect A2: Use of resources GENERAL DISCLOSURE on policies</td>
<td>ENVIRONMENT: Climate change, Energy and Emissions, Water KPI A2.5 (Total packaging materials used): Other than our work on Single Use Plastics, which has been disclosed in our report, we do not systematically collect data on packaging materials used in our hotels. This data is not available.</td>
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<td>KPIs: A2.1, A2.2, A2.3, A2.4 and A2.5</td>
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<td>Aspect A3: Environment and natural resources GENERAL DISCLOSURE on policies KPI: A3.1</td>
<td>ENVIRONMENT: Sanctuary</td>
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<td>Aspect B1: Employment GENERAL DISCLOSURE on policies and regulatory compliance</td>
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<td>Aspect B2: Health and safety GENERAL DISCLOSURE on policies and regulatory compliance</td>
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<td>SUPPLY CHAIN: Supplier Code of Conduct, Responsible Procurement</td>
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<td>Aspect B6: Product responsibility GENERAL DISCLOSURE on policies and regulatory compliance</td>
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<td>Aspect B7: Anti-corruption GENERAL DISCLOSURE on policies and regulatory compliance</td>
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<td>Aspect B8: Community investment GENERAL DISCLOSURE on policies</td>
<td>COMMUNITY: Embrace, Golden Circle Donation Scheme, Volunteering</td>
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The HKEX ESG Guide also contains a number of Recommended Disclosures for KPIs that have been reported on a voluntary basis as summarised below.

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<tr>
<td>Aspect B1 Employment KPIs: B1.1 and B1.2</td>
<td>PEOPLE: Profile of our Employees KPI B1.2 (Employee turnover rate by gender): This data is not available.</td>
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<td>Aspect B2 Health and safety KPIs: B2.1 and B2.3</td>
<td>PEOPLE: Occupational Health &amp; Safety KPI B2.2 (Lost days due to work injury): This data is not available.</td>
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<td>Aspect B4 Labour standards KPIs: B4.1 and B4.2</td>
<td>PEOPLE: Employment Practices</td>
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<tr>
<td>Aspect B5 Supply chain management KPIs: B5.1 and B5.2</td>
<td>SUPPLY CHAIN: Supply Chain Code of Conduct</td>
</tr>
<tr>
<td>Aspect B6 Product responsibility</td>
<td>GUEST EXPERIENCE: Guest Safety &amp; Security KPI B6.1 (Percentage of products sold or shipped subject to recalls for safety and health reasons) and KPI B6.3 (Practices relating to observing and protecting intellectual property rights): These KPIs are not applicable to our business.</td>
</tr>
<tr>
<td>Aspect B7 Anti-corruption KPIs: B7.1 and B7.2</td>
<td>PEOPLE: Employment Practices</td>
</tr>
<tr>
<td>Aspect B8 Community investment KPIs: B8.1 and B8.2</td>
<td>COMMUNITY: Embrace, Golden Circle Donation Scheme, Volunteering</td>
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