



# Enhance, Enrich, Embrace

2010 Sustainability Report

[BEGIN VIEWING >>](#)



SHANGRI-LA ASIA LIMITED

*(Incorporated in Bermuda with limited liability)*

# contents

CHAIRMAN'S MESSAGE	2	OUR PEOPLE	13	OUR COMMUNITIES	27
PRESIDENT AND CEO'S MESSAGE	3	Our Commitment	13	Embrace	27
CORE VALUES		Our Employment Profile	13	Caring for People through Education	28
ABOUT SHANGRI-LA		Consultation and Communication	15	Kerry Group Kuok Foundation	33
OUR BUSINESS	4	Performance Management	16	OUR ENVIRONMENT	35
Organisational Profile	5	Training and Development	16	Focus Areas	35
Our Operations	6	The Shangri-La Academy	17	Carbon Footprint	36
Performance Highlights	7	Work-Life Balance	17	Energy	39
Guide To The Reader	8	Diversity, Inclusion and Equal Opportunities	17	Water	40
OUR JOURNEY	9	Employment of People with Disabilities (PWD)	18	Waste Disposal Management	45
Our CSR Approach	10	Engaging Our Supply Chain	18	Sustainable Construction	46
Milestones	11	Quality Improvement	20	Our Best Practices	48
Our Leadership	11	Occupational Health and Safety	21	SANCTUARY	49
CSR Focus Areas	12	Human Rights and Anti-Corruption	23	APPENDICES	56
		CHI, THE SPA	24	GRI INDEX	60

# chairman's message

On behalf of the board, it is with great pleasure that I present the first Sustainability Report of Shangri-La.

It has always been part of the Shangri-La ethos to show a commitment to the people and places that we call home. We have long held high corporate values and striven to be a leader in thoughtful development and operation. With this in mind, the next logical step was to implement a comprehensive CSR programme, cementing our values and vision into a strategic plan for the future.

In 2010, Shangri-La launched "Sustainability," Shangri-La's social responsibility. The goals were ambitious: to educate our colleagues, improve practices, reduce waste, support local communities and inspire our guests. At the end of the day, there seemed to be one common thread – we wanted to make Shangri-La responsible for the future we were working towards. We wanted to inspire others to do the same.

The result has been eye opening. We have had many positive results – some of our hotels have set up extensive recycling programmes; many others have implemented sustainable development practices. We have moved our guests to participate in regenerating coral reserves and have committed to hiring local and disadvantaged people wherever feasible.

As encouraging as the positive growth is, more than anything else, this programme has taught us that we still have a long way to go.

This report is a starting point for monitoring our development and for helping us plan environmentally thoughtful projects.

It is a long road, and we look forward to sharing the journey with you.

My best regards,

  
KUOK Khoo Ean  
Chairman

# president and ceo's message

2010 was an exciting year for Shangri-La. We opened three new properties including our flagship hotel in Europe, Shangri-La Hotel, Paris. Two more Traders hotels were launched. We employed some 14,000 new colleagues and we launched our CSR strategy, called "Sustainability," Shangri-La's social responsibility programme.

This momentum has not happened overnight. Shangri-La has been working on these key developments since 2007. Many issues have impacted the directions they took, from the environment and employees to health and safety, supply chain and stakeholders. From this, two major initiatives emerged.

## **Embrace**

Each of Shangri-La's hotels has committed to supporting the community in a very real way through "Embrace," Shangri-La's Care for People Project. The work is diverse, yet targeted; from raising money for children's heart surgery to helping improve education and infrastructure at local schools. Young adults are trained in hotel skills and we envision that over the next 5-10 years, we will be able to develop employable, self-reliant and responsible young adults.

## **Sanctuary**

From coral reefs to rainforests, turtles to orang-utans, "Sanctuary," Shangri-La's Care for Nature

Project focuses on improving the environment we call home. Some changes require less effort, such as properly disposing of waste, and others need a larger commitment, such as working with EarthCheck to set bold CO<sub>2</sub> emission-reduction targets. But we are already seeing vast changes that encourage us to expand our efforts.

When you read this report you will see that the results of our work to date are not always glowing. We recognise that we still have much to improve and through "Sustainability," we are working to set steps and targets for the future.

We now have colleagues dedicated to overseeing these key projects. But more than that, we are filtering this thinking through to every layer of our company fabric, from our owners and managers to new colleagues and even guests.

Shangri-La is looking forward to a cleaner, and greener, future.

We would welcome your views on our sustainability performance and this report. Please send your comments to [sustainability.feedback@shangri-la.com](mailto:sustainability.feedback@shangri-la.com).



Gregory Allan DOGAN  
President and CEO



“Shangri-La operates with the highest corporate values, and we believe that our social responsibility rests on doing not only what is right, but what is best for our stakeholders.”

KUOK Khoon Ean  
Chairman



IT'S OUR PEOPLE WHO MAKE THE DIFFERENCE.

# our business



The newly refurbished Shangri-La's Rasa Sentosa Resort, Singapore with solar panels for heated water

## Organisational Profile

Hong Kong-based Shangri-La Asia Limited (hereinafter referred to as "Shangri-La") is one of the world's premier hotel ownership and management companies. The Kuok group, a diversified and dynamic business conglomerate with origins in Malaysia, has a major equity holding in Shangri-La Asia, which is listed on the Hong Kong Stock Exchange. Established by Robert Kuok, the group's business operations span a range of activities and a number of countries in Asia. In addition to hotels, the group's portfolio also includes commodity trading, real estate, beverages, logistics, newspaper publishing, shipping, edible oil refining and plantations.

Inspired by the legendary land featured in James Hilton's novel *Lost Horizon* published in 1933, the name Shangri-La encapsulates the serenity and service for which Shangri-La is renowned worldwide. The group has three brands: Shangri-La, Traders and Kerry

hotels. Shangri-La properties are primarily five-star deluxe city centre and resort hotels with the majority of the city centre hotels having over 500 guestrooms, whereas the resort properties tend to be slightly smaller. Introduced in 1989, Traders is a mid-market brand of mid-priced city centre hotels consisting of 13 hotels in Abu Dhabi, Beijing, Changzhou, Dubai, Hong Kong, Kuala Lumpur, Male, Manila, Penang, Singapore, Shenyang and Yangon. Shangri-La also operates the Aberdeen Marina Club in Hong Kong. Kerry Hotels, Shangri-La's new five-star brand, unveiled its first hotel in February 2011 – Kerry Hotel Pudong, Shanghai. Kerry Hotels appeal to the business traveller who prefers a vibrant and relaxed environment without compromising on service or quality. The hotels are contemporary in style and provide a seamless link between business, entertainment and recreation. Extensive leisure facilities are designed to become a social activity hub for both hotel guests and the local community.

Shangri-La's tradition of service excellence started with the opening of Shangri-La Hotel, Singapore in 1971. The hotel's 15 acres of landscaped gardens, beautifully appointed guestrooms and gracious Asian style set a new standard for hotel excellence, which to this day continues to guide the group's design features.

Since its origin, the group has grown rapidly to satisfy the increased demand for deluxe hotels and resorts in Asia Pacific's capital cities and most sought-after leisure destinations. Today there are 70 properties, of which only 18 are third party management agreements, throughout Asia Pacific, Europe, North America and the Middle East, representing a rooms inventory of over 30,000. In addition, the group has a substantial development pipeline with upcoming projects Canada, mainland China, India, Macau, Malaysia, Philippines, Qatar, Mongolia, Russia, Sri Lanka, Turkey and United Kingdom.



Shangri-La operates its own dedicated sales and marketing offices in Hong Kong, Beijing, Shanghai, Guangzhou, Singapore, Tokyo, London, Los Angeles, New York, Sydney and Dubai. The group is linked to 30 frequent flyer programmes and has its own frequent guest recognition programme – Golden Circle. The Golden Circle programme is acknowledged as being one of the best in the industry, with over one million current members.

### Our Business

Shangri-La is headquartered in Hong Kong and through its corporate officers, manages the following main business segments worldwide:

- A. Hotel operations (hotel ownership and operation)
  - Hong Kong
  - Mainland China
  - Singapore
  - Malaysia
  - Philippines
  - Japan
  - Thailand
  - Other countries (including Fiji, Myanmar; the Maldives, France and Indonesia)
- B. Property rentals (ownership and leasing of offices, commercial facilities and serviced apartments)
  - Mainland China
  - Singapore
  - Malaysia
  - Other countries (including Thailand and Mongolia)
- C. Hotel management (provision of hotel management and related services)
  - Mainland China
  - Singapore
  - Malaysia
  - Indonesia
  - Taiwan
  - Australia
  - India
  - United Arab Emirates
  - Canada
  - Philippines

## Performance Highlights

<b>Shangri-La Asia Limited</b>	<b>2010</b>	2009
	US\$ '000	US\$ '000
<b>Sales</b>		
Hotel operation :		
Room rentals	759,082	570,246
Food and beverage sales	639,497	515,648
Rendering of ancillary services	95,258	81,039
Hotel management and related service fees	30,707	26,282
Property rentals	50,551	36,818
	<b>1,575,095</b>	<b>1,230,033</b>
<b>Interest income</b>	6,880	4,207
Expenses by nature		
Depreciation of property, plant and equipment	231,441	20,194
Amortization of leasehold land and land use rights	11,756	10,432
Employee benefit expenses	450,973	369,424
Cost of inventories sold or consumed in operation	221,077	177,503
Capital expenditure (including additions to property, plant and equipment; investment properties; and leasehold land and land use rights)	616,153	544,736
Payments to providers of capital		
Dividends	67,064	68,875
Interest	74,215	67,072
	<b>141,279</b>	<b>135,947</b>
<b>Payments of income tax</b>		
Hong Kong	10,798	10,651
Overseas	43,391	37,102
	<b>54,189</b>	<b>47,753</b>
<b>Donations</b>	262	300

We believe that our primary social responsibility is to remain financially viable and operationally sustainable. In so doing, we will be more effective in contributing to the communities in which we operate and manage environmental and social issues responsibly.

As such, the group's businesses balance the needs and expectations of our various stakeholders while aiming to contribute to the sustainability challenges facing our world. Our stakeholders include our owners, investors and shareholders, colleagues, guests, business partners, suppliers, local community representatives and all others we work closely with.

Details of our financial performance are included in the 2010 Annual Report. Our governance, management and oversight mechanisms enable us to achieve our long standing goal of being a successful and viable business for the benefit of our investors, our employees, our other stakeholders and our communities.

## Guide to The Reader (parameters, report scope and boundaries)

Over the years, Shangri-La has included a section on its CSR initiatives in its annual reports. This is the first sustainability report of Shangri-La. As we strive to be a leader in corporate citizenship, this report creates a reference point against which we are able to measure our progress in sustainable business operations. We aim to publish this report every two years.

The scope of this Sustainability Report was determined based on a materiality assessment of the sustainability issues and risks relevant to Shangri-La's business operations and aims to cover themes and issues that we believe to be important to our stakeholders. For purposes of this report, we will refer to 70 operating hotels as of the end of 2010, except where stated.

The analysis on the carbon footprint will cover the 64 hotels identified in Appendix A for comparative analysis between 2009-2010.

This report will not include discussions on new projects and neither will we attempt to represent fully all other operations of the properties we do not fully own or manage. The data reported will only be that which is reported fully and regularly to our key divisions such as Engineering, Human Resources,

Finance, Rooms, Food and Beverage and Security, and in specific cases, activities of our corporate office are included.

The report references the Global Reporting Initiative's Sustainability Reporting Guidelines (G3) in order to accurately present economic, social and environmental performance. This report meets GRI's Application Level C, as checked by GRI. In addition to reporting on the required GRI profile disclosures for Level C, this report is reporting on a total of 44 GRI performance indicators. All indicators have been selected for their materiality and where the most updated and accurate information for reporting is available. For reference to the GRI Index, see page 60.

The Global Reporting Initiative (GRI) ([www.globalreporting.org](http://www.globalreporting.org)) is an independent organisation that is recognised as a United Nations collaborating centre and governed through globally representative, multi-stakeholder bodies and processes. Through these processes, GRI has developed the world's most accepted and used framework for reporting on economic, environmental and social issues and performance, known as the GRI Sustainability Reporting Guidelines. Companies that use the Guidelines can self declare, have an independent body assure and/or have GRI check that its report meets GRI's reporting Levels A, B or C, depending on the number of GRI elements and indicators that are

reported on. Reports that are externally assured are noted as such with a "+" symbol and are recognised as meeting Level A+, B+ or C+. This report has not been externally assured by a third party but checked by GRI to meet Level C.





# our journey

“Our social responsibility allows us to build deeper connections with people, communities and the environment to ensure sustainable growth, not only in business but also the often fragile world in which we live.”

KUOK Khoo Ean  
Chairman

## Our Mission

We envision a community of responsible and educated citizens who are environmentally conscious, practice social responsibility in their daily lives and inspire others to do the same.

We commit to operating in an economically, socially and environmentally responsible manner whilst balancing the interests of diverse stakeholders.

We strive to be a leader in corporate citizenship and sustainable development, caring for our colleagues and guests, seeking to enrich the quality of life for the communities in which we do business, and serving as good stewards of society and the environment.



## Our CSR Approach

Our commitment to social responsibility emanates from our core values and over the years, has manifested more dominantly in the way we run our business operations. Our mission and vision statements provide an overarching framework to guide the management team and our colleagues both at the corporate office and at the hotel level to ensure that we altogether live out and achieve our commitment to the five CSR focus areas, namely Environment, Supply Chain, Stakeholder Relations, Employees and Health and Safety.

## Our Milestones

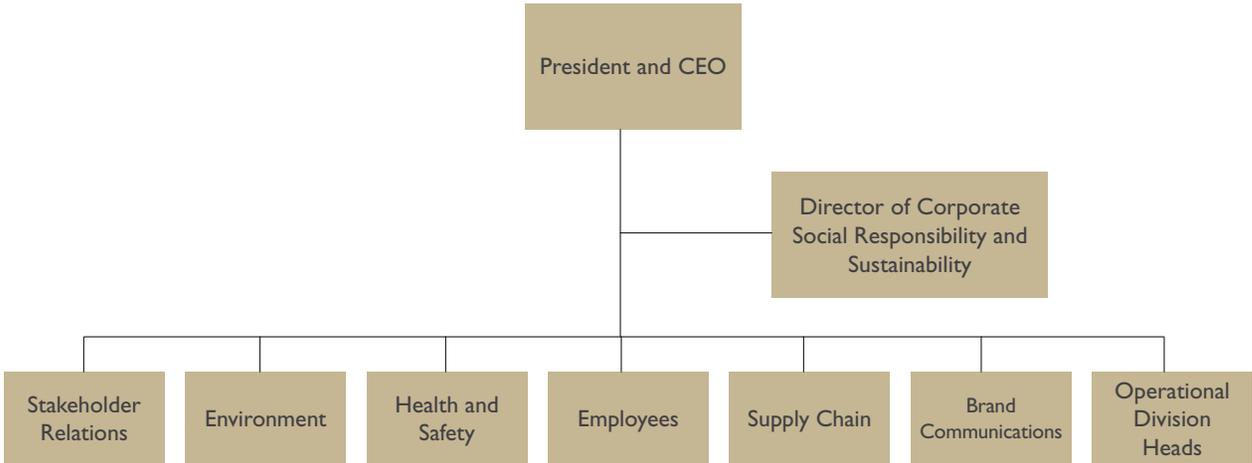
2007	<ul style="list-style-type: none"><li>• Benchmarking and Best Practice Exercise through external consultant</li><li>• Two-year CSR Strategy rolled out to all hotels</li></ul>
2008	<ul style="list-style-type: none"><li>• Produced a CSR Handbook for all hotels to guide them in introducing various initiatives including climate change mitigation programmes, local community support, conservation and biodiversity projects, environmental management systems, employee well-being programmes and food safety management systems</li><li>• General managers, hotel managers and resident managers were made CSR Champions and attended a CSR Champions course</li></ul>
2009	<ul style="list-style-type: none"><li>• Appointed a director of CSR and sustainability to ensure that hotels run consistent and innovative programmes under the five areas of CSR and that new initiatives would be introduced as a groupwide effort</li><li>• All hotels named a CSR Champion and CSR Committees were convened, with department heads fully accountable for specific initiatives</li><li>• "Embrace," Shangri-La's Care for People project was launched</li></ul>
2010	<ul style="list-style-type: none"><li>• "Sustainability," Shangri-La's Social Responsibility as a campaign, was launched to tie together activities under the five focus areas together with "Embrace," Shangri-La's Care for People Project and "Sanctuary," Shangri-La's Care for Nature Project</li><li>• CSR Best Practice Digest was published to encourage hotels to learn from one another</li></ul>
2011	<ul style="list-style-type: none"><li>• Shangri-La's First Sustainability Report produced</li><li>• Two area CSR and sustainability managers have been employed; one to focus on the China properties and one for resorts</li></ul>

### Our Leadership

Our CSR mandate emanates from the chairman and is cascaded through the leadership of our president and CEO and the corporate division heads. Management of all economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles resides here. The president and CEO chairs the CSR committee at corporate office. The director of CSR and sustainability works directly with them and the various corporate division heads in executing initiatives under the five areas of CSR. In 2011, two area CSR and sustainability managers were named for China and Resorts respectively, to better focus on specific needs whilst ensuring a consistent drive towards a united CSR campaign across the group.

### SLIM CSR Committee Organisational Structure

This leadership structure is mirrored at the hotel level where CSR Champions lead a team of division heads who fulfill various roles under the five CSR areas. Some hotels have employed a dedicated CSR co-ordinator or manager. The committees meet at least once a quarter.



# our CSR focus areas

**Environment**

**37**  
hotels are ISO 14001 certified

**6.79%**  
of CO<sub>2</sub> emissions per guest night reduced from 2009 to 2010

**20%**  
Energy Consumption Reduction target by 2015

**Supply Chain**

**100%**  
of the top 100 group contracted vendors responded positively to the Suppliers' Code of Conduct Survey

**86%**  
of hotels have implemented low-temperature laundry and green housekeeping



Shangri-La uses JohnsonDiversey products, which are Green Seal certified

**Stakeholder Relations**

**77%**  
of hotels support education programme through "Embrace"



**3,370**  
is the approximate number of children helped through "Embrace" projects in 2010

**Employees**

**91%**  
of Shangri-La colleagues responded favourably to the company's CSR activities



Learning from one another in Shang Care

**2%**  
of every hotel's permanent headcount are people with disabilities (PWD)

**Health and Safety**

**4 hotels**  
first to be certified in OHSAS 18001 in their countries

- Shangri-La Hotel, Kuala Lumpur (2006)
- Shangri-La Hotel, Singapore (2009)
- Shangri-La Hotel, Qingdao (2010)
- Shangri-La's Mactan Resort and Spa, Cebu (2010)



Shangri-La Hotel, Qingdao receives first OHSAS Certification in Mainland China



We are the  
workplace of choice for

40,800  
colleagues globally

# our people

**Shangri-La's core values of humility, courtesy, respect, helpfulness, sincerity and selflessness are at the heart of everything we do. These values are translated into eight guiding principles that serve as the pillars of the way we relate with various stakeholders.**

## Our Commitment

Our colleagues are our biggest asset - and they keep our values alive. We believe that we can only achieve excellence in service if we have colleagues who remain inspired and valued. We are the workplace of choice for colleagues globally by putting the right people in the right jobs, thereby developing effective leaders in the future. We equip them with continued skills and learning opportunities as well as enhancing productivity and efficiency through technology. We consistently measure and reward performance, encourage work-life balance and ensure that our colleagues are in work environments that are safe, inclusive and healthy. During 2011, we will focus on resourcing, learning and development, engaging and retaining colleagues as well as overall human resources operational efficiency.

## Our Employment Profile

At the end of 2010, our total permanent headcount was 40,800. Depending on hotel occupancies,

additional labour is contracted. Analysing the headcount by gender shows 56.7% of the workforce are men, and 43.3% are women. 48.2% of our colleagues are between 20 to 30 years old, the largest age group representation, and across the China hotels, 57.2% are aged 20-30 years old. This shows the potential of the company to attract younger and vibrant colleagues, willing to stay on for 14 years of service, which is the average service years of Shangri-La's current pool of general managers. Across the group, only 5.4% are over 50 years old.

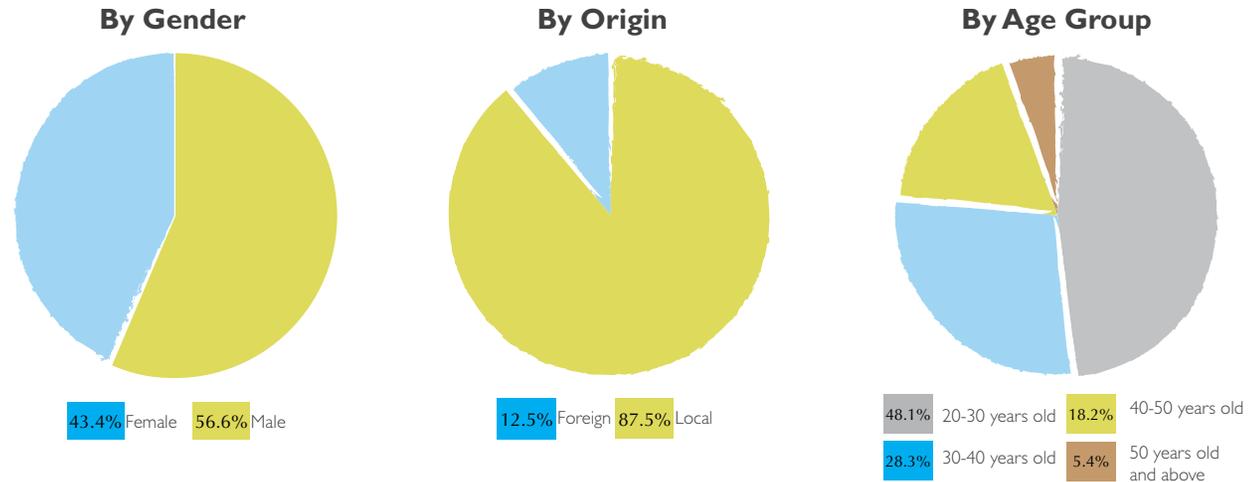
## Staff Opinion Survey-Employee and CSR perception:

91% of Shangri-La colleagues responded favourably to the company's CSR activities.

## Our Guiding Principles

1. We will ensure that leadership drives for results.
2. We will make guest loyalty a key driver of our business.
3. We will enable decision making at every guest contact point.
4. We will be committed to the financial success of our own unit and of our company .
5. We will make an environment where our colleagues may achieve their personal and career goals.
6. We will demonstrate honesty, care and integrity in all our relationships.
7. We will ensure our policies and processes are guest and colleague friendly.
8. We will remain deeply committed to our social responsibility by making a positive contribution to our communities, environment, colleagues, guests and business partners.

## Our Colleagues' Demographics



Shangri-La is made up of passionate and driven people. On average, only 10.8% of the hotels' colleagues are expatriates. This is part of the company's commitment to encourage local hiring at the highest leadership level. In China, where there are over 30 hotels, expatriate general managers are teamed up with local resident managers and vice-versa, to ensure diversity, learning opportunities and better communication amongst the hotel colleagues.

Our overall turnover rate increased to 26% in 2010 as compared to 22% in 2009. A majority of colleagues who have left come from Canada, India, Singapore and Taiwan.

We believe in hiring the most driven candidates who share our passion for service and continued excellence. Shangri-La is committed to offering competitive packages at the 75<sup>th</sup> percentile of

national market rates, without discrimination. Levels of compensation are determined by local labour markets and take into account both individual and company performance.

All permanent colleagues both in our corporate office and at the hotel level are entitled to a variety of benefits including, but not limited to:

- Total Permanent Disability (TPD) Scheme / insurance coverage
- Life insurance
- Accidental Death and Dismemberment
- Medical insurance with hospitalisation and outpatient assistance
- Dental plan
- Provident or Employees' Central Fund
- Employee room and F&B Rates
- Laundry services
- Duty meals

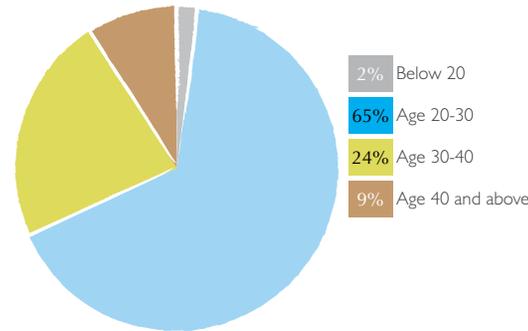
### Turnover - By Region (Year End 2010)

Australia:	29%
Canada:	35%
China:	29%
Fiji:	9%
Hong Kong:	16%
India:	41%
Indonesia:	11%
Japan:	26%
Malaysia:	19%
Maldives:	26%
ME (UAE, Oman):	28%
Myanmar:	20%
Philippines:	12%
Singapore:	38%
Taiwan:	31%
Thailand:	21%

- Vacation, emergency, sick, birthday and volunteer leaves and leaves without pay and compensatory time off

Under our Equal Employment Opportunity policy, we will ensure that all personnel actions, including compensation, benefits, transfer, layoffs, return from layoff, company sponsored training, education, tuition assistance, and social and recreation programmes will be administered without regard to gender, race, colour, religion, natural origin, age, disability or history of disability (except where physical or mental abilities are a bona fide occupational requirement and the individual is not able to perform the essential functions of the position even with reasonable accommodation), sex (unless gender is a bona fide occupational qualification) or other protected characteristics.

### Turnover - By age group (Year End 2010)



### Consultation and Communication

At Shangri-La, every colleague is integral to delighting our guests each and every time. Without our colleagues, we will not be able to deliver on our brand manifesto - "hospitality from the heart." We value the unique feedback they provide and engage them especially in improving our internal processes.

The Staff Opinion Survey (SOS) has been in place since 1996, and in 2010, the group launched its first online version to better facilitate anonymity and efficiency of results. Translated in 11 languages, the SOS yielded a successful 97% participation rate. Our colleagues presented an overall satisfaction and commitment at 75% in 2010 compared to 70% in 2009. 95% of the respondents said they are proud to be associated with the Shangri-La family. 85% would recommend Shangri-La as a good company to work for. 82% of the respondents stated they

were confident they could achieve their personal career objectives with Shangri-La.

81% of the respondents stated they felt Shangri-La genuinely cares for its people.

There are a number of other avenues our colleagues can utilise to provide feedback. They can raise suggestions for internal processes, improvement in work flows and ideas for service through the "E-Voice" programme. They can also ask questions about issues in the business or concerns with the management, anonymously if they wish, through the "Speak Up" programme; sit down personally with the hotel management in the Excom Dialogues or listen to the State of the Hotel Addresses, done at least twice yearly in every hotel.



Learning through coaching and mentoring



Learners exude vibrance and passion at the Shangri-La Academy

### Performance Management

We believe that an open and regular dialogue about performance and opportunities for development helps to motivate our colleagues and provide them with the right resources to better do their jobs.

At the hotel level, colleagues are reviewed twice yearly. We however encourage managers to coach their direct reports continually beyond the required performance evaluation processes. In 2010, the Talent management system (Tms) shifted to an online version, allowing for service executives and executive committee members to be rated by their peers. This is known as the 360Degree Feedback evaluation, a competency assessment tool designed to provide colleagues with confidential feedback from multiple sources - managers, peers and direct reports. The 360 particularly assesses leadership competencies as it constitutes the yearly Key Performance Indicators of every colleague. In 2010, approximately 570 senior managers across the

company globally were provided feedback via the 360 degree feedback process. Over 5,700 colleagues complete their year-end performance reviews using the Tms.

### Training and Development

Training is Shangri-La's top priority and significant resources are allocated annually to ensure our colleagues have the skills and knowledge to be the best in their fields. This has earned the group international awards and recognition from guests, prestigious magazines as well as industry partners and made Shangri-La one of the preferred hotel employers, with colleagues serving guests with the philosophy "Shangri-La Hospitality from a Caring Family."

It is our company policy to ensure that every colleague has an average of four training hours per month. Apart from operations-specific training programmes, there are core programmes that all colleagues must go through.

### Corporate Training Programmes (basic)

- Corporate Orientation
- Shangri-La Care 1, 2, 3 and 4
- Trainer Skills 1 and 2
- Supervisory Excellence Programme (SUPEX)
- eCornell Programme
- Language Training
- Fire and Life Safety
- Food Safety Programme
- Various Department Training
- Various Management Training through mobile learning and workshops
- Self-paced Leadership Development Programme
- Various Talent Development Programme

Colleagues at our corporate office attended the following programmes in 2010:

- Cornell Professional Development Programmes
- Leadership Programme by Professor Robert Perry
- Supervisory Excellence Programme (SUPEX) training

Shangri-La Academy Courses include:

- Certificate in culinary arts and cuisine
- Certificate in food and beverage operations
- Certificate in front office operations
- Certificate in housekeeping operations
- Advanced hospitality management programme

### The Shangri-La Academy

Officially opened in 2004 in Langfang, China, the Shangri-La Academy moved to a more conducive learning environment when it opened its doors at the Sun Yat-sen University in Zhuhai, China in 2008. Regardless of location, it was a testimony to our commitment to helping all of our colleagues achieve their full potential – both on the job today and in the future, wherever it may take them. We recognise that by investing in appropriate continuous development for our employees, they will achieve higher job performance and satisfaction and become better positioned to move into more challenging roles especially with the growing number of hotels in the group. The Academy aims to also provide a venue to enhance skills and share best practices with colleagues from other hotels whilst allowing a consistency check and standardisation of quality and processes across our hotels.

Since 2005, there have been 2,882 graduates of



Over 80 colleagues at Shangri-La Hotel, Bangkok camped out for two days at Baan Nok Kamin and built a mud earth school for the “Embrace” beneficiaries.

the core programme and 1,408 graduates of the Professional Development Programme.

### Work-Life Balance

At the hotel level, staff activities include work-life balance programmes and various lifelong learning and alternative skills. We ensure that our colleagues continue to enhance skills that promote holistic development. Various sports events, wellness and health activities such as yoga, tai chi and meditation classes tend to be very popular amongst our colleagues. Other activities include self improvement skills such as English literacy, weight management, entrepreneurial skills training and financial management.

Furthermore, colleagues can avail of the volunteerism programme formally put in place in 2009. Hotels allow up to one full day of volunteer work, provided that the colleague renders the hours at the hotel's chosen “Embrace” beneficiary.

### Diversity, Inclusion and Equal Opportunities

In living out our values for respect and courtesy, Shangri-La aims to keep a fair workplace that is governed by our Code of Ethics. This framework guides our various relationships including issues regarding human rights, diversity and equality and equal opportunities. It is our policy to abide by the labour codes and national laws in all countries in which we have operations and to generally comply with the Fundamental Conventions of the International Labour Organization (ILO).

Any Shangri-La colleague that commences work at the corporate or hotel level is oriented on the articles of the Code of Ethics. He or she is made familiar with the group's commitment to non-discrimination against a person on the grounds of gender; marital status, pregnancy, race, religion or disability, and is made that equal employment opportunities are made available to all colleagues



On the job training: Graduating students of MINDS Townner Gardens School's Masyithah Alima bte Md Hashim and her classmates help fold napkins required for different events held in Shangri-La Hotel, Singapore.

irrespective of their gender, marital status, pregnancy or disability. No colleague is to be treated less favourably than any other in comparable circumstances and that all are entitled to enjoy good working relationships with one another in an environment free from harassment.

More than 89% of our colleagues are locals of the 17 countries we operate in. This is the first step towards eventually grooming more local supervisors and managers. For every nine executive committee members in the hotel, an average of five are locals.

Through our CSR programmes, we also support various minority groups, especially youth organisations in providing them with valuable hotel skills training, assistance in education, and dozens of minority professional organisations that provide valuable training, recruiting and business opportunities for their members.

### Employment Of People With Disabilities (PWD)

As part of our commitment to creating opportunities and enabling self-sufficiency, Shangri-La adopted a groupwide policy of employing at least 2% of every hotel's 2010 permanent headcount. This initiative recognises that the traditionally challenged is perhaps more "able" in some skills than others. Hotels "work" with various special

schools and learning centres, as well as local social welfare organisations to source both the physically and mentally challenged young adults who are able to participate in highly repetitive skills in hotel operations. By the end of 2010, 456 new colleagues joined the Shangri-La family and composed 1.26% of the group's permanent headcount. They have found their new homes in laundry, F&B service, pastry kitchen and stewarding, housekeeping and for some, even in areas that interface with guests such as sports and recreation and guest services. In 2011, hotels will aim for 2% of permanent headcount and consider other engagements for contracted labour.

Shangri-La's Tanjung Aru Resort and Spa, Kota Kinabalu's Andrew Yong currently works at the registration and towel counter by the poolside and is able to interact with guests. All smiles, he enjoys serving children in particular. The hotel also taps on the creativity of our colleagues, especially those who work in sports and recreation, in designing simple motor skills training programmes and activities for the younger children. Social workers find great assistance in the physical therapists at the hotel in updating their day to day methods of teaching.

### Engaging Our Supply Chain

Our suppliers are key in ensuring that Shangri-La delivers only the best of guest experiences. It is therefore necessary that we keep only the highest

yet achievable of standards for sourcing the best quality goods and services. We also ensure that our suppliers share our commitment to social responsibility and uphold high ethical standards. Only in these shared values can we maintain a responsible supply chain, a unique and competitive advantage and the pride and confidence of our colleagues, guests and business partners.

Shangri-La works with its supply chain partners where possible to manage effectively its direct and indirect environmental impact. Whenever possible, Shangri-La prefers local community based suppliers and eco-friendly products to instigate growth and development in the communities in which it operates. Since 1997, the group has been working under the Environmentally Responsible Procurement policy - a process that favours products, services and activities that minimise adverse impacts on the environment. CSR is emphasised in the tender document for all suppliers and remains one of the core factors when considering the establishment of agreements, ensuring we meet local legal requirements relating to the environment, human rights and other regulatory work practices.

In 2009, a paper-based Supplier Code of Conduct was launched and was sent to all group contracted and preferred suppliers. The response was an astounding 100%, with 85% claiming 100%

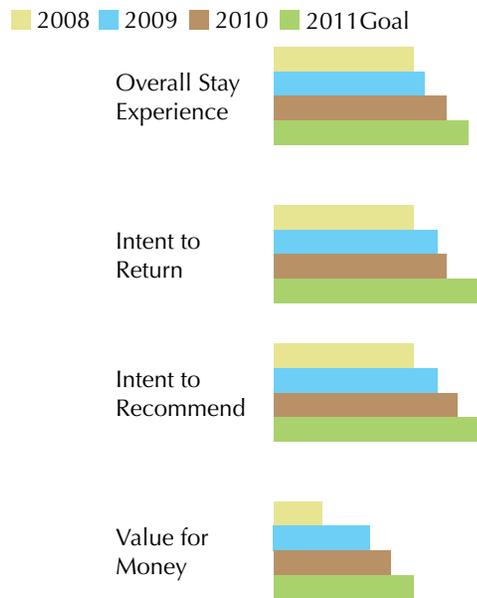


compliance. In 2010, we engaged the services of an external auditor to assess the group contracted vendors' workplace conditions (labour, wages, hours, health and safety, management systems and environment practices). Results are due in mid 2011. Meanwhile all hotels continue to utilise the code of conduct and run supplier visits to at least the top 150 suppliers of the hotels.

Shangri-La prefers local community based suppliers and eco-friendly products to instigate growth and development in the communities in which it operates.

## Quality is all about continuous improvement.

### Performance Monitor



### Quality Improvement

Quality is beyond standards. It is about engaging our colleagues' hearts and minds to continuously improve our products and services; moving from the experiential elements that drive guest satisfaction to engaging experiences that further drive guest and brand loyalty.

The Quality Assurance Division was created in 2009 with the objective of improving and sustaining guest satisfaction, loyalty and retention to ensure our global competitive position in the luxury market. Within two years, a formal structure was introduced highlighting the company's quality initiatives that drive and foster continuous improvement and sustainability of colleagues, as well as guest satisfaction and engagement. In 2010, the division was renamed Quality Improvement with a requirement to have quality improvement managers for hotels, of which 30 are currently appointed.

Performance Monitor for Individual Guests and Meeting Event Planners is the primary focus. The methodology was moved to an electronic/online process - reducing cost, an improving response rate and providing expedient paperless reports in the webportal site. The strategic direction is to improve the three key drivers of guest satisfaction and loyalty. To ensure sustainability, each hotel formed three Core Project Teams responsible for improving Arrival and Departure Experiences (Project FLI5), Breakfast Experience (Project BI5e) and Guestroom Condition (Project WAGS). Leaders of the teams have been trained on the use of quality tools to ensure focused and meaningful action steps.

The Quality Diagnostic Review and hotel visitation was introduced to support the hotel's core project teams with a 95% completion in 2010. Our collective efforts resulted in statistically significant improvement of Guest Overall Stay Experience (OSE) – 80% of our hotels improved ratings in 2010 with all hotels in China showing positive trend data.

We also improved the existing electronic Best Practice process to ensure company-wide benchmarking where ideas with potential for global implementation are highlighted. The Most Valuable Best Practice (MVBP) recognition was created and is awarded on an annual basis.

The Defect Reporting, Recording and Resolution process (DR3) was introduced in 2009 and reinforced in 2010. This process allows us to record and track guest problems with the objective of finding and reducing the recurrence of trend defects. Hotels who embrace this process show significant gains in guest and employee satisfaction and engagement. In 2010, QI redesigned one of the core training modules to introduce “situational learning” techniques for guest engagement and effective problem resolution.

The Performance Research (Mystery Shopping) was enhanced through the engagement of a reputable industry consultant. Standards moved from a functional drive to an experiential focus, thereby enhancing the Shangri-La experience.

### **Occupational Health and Safety**

Shangri-La has long been committed to protecting the health and safety of our guests, colleagues, suppliers and the public by providing a safe and healthy environment. It is one of the first hotel groups to employ a dedicated fire and life safety (FLS) manager in every property. In 2010, President and CEO Greg Dogan emphasised the importance of FLS, stating that there is “zero tolerance” for failure in FLS and that “safety is non-negotiable.” Later in the year, all FLS managers attended an FLSM Certification Programme to enhance FLSM competency. By February 2011, we would have secured this for all hotels.

Shangri-La is also a leader in food safety management systems, using the HACCP (Hazard Analysis and Critical Control Point System) certification.

HACCP is a food safety system that is one of the most sought-after accreditations in the hospitality and food industries.

The HACCP focuses on preventing hazards that could cause food-borne illnesses by applying science-based controls, from raw material to finished product. The methodology is based on seven key principles: hazard analysis, critical control points identification, establishing critical limits, monitoring procedures, corrective actions, verification procedures and record-keeping and documentation.

Amadi Rashid  
Service Associate, Housekeeping





Through the programme, HACCP consultants work closely with Shangri-La to understand, assess and enhance operations and food safety practices. In addition to the existing Shangri-La Food Safety Management System (SFSMS), which was designed according to HACCP principles, a dedicated food hygienist in each Shangri-La hotel oversees implementation of the HACCP through education, training, execution and maintenance of the programme. Fifty-three hotels have been HACCP certified. Both HACCP and SFSMS maintain a stringent audit score of 90% for all hotels.

Following the lead of Shangri-La Hotel, Kuala Lumpur (2006) and Shangri-La Hotel, Singapore (2009), Shangri-La embarked upon a groupwide effort to promote higher efficiency and less injury in the workplace through OHSAS 18001 certification. It set a target of certifying all its hotels within the

next five to six years with the aim of creating a common standard for health and safety. Ten hotels were certified within the year, including a few other “firsts” in their own countries such as Shangri-La Hotel, Qingdao and Shangri-La’s Mactan Resort and Spa, Cebu in the Philippines. Seventeen more hotels are aiming for certification within 2011.

All Shangri-La hotels run orientation programmes for all new colleagues that include introductions to Fire Life Safety, Food Safety and basic Occupational Health and Safety. As of the end of 2010, colleagues in the 10 OHSAS- certified hotels also have gone through special OHSAS training. Each of these hotels have OHS committees that work directly with the CSR Champion on OHSAS issues. Meanwhile, just as all our colleagues have, all full-time security personnel undergo trainings in overall safety, crisis management and anti-discrimination.



While Human Resources runs regular wellness programmes, at least four Health Awareness Campaigns are implemented yearly in every hotel. These include various programmes in nutrition, sports, wellness, health, awareness and lecture sessions on various medical issues, etc. We ensure that 100% of every hotel staff base goes through their annual physical exams and commit to looking after their health.

On a regular basis, hotels run training programmes that relate to health and safety, crisis management as well as those that promote protection against serious diseases.

Our vision is to deliver on our mission of delighting our guests each and every time whilst keeping a goal of zero work-related injuries and illnesses on the part of our colleagues and business partners.



In 2010, work-related absences stood at 18,347 man-days and just over 10% were due to work-related accidents. There were no fatal injuries.

### Human Rights and Anti-Corruption

We respect and support the protection of human rights of our colleagues and our employment policies are designed to comply with all local labour laws. This includes our firm stance against human trafficking, sexual harassment and the exploitation of children. There are no operations in our hotels that are considered to have significant risk for incidents of child labour and/or young workers exposed to hazardous work or forced labour. There are no incidents that involve compromising the rights of any minorities, including those of indigenous peoples. All our colleagues are mandated to attend the hotel and corporate office orientation including topics on human rights, anti-corruption

Health and Safety Programmes offered:

- First Aid Training
- Loss Prevention Training (earthquakes, floods and injury)
- Crisis Management Training
- Safety Prevention Knowledge
- Fire Control and Life Safety
- Various Health Awareness talks
- Anti-Discrimination and Sexual Harassment seminars
- Disease Awareness: Cancer, Bird Flu, SARS, etc.
- Crisis Management Workshops

and non-abuse policies such as the code of conduct, the core values, Shang Care 1-4 and our CSR Commitment. In mid-2011, we will launch a group-wide CSR module that will be cascaded to all levels of colleagues that will further emphasise our commitment to upholding human rights.



# CHI, The Spa

See beyond the “luxury” of spa  
See beyond luxurious facilities ...  
and experience how it restores and  
regenerates beyond the body, and into  
communities and the environment.

### Investing In Our Own

- Almost 500 hours of training for each new therapist
- Over 20 different nationalities amongst the therapists
- 50% of spa managers and 70% of therapists are home-grown talent
- Spa reviews used as tools for learning and development



CHI, The Spa at Shangri-La draws inspiration from the origins of the Shangri-La legend, a place of personal peace, enchantment and well-being.

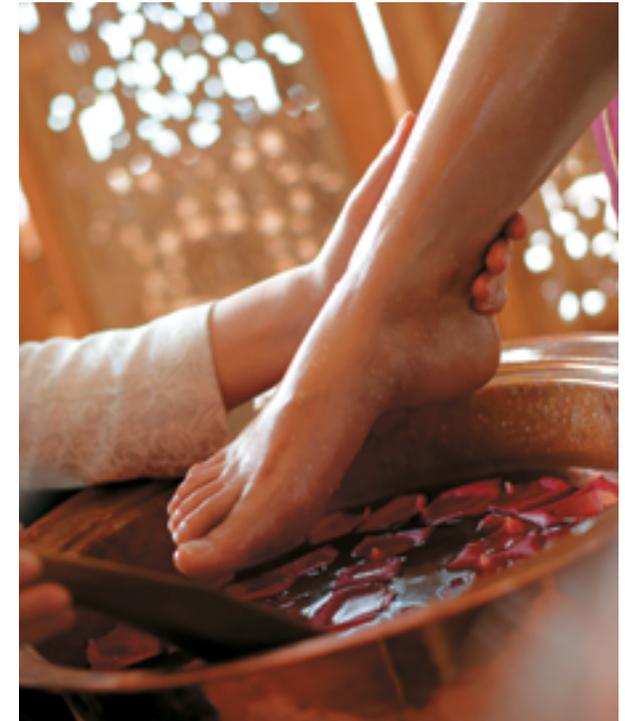
In traditional Chinese philosophy, “*chi*” or “*qi*” is the universal life force that governs well-being and personal vitality. For people to maintain good health, it is believed that *chi* must flow freely within the body and, when blocked, “dis-ease” and illness follow. Movement is therefore a key element in releasing blockages. Body massage, exercise, stretching, hydrotherapy, and movement of the mind through relaxation and meditation combine to assist the body’s natural renewal and form the basis of the CHI spa philosophy.

In CHI, nature lies at the heart of Asian wellness. Treatments are snapshots of history and tradition.

- Hilot
- Thai
- Tui Na
- Champi
- Reflexology
- Prakop
- Tsampa
- Abayanga

### About CHI, The Spa

- 19 CHI, The Spa at Shangri-La
- Over 104,000 guest treatments
- Nearly 150,000 hours of hands on training
- Local treatments feature in the top five sellers in every resort location



## Sense of Place Treatments



Treatments draw on the healing culture of a region, not only through the distinct hands of our therapists, but also through the use of local products. Oils, scrubs and herbs benefit local suppliers whenever possible. This does not only support local enterprise or keep transport emissions low but puts a premium on the uniqueness of the local product whilst introducing the local culture to a global audience.

Vancouver CHI uses Sea-Fora, hand harvested sea plants for seaweed wraps and products with profits re-channelled into marine conservation. In the Maldives, virgin coconut oil is derived from the most local species and is produced by local families on a nearby island. The Borneo therapy, 20% of treatment sales, draws on Malaysian healing traditions and uses Greeneco community trade products benefiting local *urang asli* and the underprivileged.

## Built on and



## with Nature

Luxury need not cost the environment. In CHI, we build the experience around the most calming natural surroundings. Whether amidst Penang's 200-year-old rain trees or Boracay's remote native island environment, each offers treatments that are distinctly local, exposing local traditions to a global audience. Spa treatments average 1.5-2 hours and being indulged in the Maldives' preserved enchanting lush greenery or Chiang Mai's restored lotus pond makes for a vitalising spa experience.



## embrace

Shangri-La's Care for People Project

Our care for people projects are expressed with the most powerful icon for embracing others- a heart graphic.

We believe that caring for others today allows them to care for themselves and others tomorrow. “Embrace” aims to build, strengthen and sustain local communities through various and specific education and health projects.

# our communities



Xin Jia primary school children supported by Shangri-La Hotel, Changchun



Young monks supported by Traders Hotel, Yangon

As we build our properties, we understand the impact of our entrance into various local communities. Over the years, our project teams ensure the engagement of local community representatives to consider a host of social and environmental issues. Shangri-La has designated stringent parameters for site selection that do not only include specific guidelines for both sustainable site selection and site planning, but also environmental impact assessments, social climate, security threat levels, and identification of protected areas for both biodiversity conservation and cultural heritage.

Once operational, our hotels remain fully engaged with local communities through a host of charitable institutions and non-profit organisations. From donations in kind such as much needed linen, washing and hygiene materials to non-perishable food items, our colleagues are quick to respond

to reasonable appeals for support. As much as possible, we discourage cash donations in order to facilitate correct use of funds as well as to ensure that items truly needed by our communities are made available. Especially in situations that require immediate relief support such as typhoons, earthquakes and other natural calamities, hotels directly support national welfare agencies in their localities. Our colleagues held over 140 internal rummage sales, selling unwanted personal belongings to other colleagues. Over HK\$235,000 (US\$30,218) has been raised, with proceeds supporting the various hotel “Embrace” beneficiaries.

## Caring for People through Education

Beyond investing in its own people, Shangri-La believes that real social development starts with the local youth. Because the group operates

in areas with disparate social and economic inequalities, Shangri-La needs to work with local education and health organisations if it wants to effect real impact and meaningful change.

“Embrace,” Shangri-La’s Care for People project, was launched in September 2009 and commits each hotel to a chosen local organisation – be it a school, health centre or orphanage – for at least 5-10 years. The beneficiaries are chosen based on type of assistance needed (long-term education or health support is preferred), level of resources, and proximity to the hotel to encourage consistent employee volunteering. Apart from scholarships, facilities improvement and medical support, hotels are encouraged to look at running hotel skills training programmes to entice these graduates to work in the industry and secure a sustainable career for themselves.



Yearly programme targets are specifically set by the organisation's management as well as the hotel volunteers. Funding for "Embrace" comes as a percentage of the hotel's gross operating revenue, which shows that better business is necessary to deliver on social responsibility. By the end of 2010, hotels have spent over HK\$2 million (US\$257,173) on various education and health programmes. Approximately 3,370 children have been helped through better school facilities, enhanced learning environments and hotel service skills. In 2011, the allocation is projected to triple as hotels perform better and as targets get more aggressive.

"Embrace" aims to generate best practices of public-private partnership and synergies in the places that Shangri-La operates in. It commits hotels, beyond the term of a general manager or his/her Executive Committee. It develops ownership amongst the employees and a genuine

relationship with the locals. It promotes system-wide solutions instead of one-off, stop-gap measures. The cases cited, along with other examples, have led to templates that other hotels, especially new projects, take inspiration and can customise from, based on local needs. The 5- and 10-year time frame makes it very clear that there is a point of graduation, where they become real models for the communities they are in, and where they hopefully can inspire change. Shangri-La hopes to contribute to a world with more educated and responsible citizens who someday, can care not only for themselves and their families, but care for others as well.

Shangri-La Hotel, Wuhan believes that sufficiently nourished and cared for children are in the best position to learn and excel. In 2009, the hotel used its skills in project construction, culinary and food safety to build a Love Kitchen for the loving yet mentally challenged children of the Wuhan Caring Rehabilitation Centre. The Love Kitchen aims to

## Training Like a Pro

At Shangri-La's Rasa Sentosa Resort, Singapore, 18 students from Delta Senior School, a special needs institution, have been on hotel attachment in kitchen, housekeeping, grounds and gardens, and other areas. Just as any new intern or employee would, these children gather in hotel orientation classes and are prepared for the busy days ahead in a bustling resort. Two students have graduated and are now full-time employees at the hotel. A sense of purpose and normalcy as well as restoring the dignity in these children's lives have altogether become the heartfelt rationale of this project.





provide simple but healthy meals for the children, carefully crafted by the hotel's able chefs. It also doubles as a learning hub for the Centre's workers, who shadow the hotel chefs and learn simple culinary skills. 12% of Shangri-La Hotel, Wuhan's colleagues are regular volunteers who come to fix water sources, electricals, classroom and drainage improvements. Over the next 10 years, the hotel aims to get 10-15% of the children eligible for normal schooling, increasing their capacity for independence.

## Gift of Life



Shangri-La Hotel, Kuala Lumpur has, for over 10 years, raised MYR 2 million (US\$585,820), helping more than 120 children undergo urgent heart surgeries. With the rare cases of cardiopathy and heart conditions, these children had to undergo immediate operations or lose the chance at life. Fortunately, a very low mortality rate exists, with only two children lost. The hotel has been working on supporting the recovery and normalcy of living arrangements of these children, resulting to over 60% of them now attending school as well as various

programmes for continued visits, therapy and rehabilitation.

### UNESCO Citation

In 2010, UNESCO (United Nations Educational, Scientific and Social Organization) recognised the work that Shangri-La has done through “Embrace” in furthering commitment to sustainable education and has invited the group to contribute successful “Embrace” stories to *Tomorrow Today*, a publication that will be the landmark document to commemorate the Decade of Education for Sustainable Development (DESD). Along with three other global corporations long recognised for meaningful work in social responsibility, some of the Shangri-La hotels were cited for the good work rendered. The books have been shared with many public educational institutions worldwide, and especially sent to the various “Embrace” beneficiaries of the hotels in the hope of inspiring more public-private collaborations towards a brighter future for our children.



Focused and disciplined, Seri Mengasih's young adults find joy in the pastry kitchen



Shangri-La's Tanjung Aru Resort and Spa, Kota Kinabalu's special youngsters learn to eat on their own

## Dignity and Sense of Purpose

Beyond books and classrooms, education is a powerful tool to restore a sense of worth, especially to individuals who may not have the capacity for self-awareness.

Shangri-La's Tanjung Aru Resort and Spa, Kota Kinabalu has partnered with Seri Mengasih, a school for over 100 intellectually and physically challenged children, since 2008.

2010 marked the third year of full school fees support alongside regular hotel skills training in areas such as housekeeping and bakery, with the goal of hiring apprentices into the hotel. The hotel has partnered with McDonald's and invested in a Snoezelen Centre now named "The Mengasih Resource Centre." This multisensory simulation is used for people with mental disabilities and involves exposing them to a soothing and stimulating environment.



Xin Jia Primary School before (left) and after (top) renovation through “Embrace”

## Capacity Building

Providing an environment conducive to learning with modern learning materials is a constant challenge, especially in remote areas. Two China hotels use “Embrace” as a platform to address access to modern facilities to ensure high levels of literacy and quality of children’s health.

In the Yitong county of Jilin Province in China, 20% of middle school students drop out yearly due to lack of financial resources. Shangri-La Hotel, Changchun pledged to reduce this to 10% in 2015 through the provision of a strong basic education facility. It raised funds in 2008, constructed in 2009 and by 2010, opened up the school to over 140 students. Knowing that they could not do it alone, the hotel involved partners from the *East Asia Economic and Trade* newspaper and German International School to supplement its commitments. Through this private co-operation, over 2,000 books and 50 desks and chairs have been made available to over 140 children and two teachers have been in the Changchun Teacher’s Further Education Institute since July 2010.

Furthermore, this project enticed groups like Hutchison Whampoa Properties and various individuals from the German and Japanese communities to develop their own CSR project with the school. With much success during the first year, the hotel will continue to upgrade the school’s facilities such as Internet and multimedia learning points, sustained students’ after-school activities and teacher training and development. By 2020, Xin Jia Primary School should graduate from the “Embrace” project so that it could pay the assistance forward, as well as assist other schools.

140

students now attending the new Xin Jia Primary School

## Kerry Group Kuok Foundation

Launched in 2007, the Kerry Group Kuok Foundation was established by the owners as an initiative driven purely by their big hearts and the desire to help the poor and underprivileged. KGKF, as it is known, aims to address the uneven distribution of opportunities that is believed to be the root cause of the disharmony of the world, so that the world can become a better place for our children and generations to come.

Like Shangri-La, KGKF operates under guiding principles that allow it to execute the development work that it is committed to. These principles are as follows:

- **Sustainable Value** – ensuring that work transforms economic value and assistance into a sustainable social value.
- **People Focused** – ensuring that assistance and work done remains focused on the people not the material.
- **Cure and Care** – commitment to cure the root cause of poverty and water problems, but simultaneously address the short-term basic needs of the underprivileged.
- **Replicability** – in order to maximise our impact, operation models and processes should be replicable in other areas by the Foundation or by others so that more people can benefit.
- **Integrated Resources** – one of the Foundation's major contributions is to uncover and integrate all the available resources in society and apply them in the right places. We will ensure to use the minimum resources to create maximum value.
- **Cultivate Capabilities** – commitment to help the poor to build their own capabilities so that they can create their own opportunities and change their own destiny.
- **Unite Villages and Towns** - our focus starts with the small and far-flung villages, then expands to a network of villages to become an area of development. We emphasise the co-ordinated planning and execution of the villages and central town.





8,286  
families assisted by KGKF

KGKF has nine bases in China (namely Hunan Baojing, Shanxi Youyu, Yunnan Mojiang, Guizhou Danzhai, Sichuan Mianzhu, Hubei Xiaochang, Jiangxi Xiushui and Inner Mongolia Chayouzhongqi, which all belong to the national key poverty counties in China).

KGKF's efforts focus on the four key areas of health, education, enterprise and water resources. Through these development areas, it is able to directly assist 19 villages with over 8,286 families, and improve the capabilities of the bases as a whole. There are also three national programmes pursued under their campaign, namely the Migrant Worker's Children's

Education Programme in Beijing, Guangzhou and Chengdu; Congenital Heart Disease Treatment and After Care Programmes for Poor Children/Orphans in Hunan, Jiangxi, Yunnan, Guizhou, Sichuan, Shaanxi and Inner Mongolia and the Senile Cataract Treatment for Sick and Poor Elderly in Hunan and Shanxi.

Apart from the various but regular assistance that the Shangri-La hotels render on a yearly basis, the 2011 Chinese New Year celebrations especially involved the hotels in Mainland China. Twenty-eight hotels in China raised at least Rmb184,872 (US\$28,231) and made various donations in kind.



Hotels develop their own environmental initiatives based on the group's environmental policies.

# our environment

**Shangri-La is committed to serving as a good steward of the environment.**

**Shangri-La mitigates effects on the environment by ensuring that our day to day operations promote and implement responsible environmental practices and continual improvement.**

**All employees are responsible and accountable for operating and working in an environmentally responsible manner.**

Shangri-La's environmental efforts focus on six areas that are directly linked to our day to day operations:

- **Climate change mitigation.** Our efforts to reduce the impacts of global warming include lowering energy consumption through existing systems and processes; the use of new energy

efficient technologies, banning the use of CFCs in refrigerant and aerosol systems and alternative energy sources; and by building more efficiently.

- **Biodiversity conservation.** We understand that our properties are located in areas that are prone to biodiversity threats and risks. We ensure that our properties are built on sites that allow us to conserve existing natural areas and species habitats, restore damaged areas wherever possible, and minimise disturbances to undeveloped land.
- **Ozone depletion.** Our properties have shifted to CFC-free refrigerants and aerosol systems to ensure that we promote responsible and sustainable technologies in our operations.
- **Water use management.** We believe that the responsible use of water must always be integrated with its overall supply, storage and

disposal management. Whenever possible, we consider water sources other than freshwater to ensure a steady source. Some properties have sewage treatment plants to ensure a steady source of recycled water for irrigation and flushing.

- **Indoor air quality.** As part of our commitment to health and safety, the highest standards of indoor air quality is observed at all times. We do this through proper management of ventilation, heating and cooling systems and the reduction of the use of hazardous paints and cleaning products.
- **Waste disposal management.** As we operate in many areas where absolute cradle to cradle management of products and goods is not commonplace, our hotels manage waste through a number of segregation, buy-back and recycling programmes with various partners as well as traditional waste management schemes.



EarthCheck is a benchmarking and sustainability certification programme used by more than 1,100 organisations in over 65 countries. The EarthCheck science is reviewed annually to ensure it continues to

meet or surpass international standards relative to Greenhouse Gas Protocols and Certification. The EarthCheck benchmarking process involves a review of operational data relevant to the organisation's performance against industry, sector, country and climate zone specific baselines and best practice standards.

EarthCheck assists in reducing risks, delivering bottom line improvements, maximising guest experiences and minimising an organisation's environmental footprint.

For more information about the EarthCheck Programme, please visit [www.earthcheck.org](http://www.earthcheck.org).

### **Key Findings from the 2009 - 2010 Group Wide Carbon Footprint Report**

In partnership with the EarthCheck global benchmarking and certification programme, Shangri-La has undertaken a comprehensive approach to measure, monitor and respond to the group's carbon, energy, water and waste. Using global benchmarks, each property is able to assess its performance year-on-year and identify the priority areas for performance. Shangri-La is also able to assess its global performance in the critical areas of operations and corporate responsibility.

#### **Carbon**

In 2009, 64 hotels and resorts participated in sharing information on their consumption to calculate a groupwide carbon footprint of 812,709 tonnes of CO<sub>2</sub> emission, or 61.77 kilograms per guest night. This figure is based on use of the EarthCheck carbon calculators, a system compliant with international protocols for carbon reporting. Further, the EarthCheck environmental framework uses a benchmarking tool to allow comparison across various types of properties and in different

climate zones through a comparison of CO<sub>2</sub> emission production per guest night.

In 2010, the carbon footprint for the same 64 properties was 843,615 tonnes of CO<sub>2</sub> emissions or 56.95 kilograms per guest night. Despite an increase in total carbon, this represents an improvement of approximately 4.82 kilograms per guest night or 8.46%.

Four properties joined the group in 2010, leading to a carbon footprint of 877,989 tonnes. This is an increase of 8% on the 2009 figures. However, based on average consumption per guest night, this represents a 6.79% reduction of carbon consumed per guest night to 57.84 kilograms of CO<sub>2</sub> emissions.

The source of these carbon emissions is primarily through purchased electricity sources (including grid electricity, city heat, city steam and city space heating), which in 2009 accounted for 70% of total CO<sub>2</sub> emissions and 71% in 2010. As such, Shangri-La has set a **20% reduction target on energy consumption by 2015**.

---

Shangri-La properties have been benchmarked against baselines relevant to their accommodation type, climate zone and region. The values for the baseline are derived from extensive worldwide research into available and appropriate case studies, industry surveys, engineering design handbooks, energy audits, and climatic and geographic conditions. A benchmarking result at, or above, the baseline level demonstrates to all stakeholders that the enterprise is achieving above average performance. A result below the baseline level indicates that an enterprise can and should carry out actions that will make beneficial improvements in performance.

# CARBON PERFORMANCE: 64 PROPERTIES IN 16 COUNTRIES

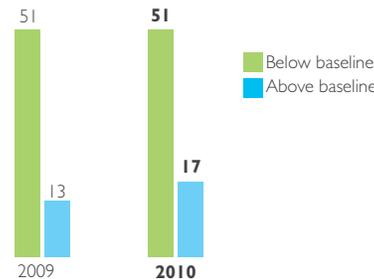
In looking to reduce emissions generated, it is important to assess the country of operation and energy sources. Some regions have a reliance on diesel and brown coal for energy production, which have a higher CO<sub>2</sub> emissions rate than more sustainable energy sources such as solar, hydroelectric, and wind power.

## CO<sub>2</sub> Performance 2009 versus 2010

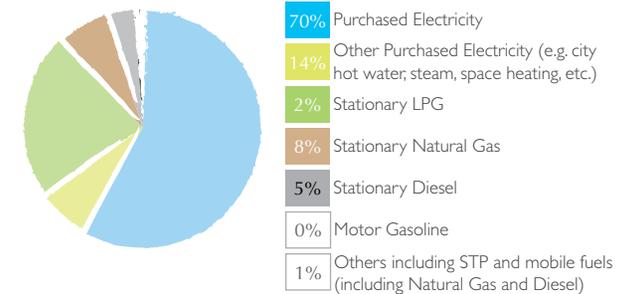
Overall, Shangri-La has seen an improvement in carbon emissions with a per guest night reduction of 6.79%. The overall carbon consumption continues to increase, however, as the group expands to include new properties. The aim for the next five years is to further reduce per guest night consumption.

The best performing regions in comparison to EarthCheck baseline performance levels for emissions for 2009 include Canada (one property), Myanmar (one property) and Singapore (three properties), while on average, properties in Fiji (one property), India (one property), Indonesia (two properties), Japan (one property), Oman (one property), Taiwan (two properties), Thailand (two properties) and the UAE (three properties) were responsible for more than the global EarthCheck baseline production of CO<sub>2</sub> emissions.

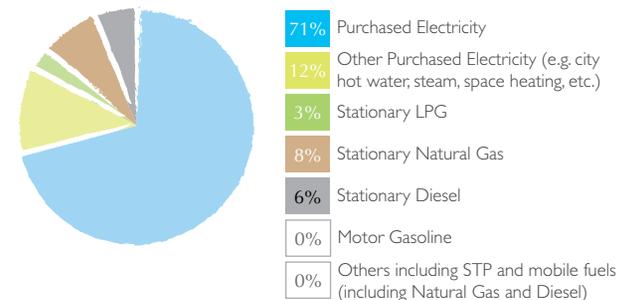
## Carbon Performance Against EarthCheck Baseline (2009 vs. 2010)



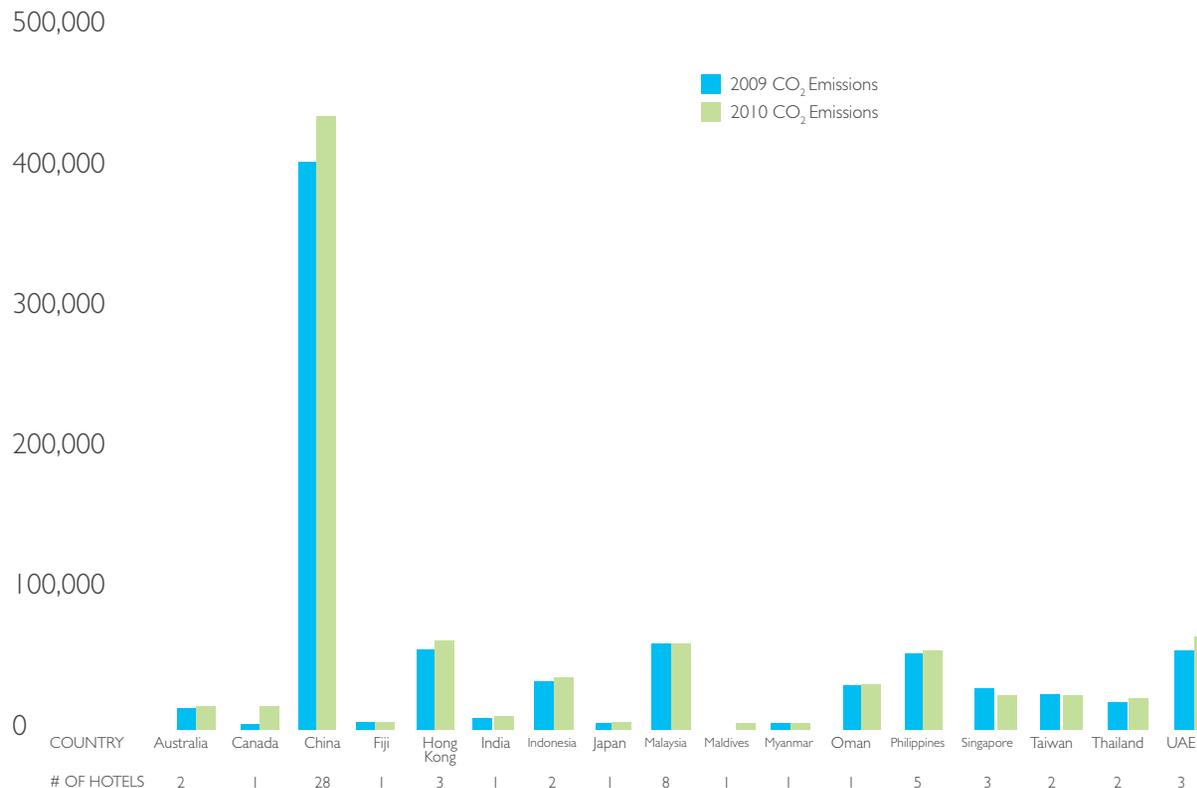
## Shangri-la Hotels and Resorts CO<sub>2</sub> Emission Sources 2009



## Shangri-la Hotels and Resorts CO<sub>2</sub> Emission Sources 2010



### Total Carbon Emissions (MJ) 2009 vs 2010



In 2010, Canada, Myanmar and Singapore again performed strongly, while those poorly performing regions from 2009 were joined by the Maldives in performance below global EarthCheck baselines for CO<sub>2</sub> emissions. There was a minor improvement from 2009 to 2010 with regard to performance of China properties against the EarthCheck baseline (93% below in 2009 to 90% below in 2010).

Through closer analysis of our carbon footprint, Shangri-La has observed a clear link between CO<sub>2</sub> emissions, driven by energy consumption, and the hotels' years in operation and total indoor area. Further, we have learned:

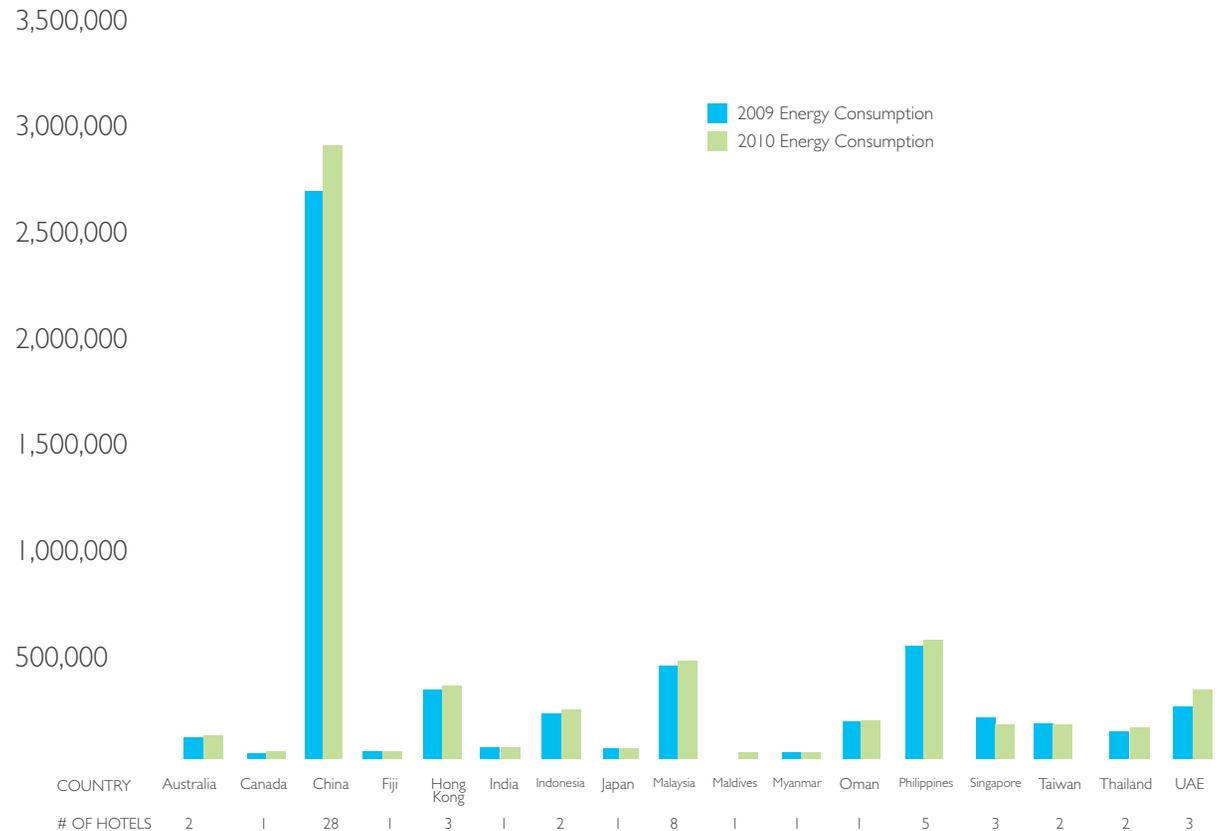
- Depending on the region of operation, those properties with a heavy reliance on stationary energy sources (e.g. the Maldives' use of diesel) are likely to have a higher carbon footprint than those properties able to access cleaner grid sourced energy.
- Hotels with larger indoor public spaces (e.g. lobbies, guest lounges) have more fixed energy costs due to the need to cool or warm these spaces depending on the local climate (e.g. properties in China).
- Properties that are able to separate public spaces from conference spaces so that heating and cooling are only used when rooms are occupied have a greater ability to manage fixed energy costs.
- Future design efficiency of Shangri-La properties will take into account the operating lessons of our existing properties.

## Energy

In the past, all Shangri-La hotels have had “Green Programmes” to identify ways to reduce wastage, eradicate practices that damage the environment and generally promote environmental awareness. In 2004, the group launched a Best Practices Programme that focuses on conservation of water and energy. The programme was upgraded in July 2007 and is implemented in all hotels. The Best Practices Programme involves a benchmarking and performance assessment process with a target of saving 400,000 tonnes of CO<sub>2</sub> emissions per annum. Furthermore, all Shangri-La properties follow an Environmental Management System (EMS) Manual, which helps to identify and address the immediate and long-term impact of the hotel’s operations on its local environment. EMS is in line with the commitments of 37 hotels, which are all certified under ISO 14001. The EMS requires each hotel a significant reduction in energy consumption on a yearly basis. At the minimum, a wide array of environmentally friendly measures in all hotel areas has been implemented. These include:

- Fitting all guestrooms with water saving devices in taps and showers
- Using energy saving lamps in more than half the group’s guestrooms
- Energy efficient chillers
- Four-pipe horizontal fan coil systems
- Waterless urinals and sensor taps in back of house areas
- Thermal controls in all hotel areas

**Total Energy Consumption (2009 vs. 2010)**



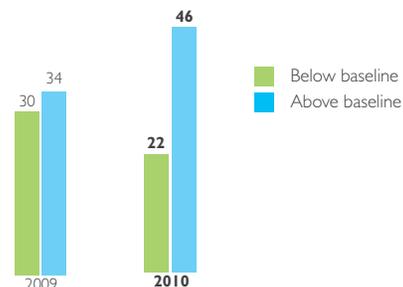
## Energy Performance 2009 versus 2010

In addressing impacts on climate change, the group has implemented group-wide energy best practices and achieved energy reduction by 8% compared to 2006 consumption. Taking into account the addition of over 20 new properties since 2006, the group has been able to reduce pro-rated energy use and resultant carbon emissions per room night by roughly 6.7 kilograms.

In 2009, the 64 participating properties consumed 5,452,970,680.2 MJ of energy or 414.48 MJ per guest night (12.87% better than the EarthCheck baseline). Over half of the properties (34 properties) achieved EarthCheck baseline standards in energy consumption and 50% of these performed at, or better than, best practice EarthCheck standards for their region.

In 2010, energy consumption for the 64 properties increased by 5.55% to 5,700,909,467.9 MJ but energy use per guest night decreased to 384.87 MJ. This indicates that despite an increase in total energy consumption for the group, an even greater increase in guest nights was experienced and energy savings per guest achieved.

## Energy Performance (2009 vs. 2010)



With the addition of four new properties, the 2009 to 2010 assessment using the EarthCheck programme has shown an increase in total energy consumed to 5,975,848,103MJ. This equates to 393.65 MJ per guest night, which is a reduction of 20.83 MJ per guest night or 5.29% on 2009 figures.

In 2010, 72% of properties (46 properties) achieved EarthCheck baseline standards in energy consumption. The best performing regions in energy include Canada (one property), India (one property), Myanmar (one property) and Singapore (three properties), while as a whole properties in the Maldives (one property) and Oman (one property) performed below the EarthCheck global average in energy consumption.

## Water

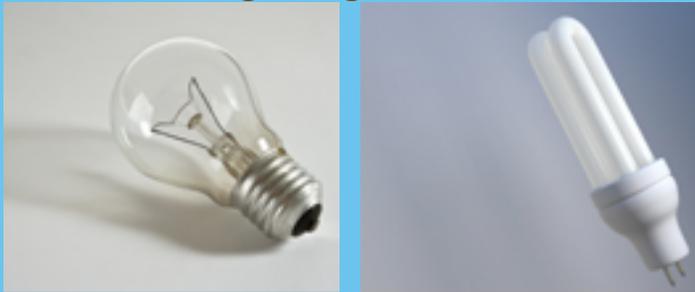
In many countries in which Shangri-La operates, water is an increasingly scarce resource.

In 2009, the group of 64 properties consumed a total of 13,155,504 kilolitres of potable water, which equates to 1,000 litres of water per guest night. Properties averaged 25.55% below EarthCheck baseline performance. The average EarthCheck global baseline for the Shangri-La group is just 870 litres per guest night, requiring an average reduction across the group of 130 litres per guest night.

In 2010, total potable water consumption increased to 13,860,076 kilolitres across 64 properties, with per guest night consumption at 940 litres, a reduction of 60 litres per guest night. While this represents a reduction of 6.38%, the group has not yet met the EarthCheck baseline for water consumption.

With the addition of the four new properties in 2010, a total of 14,336,811 kilolitres of potable water or 940 litres per guest night was consumed across the group of 68 properties. To achieve the Earthcheck baseline standard, the group requires a reduction of 70 litres per guest night.

## CASE STUDY: LED and Motion Sensor Lighting

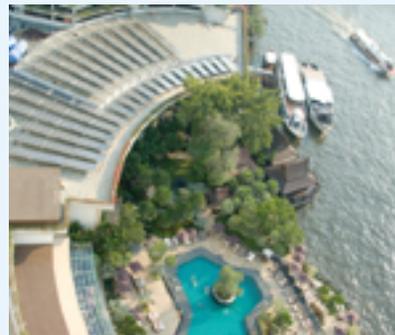


Kowloon Shangri-La, Hong Kong is the first hotel that shifted its outdoor signage to LED as early as 2006. In guestrooms, more than half of the light fittings are installed with long-life low energy consumption compact fluorescent lamps. In public areas where incandescent lamps are used, dimming controls have been installed to vary and reduce energy use. Currently, there are at least 400,000 energy efficient light bulbs in use, which helps to reduce 50 million kWh of energy or 32.5 million kilograms of CO<sub>2</sub> per year.

Building management systems and timer controls shut off the building facade, garden, and landscape lighting automatically at predetermined times. The usage of motion-activated sensors for lighting guestroom corridors have been piloted in several hotels and have been made a minimum standard for future expansion.

Shangri-La Hotel, Futian was the pilot hotel for motion sensor lighting facilities on all of its 28 floors and guestroom corridors where the decorative lights are dimmed by 25% when no movement is detected in the corridor. These lights instantly brighten back to normal when a guest walks into the corridor from the room or elevator lobby. This has brought savings of Rmb 140,000/year (US\$21,405/year) or approximately a conservation of 150,000 kWh of electricity/year.

## CASE STUDY: Solar-powered water heating in Shangri-La Hotel, Bangkok



### **Thai Bt13 million (US\$429,823)**

Amount invested in the hotel's solar water heating system, the largest in Thailand.

Heating systems are one of the highest and most expensive energy consuming processes, especially in developing countries. Reducing dependence on traditional energy sources and maximising use of natural energy such as the sun proves to be the more sustainable choice. It encourages high productivity, especially in tropical climates.

### **25 million liters**

Volume of water heated per year, already sufficient for hot water usage in the 802 guestrooms of the Shangri-La and the Krungthep Wings.

### **435 metric tonnes of CO<sub>2</sub> emissions prevented**

By using clean energy to heat water instead of using a combustible source, less pollutants are being introduced into the environment. The emissions of carbon dioxide, sulphates and nitrates have direct impacts on our health and overall global warming. With the implementation of the in-house solar water heating system, the hotel has prevented 435 metric tonnes of CO<sub>2</sub> emissions on its first year.

### **938 square metres**

Total rooftop area with solar panels.

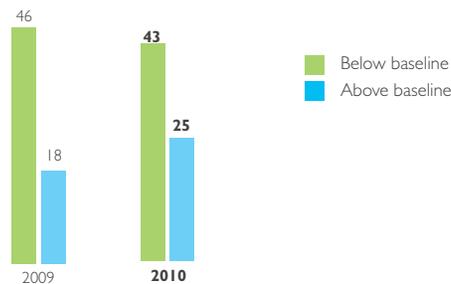
Since installation, the hotel has succeeded in reducing hot water energy consumption as well as eliminating the expenditure on liquefied petroleum gas by up to 30%, which equals Thai Bt 2.7 million (US\$89,270) each year.

In addition to greatly contributing to a clean and green environment, the solar water heating system appears to yield many advantages including less energy costs.

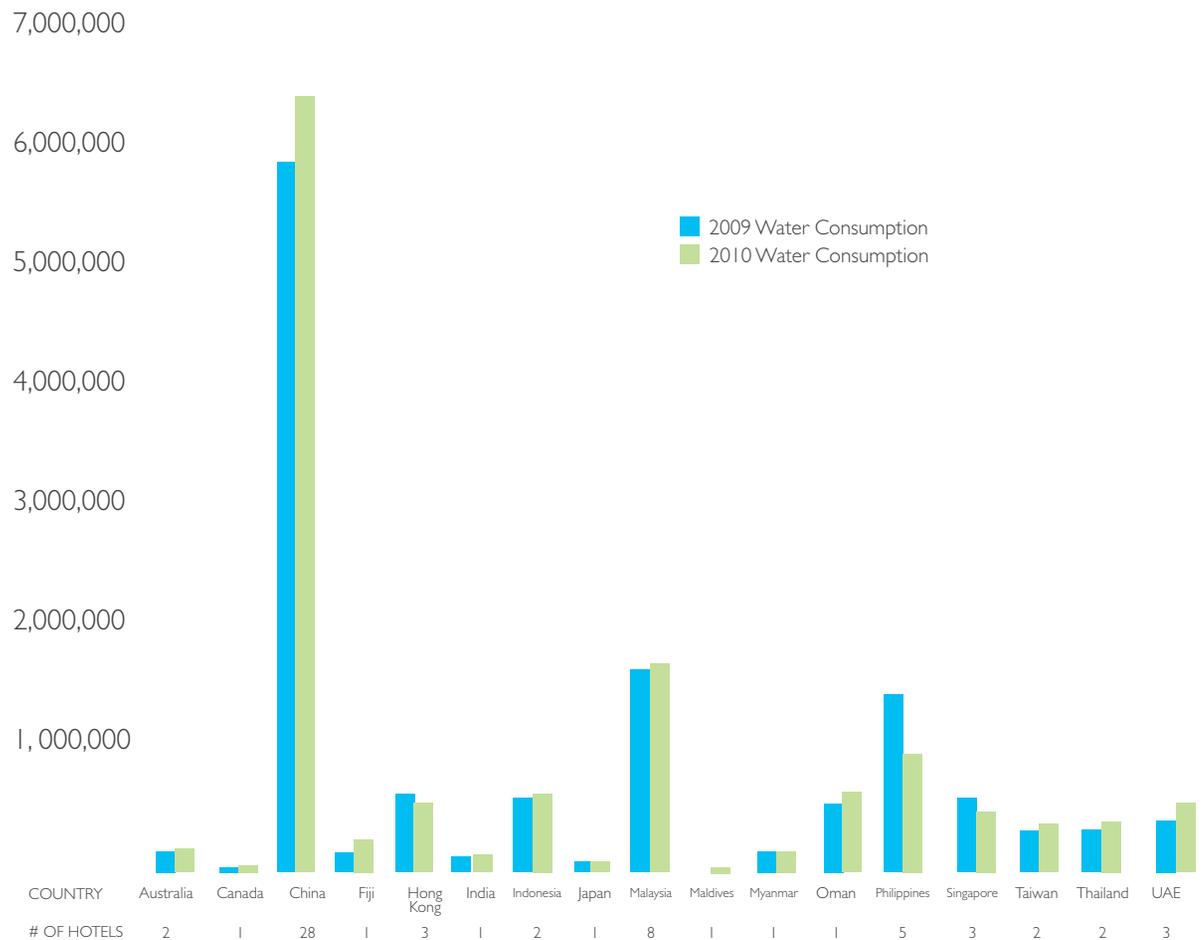
Out of the 64 properties, 18 performed above the baseline in 2009, while the remaining 46 fell below the baseline. Comparing these results with 2010, 24 properties achieved above baseline while 40 performed below the baseline. With the addition of four new participants in 2010, 25 properties have met the EarthCheck baseline while 43 properties have not.

The best performing regions in 2009 were Canada (one property), Fiji (one property), India (one property) and Japan (one property), while Indonesia (two properties), Myanmar (one property), Oman (one property) and Thailand (two properties) performed poorly in water use. These performance trends were mirrored in 2010, excluding Fiji and the Maldives, which also fell below EarthCheck baselines in 2010.

### Water Performance (2009 vs. 2010)



### TOTAL WATER CONSUMPTION KL 2009 vs. 2010





## Grey water flows beneath the sprawling golf course at Shangri-La's Rasa Ria Resort and Spa, Kota Kinabalu

The magnificent 18-hole championship prime wetland course is fully irrigated by recycled water and features natural landscaping all indigenous to Sabah.



## CASE STUDY: Glass water bottles at

### Shangri-La's Villingili Resort and Spa, Maldives



Since becoming operational in 2009, the Shangri-La's Villingili Resort and Spa, Maldives' bottling plant has provided nearly 112 kilolitres of water from the resort's desalination plant for guest consumption.

This equates to approximately 170,000 bottles of still and sparkling water that would otherwise have required importation to the resort. Reusable glass bottles are provided in the resort's villas and refilled daily from the plant. The environmental benefits of the plant are significant both in reducing plastic waste that would have otherwise accrued from purchased bottles, and in removing the carbon footprint associated with importation of water from outside the Maldives. The plant also enables the resort to save financially on importation and buying costs. In 2011, all resorts are expected to implement the same best practice.



## CASE STUDY:

### Composting turns to a lush local produce garden at Shangri-La's Mactan Resort and Spa, Cebu



Tea bags, coffee grounds, fruit and vegetable peelings as well as eggshells yield over 10,000 kilograms of compost for Shangri-La's Mactan Resort and Spa, Cebu.

Since 2008, the resort has been tilling its herb garden area and now produces 59 kilograms of local herbs and spices and 491 kilograms of basic vegetables featured in some of the dishes served to the staff and guests. In 2010, the vegetables were made part of the central commissary for proper distribution and even use across all the restaurants. Since 2009, 2,660 schoolchildren have visited the herb garden as part of their academic tours and outside laboratory work. The garden also is part of guest activities offered at the Adventurezone.

Since 2008, the garden has yielded:

- 199 kilograms of eggplant
- 147 kilograms of tomato
- 50 kilograms of okra



## CASE STUDY:

### Guests learn about bokashi at Shangri-La's Tanjung Aru Resort and Spa, Kota Kinabalu

*Bokashi* is the most efficient method of composting kitchen organic and this is done in an airtight container using *Bokashi EM* (Effective Microbes) as inoculants or compost start. *Bokashi* means "fermented organic matter," a bran-based material that has been fermented with biotechnology. Since the use of *bokashi*, Shangri-La's Tanjung Aru Resort and Spa, Kota Kinabalu has enjoyed a 2% reduction in the amount of fertiliser and compost purchased.





Chefs enjoy bountiful produce from the gardens of Shangri-La Hotel, Guilin



### **Waste Disposal Management**

Shangri-La has an active recycling programme based on ISO 14001 standards and certified hotels need to undergo a semi-annual inspection. Recycled materials are sorted into different categories and collected by recycling vendors, where markets allow adequate recycling facilities. In addition, used cooking oil is collected in drums and removed by vendors, and wet garbage is handled by garbage disposal companies. In most of the resorts, landfill-bound food waste has been cut by at least 30% by utilising vermiculture composting. Coffee grounds, tea, fruit and vegetable peelings as well as eggshells are just some of the food waste that is used to create both fertilisers and natural pesticides, cutting down the incidence of pests in the landscaped areas, as well as significantly reducing dependence on chemical and commercial pesticides and fertilisers. Some city hotels have

partnered with local communities or NGOs that churn the compost themselves.

The group also works under a green IT policy programme, launched in 2009. This encourages not only energy saving tips for computer usage but more importantly, requires a preference for the purchase of efficient equipment, often marked by certification bodies such as Energy Star, RoHS (Restriction of Hazardous Substances Directive) or WEEE (Waste Electrical and Electronic Equipment Directive). Certified products use less energy and are more environmental friendly. Energy Star practices for laptops, notebooks and PCs are encouraged, alongside purchase of smart peripherals and addendum gadgets. The policy advocates a back to basics management concept of computer usage, a practice that most take for granted.

Currently the highest point in city,  
China World Summit Wing, Beijing  
was built to green building specifications.



Shangri-La's Villingili Resort and Spa, Maldives has preserved much of the fauna, created private areas for recreation and recharge and has made the water villas the nesting ground for the propagation of coral gardens.

With regard to e-waste, hotels have partnered with HP's e-Planet recycling programme, where HP takes and buys back computer parts and equipment that are no longer being used. Hotels keep an inventory of disposed and bought-back items and pack them, and HP picks them up along with other e-waste.

In 2010, hotels in mainland China, Hong Kong, Indonesia, Malaysia and the Philippines immediately participated as HP centres were conveniently located in these cities. A total of 6.85 tonnes of e-waste were collected, including 242 PC monitors, 223 desktop units, 18 server units, 483 printers and eight scanners. Today, seven other hotels have joined, where new centres have opened in their region.

### **Moving towards sustainable construction**

In 2010, Shangri-La has turned to careful selection of its sites, aiming to locate properties strategically while minimising environmental footprint. Before each property is built, we analyse the social and environmental challenges on various scales and build accordingly with the intention of contributing to each community in which we build. An environmental impact assessment is performed and is seriously considered when designing the project.

We aim to build our properties on sites that allow us to conserve existing natural areas and species habitats, restore damaged areas wherever possible and minimise disturbances to undeveloped land. Especially in resorts, open space is maximised as green space to ensure non-interference with natural



Shangri-La's Boracay Resort and Spa, Philippines is located in the northern part of Yapak Island with 350 metres of pristine beachfront and 12 hectares of grounds that are home to a number of interesting and rare species of wildlife.

- 75 species of plants on the ravines, cliffs and seashore
- 36 recorded species of birds
- Five species of flying foxes

The treehouse villas were carefully constructed amidst the old trees to preserve their roots. At least 300 coconut trees within the property have been saved and replanted since construction, and the resort staff have since planted at least 200 more. This is an ongoing effort to complement the sense of unity with nature. At dawn, the flight of the flying foxes has become a much-anticipated sight for guests and locals alike.

Building with nature's intelligence has allowed innovation in our newly opened resorts. In Boracay, the resort used "envirocells," an erosion prevention mechanism that matrices the rolling hills that surround the property. These cells also ensure that plants grow upright in an evenly distributed manner, allowing them proper absorption of water. Boulders have also been resized during construction and have been used for the exterior design of pillars and walls.

landscapes and natural systems, i.e. waterways, natural slopes and river systems.

Shangri-La is developing its own hotel design standards to meet the demands of diverse markets, and an increasing environmental conscience. We have committed ourselves to building greener hotels and have referenced international and environmental standards such as Leadership in Energy and Environmental Design (LEED). For each new project, we endeavour to work with LEED consultants who can work with our project teams to ensure that strategies are in place to improve performance in metrics such as energy savings, water efficiency, CO<sub>2</sub> emissions reduction, improved indoor environmental quality, and stewardship of resources and sensitivity to their effects.

In 2010, the group committed to aim for LEED Gold certification for hotels that will be in key cities, and LEED Silver Certification for most projects in secondary cities.

Together with building sustainably and through our bulk purchasing programme, the project teams will start guiding current suppliers and partnering with new ones to source and make standard long lasting quality and socially responsible items such as:

- low-emitting, toxic free paints, adhesives and sealants
- sustainable wood
- wallpaper
- fabric, carpet and carpet underlayment
- glass
- curtain wall

- lighting fixtures and switches
- plumbing fixtures
- stone and tiles
- bathroom and sanitary ware

As with our regular procurement policy, we purchase locally whenever possible in order to support grassroots businesses and minimise emissions coming from transportation.

# our best practices

## Eco-friendly F&B

Shangri-La has commenced purchasing certain eco-friendly products such as children's dining ware made of rice husk, which is now available in all resorts. Rice husks/hulls are the hard protection coverings of grains of rice. They are excellent substitutes for melamine resin, which is often used in the production of kitchenware. The product is made by heat compression and without toxic substances, and remains durable and able to withstand temperatures of between -30 degrees Celsius and 120 degrees Celsius.



## Greener bathroom amenities

In July 2010, all Shangri-La hotels introduced a new line of bathroom amenities packaging made of biodegradable material known as PlaStarch. Whenever possible, internal packaging is removed without compromising hygiene or sanitary issues.



## Low Temperature Laundry

In partnership with Johnson Diversey's HELP chemical washing system, 70% of hotels now carry lower temperature laundry facilities. A sustainable match between washing machine type, fabric, water consumption and temperature, this green initiative encourages the use of less chemicals and washing cycles thereby extending the linen's lifespan and increasing machine and labour productivity.





Each of our resorts provides a natural habitat for flourishing biodiversity. “Sanctuary” is Shangri-La’s project for ensuring the highest standards in marine and terrestrial habitat restoration and environmental conservation.

## sanctuary

Shangri-La’s **Care for Nature Project**

The butterfly, symbol of a healthy biodiversity, is created through the use of four thumbprints put together.

Launched in March 2010, “Sanctuary” focuses on Shangri-La’s Care for Nature Project, which aims to take a concerted effort in ensuring that biodiversity conservation and habitat protection is consistent across all resorts. Though our resorts have long had conservation programmes, “Sanctuary” aims to bring the efforts together and to prepare for a groupwide campaign on conservation, habitat protection and ecotourism.



From rock gardens to corals in Shangri-La's Mactan Resort and Spa, Cebu

The Shangri-La's Mactan Resort and Spa, Cebu Marine Sanctuary spans five hectares and is managed by a stewardship group composed of the resort and partners from the local community. Former US Ambassador to the Philippines Kristie Kenney officially launched the project in 2007. Immediately after, local marine biologists and scientists joined the resort's conservation team to lay down the baseline data for coral reefs.

Then, the team recorded the number of hard coral covers, indicator fish and nutrient-indicator algae within a 400-square-metre area inside the resort's marine protected area (MPA). Within the inner transect, the team found an increase of 23% in hard corals within the MPA, and 28% in the outer transect. Butterfly fish, locally known as *alibangbang*, have increased by 150% from the previous year's figures. This type of fish is said to be a good indicator of a healthy MPA.

Today, the marine sanctuary is home to over 100 species of marine life. Colleagues at the resort, together with the partners mentioned above have been active in coral propagation, giant clam propagation, reef checking, giant clam tagging, regular beach and dive clean-ups and educational programmes for colleagues and guests.

In 2009, the resort received an award for Exemplary Contribution to Coastal Resources Management Programme by the Lapu-Lapu City Government. It also received its second Asean Green Hotel Standard Award. In the same year, school excursions commenced, where children between the ages of three and 12 learn about marine biodiversity and what they can do to preserve it through age-appropriate tours with scheduled fish feeding and snorkelling activities.

Within 2011, the MPA will be expanded by 27,000 square metres. This would provide more habitats within which more species can be propagated.

At Shangri-La's Fijian Resort and Spa, Yanuca, Fiji Islands, the Cuvu Marine Protected Area was a by-product of the hotel's co-operative venture with the Paramount Chief of Nadroga Province Ratu Sakiusa Makutu and his people, and Partners in Community Development Fiji (PCDF). The project is based in Nadroga Province.

The project was launched in 2001, using the principle of "*Tabu*," a traditional method of managing and conserving natural resources and a successful way of creating marine protected areas. The resort works through a partnership with Corals for Conservation (C4C), which



Our Fiji resort was the first hotel group to support the coral gardens living reefs initiative as a global pilot scheme.



Snorkelling lets one into a whole new lush underwater world in Shangri-La's Fijian Resort and Spa, Yanuca, Fiji Islands

develops, implements and promotes a workable community and resort-based model for coral reef management and marine resource recovery. Shangri-La was the first hotel group to support the Coral Gardens Living Reefs initiative as a global pilot scheme. Eight years later, the resort continues to progress with programmes in coral gardening, the creation of a marine conservation centre and the training of members of the community as fish wardens and partners in the overall coastal care management. With a vision of environmental competence and sustainability, the resort has fully committed itself not only to nature, but also to its local people.



Shangri-La's Marine Education Centre has attracted 5,706 visitors since 2009

400 mangroves were planted in 2010



The Angsana Tree at Shangri-La Rasa Sentosa Resort, Singapore is 125 years old and has been classified as a heritage tree by the country's National Parks Board.



The Large Flying Foxes and the Golden Crowned Flying Foxes in Shangri-La's Boracay Resort and Spa, Philippines can be seen winging south at twilight in large numbers, a favourite sighting for the guests before sundown.



There are resorts endowed with various flora and fauna that become points of interest and eco destinations.

Golden Sands Resort, Penang's local herb and spice garden spans 93 square metres and is full of 42 kinds of herbs and spices, including some rare varieties such as sawtooth coriander. They figure in the menus of Garden Cafe and Sigi's Bar & Grill.

Majestic and mature trees are the natural heritage of Singapore and are important green landmarks of the garden city. There were 178 heritage trees in Singapore as of January 2010. Standing at a height of 27 metres and with a girth of 10.2 metres (trunk circumference), the Angsana tree at Shangri-La's Rasa Sentosa Resort, Singapore is 125 years old and has been classified as a heritage tree by the country's National Parks Board. Believed to have

been planted by British soldiers during the pre-war period, it is the largest Angsana tree in Singapore. Scientifically known as *Pterocarpus indicus*, the Angsana tree stands majestically at the resort's entrance and is a conservation attraction for guests at the resort and visitors to Sentosa island.

In Shangri-La's Boracay Resort and Spa, Philippines, a hilly terrain of the resort has lush vegetation and a diverse faunal community. The resort has done its best to maintain an abundance of fruit-bearing trees to help habitat restoration of the Large Flying Foxes and the Golden Crowned Flying Foxes that roost around the area. They all can be seen winging south at twilight in large numbers, a favourite sighting for the guests before sundown.



Guests are encouraged to watch the egg- laying from non-intrusive positions and are assisted by the turtle ranger in Shangri-La's Barr Al Jissah Resort and Spa, Sultanate of Oman



A newborn Baby Chelonia Turtle finds home in Shangri-La's Villingili Resort and Spa, Maldives

# sanctuary

Shangri-La's Turtle Care Project

At Shangri-La's Barr Al Jissah Resort and Spa, Sultanate of Oman, there are two guests that come frequently ashore - the rare green turtle and the hawksbill turtle. They are given individual but non-intrusive attention by the resort's dedicated turtle ranger, who ensures that all progress is tracked and monitored, and that the resort's guests fully understand this. The nesting turtles are nurtured during their time ashore and temporary barriers, which are erected to protect the nests from people walking on the beach, remain in place until the eggs hatch. The beaches at the resort remain unlit at night and even the exterior lights of

the hotel are designed so that the turtles are not put off from coming ashore, something that has proven to be extremely effective.

- Turtle season: January to July
- 2008 turtle season = 95 turtles laid 9,500 eggs
  - 2009 turtle season = 85 turtles laid 6,000 eggs

Guests are encouraged to watch the egg-laying from non-intrusive positions and are assisted by the turtle ranger as they watch over the hatchlings make their way down the beach to make sure that they are not killed by crabs or other predators. It is to the resort's beaches that these hatchlings will return to lay their eggs when they are fully grown, navigating their way by the stars.

At Shangri-La's Villingili Resort and Spa, Maldives, approximately 150 massive porites coral colonies were translocated from beneath the water villas in the resort's Serenity Bay area to a control zone, before being reinstated. The House Reef and "Secret Garden" near the resort area called Whispering Palms were also part of major restoration projects, with a specific goal of restoring the ecological function of the reef ecosystem as a whole. Over 2,500 damaged colonies from some 25 species of hard coral were eventually restored.

In addition, an Underwater Nature Trail was created for better guest engagement and learning. Designed by the resort's marine specialist, the trail leads out to the resort's house reef on the northern end of Villingili Island. The marine specialist has also created snorkel gardens close to the shoreline of the resort, ideal for less experienced swimmers and children.

Rare giant squirrels atop the 200-year old trees in Shangri-La's Rasa Sayang Resort and Spa, Penang



Our resorts are built with the objective of restoring natural habitats and enhancing biodiversity.

Through 10 resorts in six countries, we aim to protect lush flora and fauna, coastal and underwater habitats and well as terrestrial species under "Sanctuary," Shangri-La's Care for Nature project.

Malaysia:	at least 400 acres
Fiji:	at least 109 acres
Philippines:	at least 43 acres
The Maldives:	at least 195 acres
Oman:	at least 1,245 acres
Singapore:	at least 7.7 acres



The black giant squirrel or Malayan giant squirrel (*Ratufa bicolor*) is one of the largest squirrels in the world, native to the Indo-Malayan and South Asian forests.

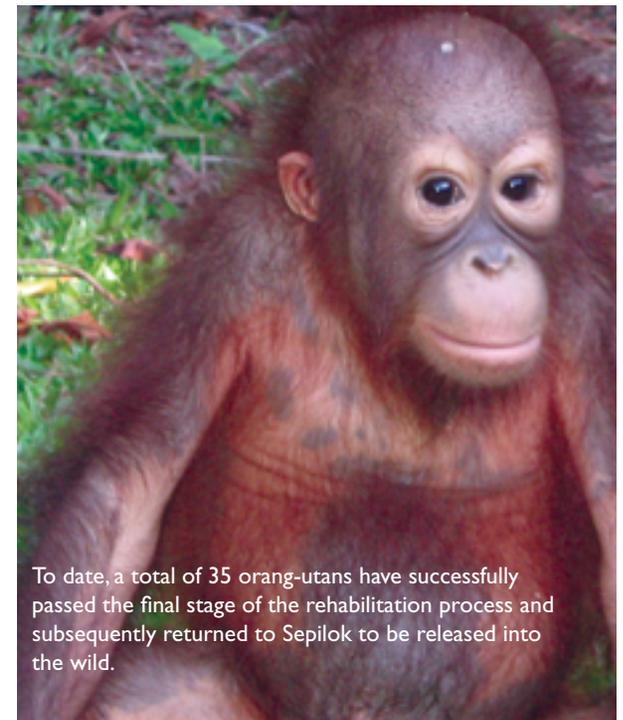
This rare species can be found in the lush canopy of 100-year-old rain trees in the 30-acre tropical gardens at Shangri-La's Rasa Sayang Resort and Spa, Penang. Through the Giant Squirrel Sanctuary, the resort has secured a habitat - a wooden "hut" high in the canopy of one of the resort's oldest rain trees - to provide shelter for the giant squirrels and their young in place of their usual dreys (nests built in the tree hollows), which are often disturbed by other arboreals such as dusky-leaf monkeys. This year, this will be enhanced with a feeding platform for the squirrels with a twice a week feed consisting of their primary diet of seeds and fruits.

**sanctuary**  
Shangri-La's Orangutan Care Project



Enchanting afternoons spent with furry friends at Shangri-La's Rasa Ria Resort and Spa, Kota Kinabalu's Nature Interpretation Centre

A Nature Conservation Programme was initiated in June 1996 between the Sabah Wildlife Department and Shangri-La's Rasa Ria Resort and Spa, Kota Kinabalu, with the main objective being to establish a nature education centre for conservation education programme for the general public and schoolchildren in the west coast region of Sabah. The 64-acre Nature Reserve of coastal vegetation is home to 62 species of birds, reptiles and mammals and is further enhanced with a wide spectrum of Sabah's wildlife such as orangutans, two species of deer, long tailed macaques, pheasants, porcupines, slow lorises, pangolins, rare Borneo orchids, pitcher plants and fruit bats. Visitors enjoy the dense flora and fauna of Borneo's secondary jungle through various nature trails - the Bird Watching, Nature, Honeymoon and Native Trails - ranging from a leisurely 20 minutes walk to a three-hour long trek, with an observation tower at the reserve's crest providing an excellent lookout point to view both flora and fauna as well as offering panoramic views of surrounding villages, the golf course, Tambalang and Mengkabong rivers as well as the South China Sea. The resort is known for the Orang-utan Rehabilitation Programme – a support programme to the Sepilok Orang-utan Rehabilitation Centre of the Sabah Wildlife Department.



To date, a total of 35 orang-utans have successfully passed the final stage of the rehabilitation process and subsequently returned to Sepilok to be released into the wild.

## APPENDIX A: CARBON PERFORMANCE: 64 PROPERTIES IN 16 COUNTRIES

### Energy Performance 2009 versus 2010

Country/Area	# of Hotels	2009		2010		
		TOTAL ENERGY (MJ)	Per Guest Night (MJ)	# of Hotels	TOTAL ENERGY (MJ)	Per Guest Night (MJ)
Australia	2	92,517,856.8	282.35	2	100,589,900.0	200.69
Canada	1	17,622,843.7	239.46	1	16,506,315.2	208.65
China	28	2,686,443,694.7	556.44	29	2,882,383,114.1	479.35
Fiji	1	51,199,913.8	149.89	1	55,067,460.8	289.22
Hong Kong	3	316,098,171.7	202.84	4	343,977,124.7	192.44
India	1	42,100,188.0	300.66	1	46,474,708.7	283.59
Indonesia	2	214,205,466.1	450.02	2	232,747,982.9	455.50
Japan	1	43,801,945.2	636.95	1	49,417,556.4	425.90
Malaysia	8	453,405,045.2	274.00	8	463,896,843.5	228.04
Maldives	1	-	-	1	155,516,932.0	3175.64
Myanmar	1	54,394,889.5	423.77	1	59,624,384.2	333.27
Oman	1	170,168,240.1	837.22	1	168,400,097.6	727.74
Philippines	5	524,304,204.5	411.95	5	546,365,904.9	429.84
Singapore	3	210,103,654.6	213.39	3	177,038,214.3	241.93
Taiwan	2	179,281,773.8	445.14	2	181,398,412.0	435.45
Thailand	2	154,929,073.1	498.24	2	171,014,582.3	447.36
UAE	3	242,393,719.4	629.70	4	325,428,569.4	622.20
<b>TOTAL</b>	<b>64</b>	<b>5,452,970,680.2</b>	<b>417.65</b>	<b>68</b>	<b>5,975,848,103.0</b>	<b>393.65</b>

• *Best Practice: If relevant enterprise sector specific case studies are not available for a type of activity in a designated region, then national averages will be used to ascertain the Baseline level. In this case, the Best Practice level will be set at a minimum of 30% better performance than the Baseline.*

• *Baseline: If case study or national data are not available for a specific indicator, then the first enterprise that benchmarks will have its results set as 15% better than Baseline (i.e., half way between Baseline and Best Practice).*

### CO<sub>2</sub> Performance 2009 versus 2010

Country/Area	# of Hotels	2009			2010				
		Scope 1 Emissions (t)	Scope 2 Emissions (t)	TOTAL (t)	# of Hotels	Scope 1 Emissions (t)	Scope 2 Emissions (t)	TOTAL (t)	% change
Australia	2	2,269.0	13,779.0	16,048.0	2	2,295.0	15,713.5	18,008.5	12%
Canada	1	130.0	852.0	982.0	1	144.9	775.5	920.4	-6%
China	28	66,764.1	330,570.8	404,931.4	29	74,962.0	360,967.2	435,929.2	8%
Fiji	1	1,937.5	3,252.7	5,190.2	1	1,843.9	3,880.5	5,724.4	10%
Hong Kong	3	6,368.5	50,889.1	57,257.6	4	6,850.4	55,604.6	62,455.0	9%
India	1	786.9	7,591.1	8,378.0	1	853.2	8,369.9	9,223.1	10%
Indonesia	2	4,615.2	30,746.6	35,361.8	2	5,284.8	31,918.3	37,203.1	5%
Japan	1	440.4	3,354.5	3,794.9	1	692.9	4,329.9	5,022.8	32%
Malaysia	8	8,032.5	51,684.0	59,716.5	8	8,363.2	52,433.2	60,796.4	2%
Maldives	1	-	-	-	1	11,513.6	-	11,513.6	NA
Myanmar	1	1,664.9	3,225.3	4,890.2	1	1,842.2	3,511.5	5,353.7	9%
Oman	1	3,401.5	28,410.5	31,812.0	1	3,408.5	27,532.5	30,941.0	-3%
Philippines	5	18,995.4	35,245.9	54,241.3	5	18,997.7	37,818.9	56,816.6	5%
Singapore	3	2,006.9	27,199.8	29,206.7	3	1,042.9	24,177.9	25,220.8	-14%
Taiwan	2	3,702.9	21,675.6	25,378.5	2	4,093.8	21,024.4	25,118.2	-1%
Thailand	2	3,091.2	16,139.2	19,230.4	2	3,565.9	17,567.0	21,132.9	10%
UAE	3	3,627.9	52,661.6	56,289.5	4	4,074.8	62,534.8	66,609.6	18%
<b>TOTAL</b>	<b>64</b>	<b>127,834.8</b>	<b>677,277.7</b>	<b>812,709.0</b>	<b>68</b>	<b>149,829.7</b>	<b>728,159.6</b>	<b>877,989.3</b>	<b>8%</b>

## APPENDIX B: WATER PERFORMANCE: 64 PROPERTIES IN 16 COUNTRIES

### Water Performance 2009 versus 2010

Country/ Area	# of Hotels	2009		# of Hotels	2010	
		TOTAL WATER (KL)	Per Guest Night (KL)		TOTAL WATER (KL)	Per Guest Night (KL)
Australia	2	160,136	0.4887	2	168,154	0.3355
Canada	1	32,739	0.4449	1	32,840	0.4151
China	28	5,860,290	1.2138	29	6,415,591	1.0669
Fiji	1	179,238	0.5247	1	253,460	1.3312
Hong Kong	3	636,064	0.4082	4	581,870	0.3255
India	1	119,478	0.8533	1	144,178	0.8798
Indonesia	2	599,238	1.2589	2	633,571	1.2399
Japan	1	50,964	0.7411	1	71,949	0.6201
Malaysia	8	1,661,693	1.0042	8	1,716,550	0.8438
Maldives	1	NA	NA	1	168,768	3.4462
Myanmar	1	173,119	1.3487	1	195,150	1.0908
Oman	1	576,004	2.8339	1	655,100	2.8310
Philippines	5	1,455,090	1.1433	5	1,420,069	1.1172
Singapore	3	618,405	0.6281	3	524,179	0.7163
Taiwan	2	366,221	0.9093	2	404,106	0.9701
Thailand	2	356,053	1.1450	2	427,421	1.1181
UAE	3	310,772	0.8043	4	523,855	1.0016
<b>TOTAL</b>	<b>64</b>	<b>13,155,504</b>	<b>1.0302</b>	<b>68</b>	<b>14,336,811</b>	<b>0.9444</b>

## APPENDIX C: HACCP CERTIFIED HOTELS

China	Shangri-La Hotel, Baotou	China	Shangri-La Hotel, Suzhou	Malaysia	Traders Hotel, Kuala Lumpur
China	Shangri-La Hotel, Beihai	China	Shangri-La Hotel, Wuhan	Malaysia	Golden Sands Resort, Penang
China	China World Hotel, Beijing	China	Golden Flower Hotel, Xian	Malaysia	Shangri-La's Rasa Sayang Resort and Spa, Penang
China	Shangri-La's Kerry Centre Hotel, Beijing	China	Shangri-La Hotel, Xian	Malaysia	Putrajaya Shangri-La, Malaysia
China	Shangri-La Hotel, Beijing	China	Shangri-La Hotel, Zhongshan	Oman	Shangri-La's Barr Al Jissah Resort and Spa, Sultanate of Oman
China	Traders Hotel, Beijing	Australia	Shangri-La Hotel, Sydney	Philippines	Shangri-La's Mactan Resort and Spa, Cebu
China	Shangri-La Hotel, Changchun	Australia	Shangri-La Hotel, The Marina, Cairns	Philippines	Edsa Shangri-La, Manila
China	Traders Fudu Hotel, Changzhou	Fiji	Shangri-La's Fijian Resort and Spa, Yanuca, Fiji Island	Philippines	Makati Shangri-La, Manila
China	Shangri-La Hotel, Chengdu	Hong Kong	Aberdeen Marina Club	Philippines	Traders Hotel, Manila
China	Shangri-La Hotel, Dalian	Hong Kong	Island Shangri-La, Hong Kong	Singapore	Shangri-La's Rasa Sentosa Resort, Singapore
China	Shangri-La Hotel, Fuzhou	Hong Kong	Kowloon Shangri-La, Hong Kong	Singapore	Shangri-La Hotel, Singapore
China	Shangri-La Hotel, Guangzhou	India	Shangri-La's Eros Hotel, New Delhi	Singapore	Traders Hotel, Singapore
China	Shangri-La Hotel, Hangzhou	Indonesia	Shangri-La Hotel, Jakarta	Taiwan	Shangri-La's Far Eastern Plaza Hotel, Taipei
China	Shangri-La Hotel, Harbin	Japan	Shangri-La Hotel, Tokyo	Thailand	Shangri-La Hotel, Bangkok
China	Shangri-La Hotel, Huhhot	Malaysia	Shangri-La's Rasa Ria Resort, Kota Kinabalu	U.A.E.	Shangri-La Hotel, Qaryat Al Beri, Abu Dhabi
China	Shangri-La Hotel, Qingdao	Malaysia	Shangri-La's Tanjung Aru Resort and Spa, Kota Kinabalu	U.A.E.	Shangri-La Hotel, Dubai
China	Pudong Shangri-La, Shanghai	Malaysia	Shangri-La Hotel, Kuala Lumpur	U.A.E.	Traders Hotel, Dubai
China	Traders Hotel, Shenyang				
China	Shangri-La Hotel, Shenzhen				

## APPENDIX D: MAJOR AWARDS WON IN 2010

### Shangri-La Hotels and Resorts, Group Awards

- Best Business Hotel Brand in Asia Pacific - *Business Traveller (Asia Pacific)*
- Global – Best Leisure/Hotel Developer; *Euromoney "Real Estate Award" (UK)*
- Best Regional Hotel Chain - *TTG Asia*
- Best Business Hotel Brand in China - *Business Traveller (China)*
- Shangri-La Asia - *The Wall Street Journal "Asia 200"*
- Best Hotel Chain in Asia and Best in Organising Events in Asia - *The Asset*

### Island Shangri-La, Hong Kong

- Best Meeting Convention Hotel in Hong Kong - *TTG China Travel Awards*
- One of the Gold List Properties in Asia, Australia and Pacific Nation - *Condé Nast Traveler (USA)*
- Top 100 Hotels in Asia - *Condé Nast Traveler "Readers' Choice Awards" (USA)*
- Top 25 City Hotels in Asia, *Travel + Leisure "World's Best Awards" (USA)*
- Top 50 Hotels in the World and Best Asia Hotel in Hong Kong - *Travel + Leisure "T+L 500" (USA)*
- Best for Food - *Condé Nast Traveller "Gold List" (UK)*
- Best Business Hotel in Hong Kong - *Business Traveller (Asia Pacific)*
- Top 25 Business Hotels and Conference Hotels in Asia - *Smart Travel Asia Travel Poll (Asia)*
- The Most Favourite Hotel in Hong Kong for Business Travellers - *The Asset*

### Kowloon Shangri-La, Hong Kong

- Top Asia Hotel in Hong Kong - *Travel + Leisure "T+L 500" (USA)*
- One of the Gold List Properties in Asia, Australia and Pacific Nations - *Condé Nast Traveler (USA)*
- Top 100 Hotels in Asia - *Condé Nast Traveler "Readers' Choice Awards" (USA)*
- One of the Best Hotels for Service in Asia - *Condé Nast Traveller "Gold List" (UK)*

### Shangri-La Hotel, Sydney

- Top 10 City Hotels in Australia, New Zealand, and the South Pacific - *Travel + Leisure "World's Best Awards" (USA)*
- Top Australia and South Pacific Hotel - *Travel + Leisure "T+L 500" (USA)*
- One of the Best Hotels in Sydney - *DestinAsia Readers' Choice Awards*
- CHI, The Spa - Top 10 Favourite New Getaway Spa, *SpaFinder Readers' Choice Award*
- Top 20 Hotels in Australia and Pacific - *Condé Nast Traveler "Readers' Choice Awards" (USA)*
- One of the Best Hotels in Australasia and South Pacific - *Condé Nast Traveller "Gold List" (UK)*

### China World Hotel, Beijing

- Top Asia Hotel in Beijing - *Travel + Leisure "T+L 500" (USA)*
- One of the Gold List Reserve Properties - *Condé Nast Traveler (USA)*
- Top 100 Hotels in Asia - *Condé Nast Traveler "Readers' Choice Awards" (USA)*
- One of the Best Business Hotels - *Business Traveller (China)*

### Shangri-La Hotel, Beijing

- One of the Gold List Properties in Asia, Australia and Pacific Nations - *Condé Nast Traveler (USA)*
- Top 100 Hotels in Asia - *Condé Nast Traveler "Readers' Choice Awards" (USA)*
- Top Asia Hotel in Beijing - *Travel + Leisure "T+L 500" (USA)*

### Shangri-La Hotel, Changchun

- One of the Best Business Hotels - *Business Traveller (China)*

### Shangri-La Hotel, Guangzhou

- Best Meeting and Convention Hotel in Guangzhou - *TTG China Travel Awards*

### Pudong Shangri-La, Shanghai

- Top 25 City Hotels in Asia - *Travel + Leisure "World's Best Awards" (USA)*
- Top 50 Hotels in the World and Best Asia Hotel in Shanghai - *Travel + Leisure "T+L 500" (USA)*
- One of the Gold List Properties in Asia, Australia and Pacific Nations - *Condé Nast Traveler (USA)*

- Top Three Hotels in Asia and Top 100 Hotels in the World - *Condé Nast Traveler "Readers' Choice Awards" (USA)*
- Best Business Hotel in Shanghai - *Business Traveller (Asia Pacific)*
- One of the Best Overseas Business Hotels - *Condé Nast Traveller "Readers Awards" (UK)*
- The World's Top 100 - *Condé Nast Traveller "Readers Awards" (UK)*
- One of the Best Business Hotels - *Business Traveller (China)*

### Futian Shangri-La, Shenzhen

- Best Business Hotel in Shenzhen - *TTG China Travel Awards*

### Shangri-La Hotel, Wuhan

- Hotel Investment Conference Asia Pacific (HICAP) - Sustainable Community Award

### Shangri-La's Tanjung Aru Resort and Spa, Kota Kinabalu

- Top 10 Hotel Spas in Asia - *Travel + Leisure "World's Best Spas" (South East Asia)*
- Best Asia Hotel in Malaysia - *Travel + Leisure "T+L 500" (USA)*
- One of the Best Overseas Leisure Hotels in Asia and the Indian Subcontinent - *Condé Nast Traveller "Readers Awards" (UK)*
- Top 25 Spa Hotels and Resorts in Asia - *Smart Travel Asia Travel Poll (Asia)*
- Top 25 Leisure Hotels and Resorts in Asia - *Smart Travel Asia Travel Poll (Asia)*
- Top 10 Favourite Spa Treatment and Favourite Spa in Malaysia - *SpaFinder Readers' Choice*

### Shangri-La Hotel, Kuala Lumpur

- Top Asia Hotel in Malaysia - *Travel + Leisure "T+L 500" (USA)*
- Top 100 Hotels in Asia - *Condé Nast Traveler "Readers' Choice Awards" (USA)*

### Traders Hotel, Kuala Lumpur

- Top 25 Business Hotels in Asia - *Smart Travel Asia Travel Poll (Asia)*

### Shangri-La's Rasa Sayang Resort and Spa, Penang

- Top Asia Hotel in Malaysia - *Travel + Leisure "T+L 500" (USA)*
- Top 10 Hotel Spas in Asia - *Travel + Leisure "World's Best Spas" (South East Asia)*
- Top 25 Spa Hotels and Resorts in Asia - *Smart Travel Asia Travel Poll (Asia)*
- Top 25 Leisure Hotels and Resorts in Asia - *Smart Travel Asia Travel Poll (Asia)*

#### **Makati Shangri-La, Manila**

- One of the Gold List Reserve Properties - *Condé Nast Traveler (USA)*
- Top 100 Hotels in Asia - *Condé Nast Traveler "Readers' Choice Awards" (USA)*
- Top Asia Hotel in the Philippines - *Travel + Leisure "T+L 500" (USA)*
- Best Hotel in Manila - *DestinAsia Readers' Choice Awards*
- Top 25 City Hotels in Asia - *Travel + Leisure "World's Best Awards" (USA)*
- Best Business Hotel in Manila - *Business Traveller (Asia Pacific)*
- Top 25 Business Hotels and Conference Hotels in Asia - *Smart Travel Asia Travel Poll (Asia)*

#### **Edsa Shangri-La, Manila**

- Top 100 Hotels in Asia - *Condé Nast Traveler "Readers' Choice Awards" (USA)*

#### **Shangri-La's Mactan Resort and Spa, Cebu**

- Best Asia Hotel in the Philippines - *Travel + Leisure "T+L 500" (USA)*
- Top 25 Spa Hotels and Resorts in Asia - *Smart Travel Asia Travel Poll (Asia)*
- Top 20 Resorts in Asia - *Condé Nast Traveler "Readers' Choice Awards" (USA)*

#### **Shangri-La's Boracay Resort and Spa, Philippines**

- Best 45 New Hotels of 2010 - *Travel + Leisure "It List" (USA)*

#### **Shangri-La Hotel, Singapore**

- Top Asia Hotel in Singapore - *Travel + Leisure "T+L 500" (USA)*
- Top 25 City Hotels in Asia and Top 100 Hotels in the World - *Travel + Leisure "World's Best Awards" (USA)*
- Best Business Hotel in the World, Asia-Pacific and Singapore - *Business Traveller (Asia Pacific)*
- Top 25 Business Hotels and Conference Hotels in Asia - *Smart Travel Asia Travel Poll (Asia)*
- Top 100 Hotels in Asia - *Condé Nast Traveler "Readers' Choice Awards" (USA)*

#### **Shangri-La Hotel, Bangkok**

- Top Asia Hotel in Thailand, *Travel + Leisure "T+L 500" (USA)*
- One of the Gold List Properties in Asia, Australia and Pacific Nations - *Condé Nast Traveler (USA)*
- Top 100 Hotels in Asia and the World - *Condé Nast Traveler "Readers' Choice Awards" (USA)*
- Top 10 Hotel Spas in Asia - *Travel + Leisure "World's Best Spas" (South East Asia)*

#### **Shangri-La's Far Eastern Plaza Hotel, Taipei**

- Best Asia Hotel in Taiwan - *Travel + Leisure "T+L 500" (USA)*
- Top 100 Hotels in Asia - *Condé Nast Traveler "Readers' Choice Awards" (USA)*

#### **Shangri-La Hotel, Dubai**

- One of the Best Hotels in Dubai - *DestinAsia Readers' Choice Awards*

#### **Shangri-La's Barr Al Jissah Resort and Spa, Sultanate of Oman**

- Best for Leisure Facilities - *Condé Nast Traveller "Gold List" (UK)*
- One of the Best Spas in Overseas Hotels - *Condé Nast Traveller "Readers Awards" (UK)*
- Top 10 Resorts in the Middle East - *Condé Nast Traveler "Readers' Choice Awards" (USA)*

#### **Shangri-La's Villingili Resort and Spa, Maldives**

- The 50 Best New Hotels in the World - *Condé Nast Traveller (India)*

#### **Shangri-La Hotel, Vancouver**

- Top 30 Hotels in Canada - *Condé Nast Traveler "Readers' Choice Awards" (USA)*

# SHANGRI-LA HOTELS AND RESORTS: SUSTAINABILITY REPORT 2010 - GRI G3 INDEX

## STANDARD DISCLOSURES PART I: Profile Disclosures:

Profile Disclosure	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported
<b>1. Strategy and Analysis</b>				
1.1	Statement from the most senior decision-maker of the organization.	Fully	CHAIRMAN'S MESSAGE / PRESIDENT & CEO MESSAGE, pp 2-3	
<b>2. Organizational Profile</b>				
2.1	Name of the organization.	Fully	OUR BUSINESS p 7	
2.2	Primary brands, products, and/or services.	Fully	OUR BUSINESS pp7-8	
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	OUR BUSINESS pp7-9	
2.4	Location of organization's headquarters.	Fully	OUR BUSINESS p7	
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	OUR BUSINESS pp7-9	
2.6	Nature of ownership and legal form.	Fully	OUR BUSINESS pp7-9	
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	OUR BUSINESS pp7-9	
2.8	Scale of the reporting organization.	Fully	OUR BUSINESS pp7-9	
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	OUR BUSINESS pp7-9; Year 2010 Annual Report : Development Programmes pp 22-26, Properties under development pp 56-58	
2.10	Awards received in the reporting period.	Fully	Appendix D	
<b>3. Report Parameters</b>				
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	OUR BUSINESS p9-10	
3.2	Date of most recent previous report (if any).	Fully	This is our first report.	
3.3	Reporting cycle (annual, biennial, etc.)	Fully	Every two years	
3.4	Contact point for questions regarding the report or its contents.	Fully	sustainability.feedback@shangri-la.com	
3.5	Process for defining report content.	Fully	OUR BUSINESS p9-10	
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	OUR BUSINESS p9-10	
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	OUR BUSINESS p9-10	

Profile Disclosure	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	OUR BUSINESS p7-10, Year 2010 Annual Report- Development Programmes pp 22-26, Properties under Development 56-58	
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	OUR BUSINESS pp 9-10	
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Fully	This is our first report	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	This is our first report	
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	GRI INDEX	
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	No external assurance for this report	
<b>4. Governance, Commitments, and Engagement</b>				
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	Year 2010 Annual Report-Directors and Company Secretary pp 5-9; Corporate Governance Report, pp 28-33	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	Year 2010 Annual Report-Directors and Company Secretary pp 5-9; Corporate Governance Report, pp 28-33	
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Fully	Year 2010 Annual Report-Directors and Company Secretary pp 5-9; Corporate Governance Report, pp 28-33	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	There is no official mechanism for colleagues to make recommendations to the Board of Directors directly. Any issue from our colleagues is raised through the hotel management, and if necessary, to the corporate officers and senior management who then can escalate as appropriate.	
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Not	We currently have the Annual Performance Development Review however do not include social and environmental performance in the evaluation	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	Year 2010 Annual Report pp 13-26, 84-89; Audit Committee pp 31-32	
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	Fully	Year 2010 Annual Report-Corporate Governance Report, pp 28-33	
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	OUR BUSINESS p6, p12, p16	
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	Year 2010 Annual Report Corporate Information pp 5-9, Directors and Company Secretary/ Senior Management pp 28-33	

Profile Disclosure	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Not	We do not report on this yet as there is no mechanism for evaluating environmental and social performance of the Board of Directors	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Not	We do not report on this yet as there is no mechanism for this with the Board of Directors	
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Not	We are not signatories of the Global Compact, Millenium Development Goals, etc	
4.13	Memberships in associations (such as industry associations) and/or national/ international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Not	Not applicable	
4.14	List of stakeholder groups engaged by the organization.	Fully	We have a general list of stakeholders cited in the Sustainability Report, section on "OUR BUSINESS", page 9 namely our Suppliers, business partners, guests, colleagues (staff), local community, local government representatives and shareholders. We will aim to have a more exhaustive and representative list in place by the next reporting cycle, 2012	
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	Our stakeholders are identified in the course of running our hotel operations. We currently do not have in place a separate mechanism for careful selection , maintenance, engagement and regularity of talks with ever stakeholder group, but will aim to have this in place by the next reporting cycle, 2012	

**STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)**

<b>G3 DMA</b>	<b>Description</b>	<b>Reported</b>	<b>Cross-reference/Direct answer</b>	<b>If applicable, indicate the part not reported</b>
<b>DMA EC Disclosure on Management Approach EC</b>				
Aspects	Economic performance	Fully	OUR BUSINESS p9, Year 2010 Annual Report pp 3, 13-18, 34, 65, 69-70, 92-95	
	Market presence	Fully	OUR PEOPLE pp 15-17	
	Indirect economic impacts	Fully	OUR COMMUNITIES pp 30-36	
<b>DMA EN Disclosure on Management Approach EN</b>				
Aspects	Materials	Not	We do not report on this yet as we have thus far been unable to gather the data for all existing hotels and new projects but we will aim to report on this in 2012.	Materials by weight and volume
	Energy	Fully	OUR ENVIRONMENT pp 37-42	
	Water	Partially	OUR ENVIRONMENT pp 42-43	Water sources by type, indications whether sourced from protected areas or biodiversity value as well as recycled water - There is no mechanism yet or tracking affected water sources by type, indications whether sourced from protected areas or biodiversity value as well as recycled water
	Biodiversity	Partially	OUR ENVIRONMENT pp 51-57	IUCN red list species in areas affected by operations
	Emissions, effluents and waste	Partially	OUR ENVIRONMENT pp 37-48	GHG other than CO2, waste transported
	Products and services	Partially	OUR ENVIRONMENT pp 35-50	Reclaimed packaging materials
	Compliance	Not	We do not report on this yet as we have thus far been unable to gather the data for all existing hotels and new projects but we will aim to report on this in 2012.	We do not have any record of non-compliance track and do not track fines on environmental non-compliance
	Transport	Not	We do not report on this yet as we have thus far been unable to gather the data for all existing hotels and new projects but we will include this in Scope 3 CO2 Footprinting in 2012	Environmental Impacts of Transport
	Overall	Not	We do not report on this yet as we have thus far been unable to gather the data for all existing hotels and new projects	Expenditures of each hotel (whether owned or managed) broken down by emissions treatment, waste disposal, remediation, prevention or environmental management costs
<b>DMA LA Disclosure on Management Approach LA</b>				
Aspects	Employment	Partially	OUR PEOPLE pp 15-17	Collective Bargaining Agreements for Management Contract Properties
	Labor/management relations	Not	We are not able to report on behalf of our management contracts on issues such as this as of yet	Collective Bargaining Agreements for Management Contract Properties
	Occupational health and safety	Partially	OUR PEOPLE, 23-24	Data on independent contractors, supervised workers unavailable
	Training and education	Fully	OUR PEOPLE, pp 18-19	
	Diversity and equal opportunity	Partially	OUR PEOPLE pp 19-20	Membership in governance bodies by age group, percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening and of significant suppliers and contractors that have undergone screening on human rights and actions taken.

G3 DMA	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported
<b>DMA HR Disclosure on Management Approach HR</b>				
Aspects	Investment and procurement practices	Not	We do not report on this yet as we have thus far been unable to gather the data for all existing hotels and new projects but we will aim to report on this in 2012.	
	Non-discrimination	Fully	We do not have incidences of discrimination as this is not allowed based on our Equal Employment Opportunity Policy	
	Freedom of association and collective bargaining	Partially	OUR PEOPLE, pp 17-18	Collective Bargaining Agreements for Management Contract Properties
	Child labor	Fully	OUR PEOPLE p 25	
	Forced and compulsory labor	Fully	OUR PEOPLE p 25	
	Security practices	Fully	OUR PEOPLE p 25	
	Indigenous rights	Fully	OUR PEOPLE p 25	
<b>DMA SO Disclosure on Management Approach SO</b>				
Aspects	Community	Fully	OUR COMMUNITIES pp 30-36	
	Corruption	Fully	Year 2010 Annual Report-Audit Committee pp 31-32	
	Public policy	Fully	Year 2010 Annual Report-Audit Committee pp 31-32	
	Anti-competitive behavior	Fully	Based on our records, there are no cases filed against us	
	Compliance	Fully	Based on our records, we have always been in compliance and have no record of fines or non-monetary sanctions	
<b>DMA PR Disclosure on Management Approach PR</b>				
Aspects	Customer health and safety	Partially	OUR PEOPLE pp 23-25	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.
	Product and service labelling	Partially	OUR PEOPLE pp 24-25	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling by type of outcomes
	Marketing communications	Not	We do not report on this yet as we have thus far been unable to gather the data for all existing hotels and new projects	
	Customer privacy	Fully	We track customer complaints but have not come across complaints about breaches in customer privacy or loss of proprietary customer data	
	Compliance	Not	We do not report on this yet as we have thus far been unable to gather the data for all existing hotels and new projects	

**STANDARD DISCLOSURES PART III: Performance Indicators**

Performance Indicator	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported
<b>Economic performance</b>				
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	OUR BUSINESS pp 7-8 and for the full report, see Year 2010 Annual Report pp 3, 13-18, 34, 65, 69-70, 92-95	
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Not	We do not report on this yet as there is no mechanism for reviewing financial implications based on climate change	
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	Year 2010 Annual Report - Human Resources- p 27; Employee Benefit Expenses pp 120-121	
EC4	Significant financial assistance received from government.	Fully	We do not receive subsidies of this sort	
<b>Market presence</b>				
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Fully	OUR PEOPLE pp 16-17	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Fully	OUR PEOPLE pp 20-21	
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Fully	OUR PEOPLE pp 16-18	
<b>Indirect economic impacts</b>				
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	OUR COMMUNITIES pp 27-34	
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	OUR COMMUNITIES pp 28-29	
<b>Environment</b>				
<b>Materials</b>				
EN1	Materials used by weight or volume.	Not	We do not report on this yet as we have thus far been unable to gather the data for all existing hotels and new projects but we will aim to report on this in 2012.	
EN2	Percentage of materials used that are recycled input materials.	Not	We do not report on this yet as we have thus far been unable to gather the data for all existing hotels and new projects but we will aim to report on this in 2012.	
<b>Energy</b>				
EN3	Direct energy consumption by primary energy source.	Fully	OUR ENVIRONMENT pp37-42	
EN4	Indirect energy consumption by primary source.	Fully	OUR ENVIRONMENT pp37-42	
EN5	Energy saved due to conservation and efficiency improvements.	Fully	OUR ENVIRONMENT pp37-42	

Performance Indicator	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	OUR ENVIRONMENT pp37-44	
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	OUR ENVIRONMENT pp37-44	
<b>Water</b>				
EN8	Total water withdrawal by source.	Fully	OUR ENVIRONMENT pp42-44	
EN9	Water sources significantly affected by withdrawal of water.	Partially	OUR ENVIRONMENT pp42-44	Affected water sources by type, indicating whether sourced from protected areas or biodiversity value
EN10	Percentage and total volume of water recycled and reused.	Not	We do not report on this yet as we have thus far been unable to gather the data for all existing hotels and new projects but we will aim to report on this in 2012.	
<b>Biodiversity</b>				
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Fully	OUR ENVIRONMENT p 56	
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Fully	OUR ENVIRONMENT pp 51-57	
EN13	Habitats protected or restored.	Fully	OUR ENVIRONMENT pp 51-57	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Fully	OUR ENVIRONMENT pp 51-57	
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not	We do not report on this yet as we have thus far been unable to gather the data for all existing hotels and new projects but we will aim to report on this in 2012.	
<b>Emissions, effluents and waste</b>				
EN16	Total direct and indirect greenhouse gas emissions by weight.	Partially	OUR ENVIRONMENT pp37-42	GHG other than CO <sub>2</sub>
EN17	Other relevant indirect greenhouse gas emissions by weight.	Not	We do not report onGHG beyond CO <sub>2</sub> yet as we have thus far been unable to gather the data for all existing hotels and new projects but we will aim to report on this in 2012.	GHG other than CO <sub>2</sub>
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	OUR ENVIRONMENT pp37-42	
EN19	Emissions of ozone-depleting substances by weight.	Fully	OUR ENVIRONMENT p37	
EN20	NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions by type and weight.	Not	We do not report on this yet as we have thus far been unable to gather the data for all existing hotels and new projects but we will aim to report on this in 2012.	
EN21	Total water discharge by quality and destination.	Not	We do not report on this yet as we have thus far been unable to gather the data for all existing hotels and new projects but we will aim to report on this in 2012.	
EN22	Total weight of waste by type and disposal method.	Partially	OUR ENVIRONMENT p 47-48	Total amount of waste (hazardous & non-hazardous) in tonnes by type for deep well injection, for on-site storage, by type for incineration (or use as fuel), for recovery

Performance Indicator	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported
EN23	Total number and volume of significant spills.	Not	We do not report on this yet as we have thus far been unable to gather the data for all existing hotels and new projects but we will aim to report on this in 2012.	
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Not	We do not report on this yet as we have thus far been unable to gather the data for all existing hotels and new projects but we will aim to report on this in 2012.	
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not	We do not report on this yet as we have thus far been unable to gather the data for all existing hotels and new projects but we will aim to report on this in 2012.	
<b>Products and services</b>				
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	OUR ENVIRONMENT pp 37-55	
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Not	We do not report on this yet as we have thus far been unable to gather the data for all existing hotels and new projects but we will aim to report on this in 2012.	
<b>Compliance</b>				
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Not	We do not report on this yet as we have thus far been unable to gather the data for all existing hotels and new projects but we will aim to report on this in 2012.	
<b>Transport</b>				
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Not	We do not report on this yet as we have thus far been unable to gather the data for all existing hotels and new projects but we will aim to report on this in 2012.	
<b>Overall</b>				
EN30	Total environmental protection expenditures and investments by type.	Not	We do not report on this yet as we have thus far been unable to gather the data for all existing hotels and new projects but we will aim to report on this in 2012.	Expenditures of each hotel (whether owned or managed)broken down by emissions treatment, waste disposal, remeditation , prevention or environmental management costs
<b>Employment</b>				
LA1	Total workforce by employment type, employment contract, and region.	Partially	OUR PEOPLE , p 15-17 however we do not report on employment contract type by geographic breakdown yet but we will aim to report on this in 2012.	
LA2	Total number and rate of employee turnover by age group, gender, and region.	Fully	OUR PEOPLE, p 15-17	
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	OUR PEOPLE, p 15-17	
<b>Labour/management relations</b>				
LA4	Percentage of employees covered by collective bargaining agreements.	Not	We are not able to report on behalf of our management contracts on issues such as this as of yet	
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Not	We are not able to report on behalf of our management contracts on issues such as this as of yet	

Performance Indicator	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported
<b>Occupational Health and Safety</b>				
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Fully	OUR PEOPLE pp 23-25	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Partially	OUR PEOPLE pp 23-25	Data on independent contractors, supervised workers unavailable
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	OUR PEOPLE pp 23-25	
LA9	Health and safety topics covered in formal agreements with trade unions.	Not	We do not report on this yet as we have thus far been unable to gather the data for all existing hotels and new projects but we will aim to report on this in 2012.	
<b>Training and education</b>				
LA10	Average hours of training per year per employee by employee category.	Fully	OUR PEOPLE pp 18-19, and every employee meets the 4-hour per month Training requirement	
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	OUR PEOPLE pp 18-19	
LA12	Percentage of employees receiving regular performance and career development reviews.	Fully	OUR PEOPLE pp 18	
<b>Diversity And Equal Opportunity</b>				
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Partially	OUR PEOPLE pp 17-24	Governance bodies split by age group
LA14	Ratio of basic salary of men to women by employee category.	Fully	OUR PEOPLE pp 16-20	
<b>Social: Human Rights</b>				
<b>Diversity and equal opportunity</b>				
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Not	We do not report on this yet as we have thus far been unable to gather the data for all existing hotels and new projects but we will aim to report on this in 2012.	
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Not	We do not report on this yet as we have thus far been unable to gather the data for all existing hotels and new projects but we will aim to report on this in 2012.	
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Partially	OUR PEOPLE p18, p25	Actual number of hours dedicated to distinct Modules on Human Rights Training

Performance Indicator	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported
<b>Non-discrimination</b>				
HR4	Total number of incidents of discrimination and actions taken.	Not	We do not have incidences of discrimination as this is not allowed based on our Equal Employment Opportunity Policy	
<b>Freedom of association and collective bargaining</b>				
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Partially	OUR PEOPLE p 17	Collective Bargaining Agreements for Management Contract Properties
<b>Child labour</b>				
HR6	Operations identified as having significant risk for incidents of child labor; and measures taken to contribute to the elimination of child labor.	Fully	OUR PEOPLE p 25	
<b>Forced and compulsory labour</b>				
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor; and measures to contribute to the elimination of forced or compulsory labor.	Fully	OUR PEOPLE p 25	
<b>Security practices</b>				
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Fully	OUR PEOPLE p 25	
<b>Indigenous rights</b>				
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Fully	OUR PEOPLE p 25	
<b>SOCIAL: SOCIETY</b>				
<b>Community</b>				
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Fully	OUR COMMUNITIES p 29	
<b>Corruption</b>				
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Fully	All business units (all properties) are subject to yearly Financial and Corporate Governance Audits	
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	We do not report on this yet as there is no training program solely for anti-corruption	There is no training module specific to Anti-Corruption unless embedded within our values/ Corporate Orientation
SO4	Actions taken in response to incidents of corruption.	Fully	Year 2010 Annual Report	Audit Committee reviews this

Performance Indicator	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported
<b>Public policy</b>				
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	We do not participate in public policy development and lobbying	
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	Year 2010 Annual Report	
<b>Anti-competitive behavior</b>				
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Fully	We have had no record of cases filed against us	
<b>Compliance</b>				
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	We have always been in compliance and have no record of fines or non-monetary sanctions	
<b>Social: Product Responsibility</b>				
<b>Customer health and safety</b>				
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Fully	OUR PEOPLE pp 20-21	
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Not	We do not report on this yet as we have thus far been unable to gather the data for all existing hotels and new projects but we will aim to report on this in 2012.	
<b>Product and service labelling</b>				
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Fully	All F&B Items produced and served from the hotel are subject to Food and Drug Label Regulations	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Not	We do not report on this yet as we have thus far been unable to gather the data for all existing hotels and new projects	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	OUR PEOPLE p22	
<b>Marketing communications</b>				
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Not	We do not report on this yet as we have thus far been unable to gather the data for all existing hotels and new projects	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Not	We do not report on this yet as we have thus far been unable to gather the data for all existing hotels and new projects	

Performance Indicator	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported
<b>Customer privacy</b>				
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Not	We do not report on this yet as we have thus far been unable to gather the data for all existing hotels and new projects	
<b>Compliance</b>				
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Not	We do not report on this yet as we have thus far been unable to gather the data for all existing hotels and new projects	



This Sustainability Report cover is printed on Heiwa Paper 3302-761 Environment, which is FSC® certified. It is made of recycled and alternative fibres and remains acid free.

The inside pages are printed on Polytrade Natural Fine Paper; also FSC® certified, and they are elemental chlorine-free.



Shangri-La Asia Limited  
28/F Kerry Centre  
683 King's Road, Quarry Bay  
Hong Kong  
[www.shangri-la.com](http://www.shangri-la.com)