



# ENVIRONMENTAL, SOCIAL & GOVERNANCE

REPORT 2021

*Kempinski*

HOTELIERS SINCE 1897

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# CEO Message

On behalf of the Kempinski Hotels Group, it gives me great pleasure to present the first Kempinski Environmental, Social & Governance (ESG) Report, a roadmap that sets out how we will approach each of the three pillars of ESG with a unified strategy across the Kempinski Group.

As we mark our 125-year anniversary, experience has shown us the importance of embedding sustainable initiatives firmly in our business operations. By formalising our approach in this ESG Report, we have reinforced our commitment to a more sustainable future.

The COVID-19 pandemic created a crisis on a global scale across the hospitality and travel industry, causing unprecedented disruption to our lives and purpose. Though it marked a significant downturn in business, this challenging period allowed us to move important initiatives forward in a bid to help reshape our industry for the future, while never losing sight of our European heritage.

During the downturn, we remained committed to our ESG activities: our sustainable purpose to promote biodiversity, to save energy, to upscale recycling initiatives to benefit other communities and to ensure that robust energy and waste management systems are deployed in our daily operations.

Following United Nations COP26 climate conference 2021, we saw an increased appetite for sustainability initiatives within our industry; initiatives that address the triple bottom line of planet, people and economic prosperity.

Together with our guiding stakeholders and the newly formed Sustainability Committee, we have recognised the importance of creating core initiatives that will support our work to become more sustainable. This report forms the basis from which we will step forward with enhanced conviction and a commitment to target-setting and accountability, broadening our plans and increasing our impact.

Our Sustainability Committee – led by Hadrian Beltrametti Walker, Executive Vice President, General Counsel & Interim Company Secretary, Kempinski S.A. – will guide us to ensure that across the Group, our material ESG impacts can be measured and improved year-on-year.

With a constellation of 80 properties across 34 countries and a healthy pipeline of hotels and residences to deliver in the coming months and years, we are determined to realise our mission to deliver uncompromising luxury, while contributing to ensuring minimal environmental and social impact for future generations.



**Bernold Schroeder**

Chief Executive Officer, Kempinski Group  
Chairman of the Management Board of Kempinski AG

# Introduction

The momentum of sustainability progress across the corporate world has reached its highest velocity over the last few years. The system shock of COVID-19 and personal restrictions, the acceleration of climate change effects, the growing influence of social movements, the threat of war and systemic stresses on once-reliable supply chains have reframed our understanding of what it means to acknowledge and account for risk. The need to transform and adapt to these changing circumstances has highlighted how integral considerations of holistic sustainability are to corporate management.

During this period, we were able to reflect on what makes Kempinski sustainable, what successes have been achieved and where opportunity remains to innovate and improve.

Our sustainability journey began a long time ago, but our goals have always been aligned to our guiding principles of valuing tradition, people and communities. As our approach to corporate social responsibility evolved, we adopted the principles of the United Nations Global Compact and Sustainable Development Goals: global programmes that reflect our aim to ensure that our impacts are global in scale, but also rooted in the needs of our people and communities.

Yet we still aspire to go further and embed the principles of sustainability in the very fibre of our Kempinski DNA. As such, we aim to fully integrate our ESG targets with the broader Kempinski corporate strategy. Our first objectives are to measure 100% of Kempinski corporate and property emissions for 2023 and establish a baseline from which to measure future progress. We also aim to fully implement science-based targets for emissions reductions aligned to the Paris Agreement by 2024, with an ultimate goal of achieving net zero emissions by 2050.

In order to meet these goals, we will continue to work with professional partners to monitor, measure and mitigate ESG risks and enhance ESG opportunities. As well as tactical initiatives designed to target specific goals such as the elimination of single-use plastics and water conservation, we remain committed to exploring new initiatives and further developing existing programmes. At the same time, we must ensure every Kempinski stakeholder is fully onboard and understands the importance of these commitments, which will have a long-term positive impact not only on our corporate footprint, but on our brand value and bottom line.

I would like to thank my fellow Sustainability Committee members and our professional partners for their hard work and dedication in delivering the Kempinski ESG Report 2022: a framework around which we can continue to build a unified sustainability strategy that will ultimately shape the future of our organisation.



**Hadrian Beltrametti Walker**

Sustainability Committee Team Leader  
Executive Vice President, General Counsel & Interim  
Company Secretary, Kempinski Hotels S.A.

A close-up, artistic photograph of a wooden chair. The focus is on the smooth, curved wooden seat and the backrest, which are made of a light-colored wood with a visible grain. The lighting is soft and directional, highlighting the texture and curves of the wood. The background is blurred, showing other parts of the chair and a dark surface.

ABOUT  
KEMPINSKI

# 1 About Kempinski

Created in 1897, Kempinski is Europe's oldest luxury hotel group. Our rich heritage of impeccable personal service and superb hospitality is complemented by the exclusivity and individuality of our properties.

Today the Kempinski Group operates 80 hotels and residences in 34 countries and currently has more than 26 prestigious projects under development around the globe. Whether situated within the roots of our organisation across Europe or in Asia Pacific, the Americas, or the Middle East and Africa regions, each five-star hotel reflects the strength and success of the Kempinski brand, without losing sight of its heritage. Each property embodies the quality guests have come to expect from Kempinski while embracing the cultural traditions of its location. The portfolio comprises historic landmark properties, award-winning urban lifestyle hotels, outstanding resorts and prestigious residences.

In addition to Kempinski Hotels, Kempinski Group includes the following subsidiaries. Concilio Labs was established to drive the next generation of hotel personalisation through technology. BE Health is a sustainable solution to give vulnerable people and communities the knowledge they need to protect themselves and to support those who need health advice and assistance. Resense Spa S.A. is a leading global expert in spa and wellness creation, delivering exceptional experiences. Kempinski Trading provides a global procurement solution to the hospitality industry and Kempinski Boutique is an online store that allows guests to recreate our unique sense of European elegance at home, with a curated collection of products by Kempinski and like-minded luxury partner brands.



Resense



**KEMPINSKI  
TRADING**  
SINCE 1862

A close-up photograph of a textured fabric, possibly silk or a similar material, featuring a complex pattern of blue, green, and gold tones. The fabric has a fine, woven texture and is shown in a slightly draped or folded manner, creating soft shadows and highlights that emphasize its texture. The colors are rich and somewhat muted, giving it an elegant and sophisticated appearance.

SUSTAINABILITY  
HIGHLIGHTS  
*2021*

## 2 Sustainability Highlights 2021

The principles of sustainability have a long tradition at Kempinski Hotels. Though tradition is an important part of what sets us apart as Europe's oldest luxury hotel group, Kempinski maintains a keen eye for the future. When it comes to sustainability, that means embedding the principles of ESG into our annual reporting. 2021 marked the first year that Kempinski aligned sustainable reporting to the globally-recognised and consistent framework of the Taskforce on Climate-related Financial Disclosure ([TCFD](#)).

Having incorporated this in the Kempinski sustainability journey, 2021 brought the opportunity to establish a new foundation for future sustainable performance. This does not come at the expense of previous or ongoing initiatives across Kempinski properties. Rather, the renewed approach will inform the targets that we set as a company to achieve improvement throughout our holistic approach to sustainability management.



**2021 KEMPINSKI SUSTAINABILITY PERFORMANCE**



Energy Consumed (Megajoules per guest night)	Scope 1 & 2 Emissions (Kilogrammes per guest night)	Waste to Landfill (Litres per guest night)	Water Consumed (Litres per guest night)	
671.2	41.2	2.6	703.5	Median*
<b>1,443,756</b>	<b>14,293.8</b>	<b>27.97</b>	<b>82,619.15</b>	<b>Total*</b>

\*Based on data submitted by 16 hotels

**2020 & 2021 INITIATIVE HIGHLIGHTS**



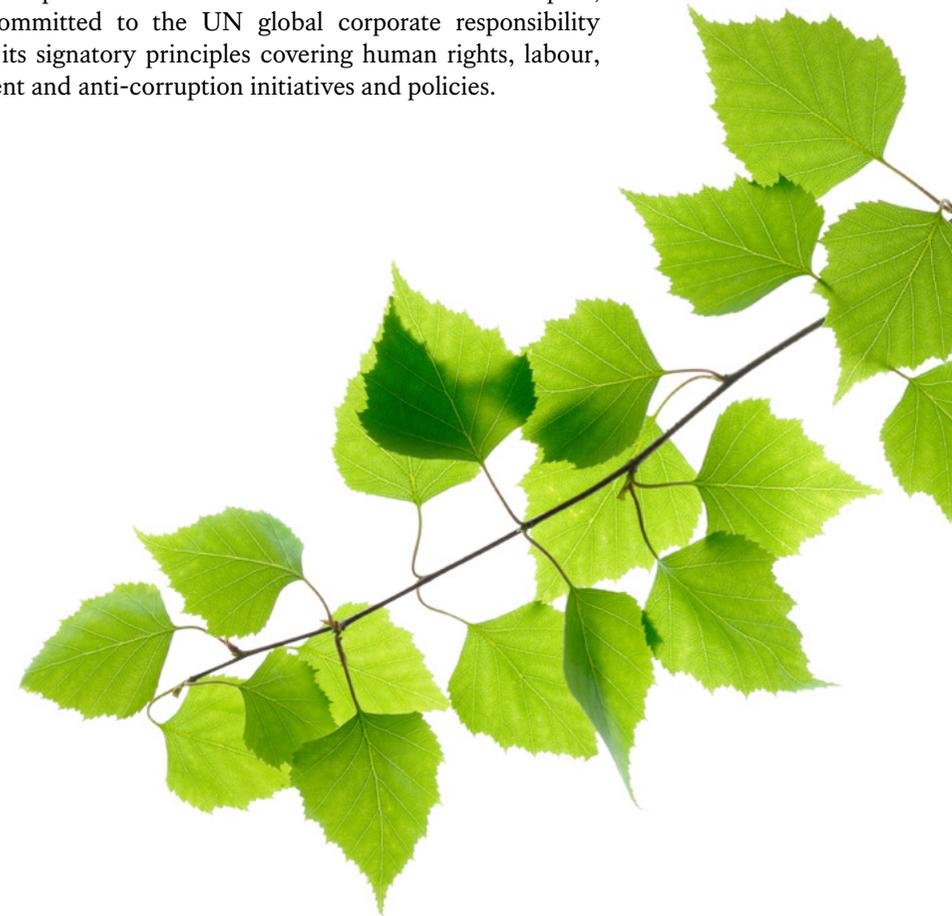
Linens For Life	Clean the World	Single-Use Plastics	Wooden Keys
81,800 masks donated (2020–21) 2 tonnes waste avoided	4,146 bars of soap donated 933 kg waste avoided	3.4 million pieces of new plastic avoided	765 kg plastic avoided

### AWARDS AND RECOGNITION 2021

In 2021, 62 Kempinski properties were engaged with EarthCheck, our international sustainable tourism advisory partner. EarthCheck helps to improve efficiencies, maximise the guest experience and minimise environmental footprint.

We are proud that in 2021, one Kempinski hotel achieved Gold Certified status, four hotels achieved Silver Certified and 14 hotels were Benchmarked Bronze.

Since 2021, Kempinski has worked with the UN Global Compact, being fully committed to the UN global corporate responsibility initiative and its signatory principles covering human rights, labour, the environment and anti-corruption initiatives and policies.





THE KEMPINSKI  
APPROACH  
TO ESG

## 3 The Kempinski Approach to ESG

The sustainability of our properties is the key link between our proud heritage and our vision for a successful future. As Europe's oldest luxury hotel group, we understand our responsibility to prioritise our people, communities and environment. The success of Kempinski is dependent on the shared success of our guests, owners, partners, team members, suppliers and communities where we operate.

Through our journey to improve the sustainability of the Kempinski brand, we have learnt that there are diverse perspectives and comprehensive approaches to monitoring and managing the sustainability of an organisation. In response to the risk of uncertainty brought about by a global pandemic, accelerating impacts of climate change, supply chain stressors and the threat of conflict, Kempinski Hotels has been heartened to see the steady advance of both government and corporate commitments to action and the alignment of efforts to address the greatest challenges of our time. We respond with our own commitment to not only play our part in leaving our planet and society better than we found it, but to become a leader that inspires greater action through consistency, transparency and innovation.

Kempinski recognises the incredible outcomes of the 26<sup>th</sup> Conference of the Parties (COP26) in November 2021. One of the the most important results was the unification of the many international sustainability reporting standards to cooperate under the International Sustainability Standards Board ([ISSB](#)).

In line with the preliminary recommendations of the ISSB, Kempinski has applied the recommendations of the TCFD framework and implemented the sector-specific metrics of the Sustainability Accounting Standards Board ([SASB](#)). We have chosen to incorporate this approach to sustainability reporting to align with the latest guidance of the predominant standards-setting body, to form a solid foundation for consistency in future reporting and to be prepared in anticipation for future regulatory requirements (e.g. [implementing TCFD recommendations for Swiss companies](#)).

Kempinski also incorporates the guidance of the World Economic Forum's four Pillars of ESG when evaluating material impacts for the organisation.

Beyond reporting on sustainability matters, Kempinski strives to be a genuine leader for our industry. In joining the UN Global Compact, we have formalised our commitment to the [Ten Principles](#) of corporate sustainability as well as the [Sustainable Development Goals](#).



## Environmental, Social & Governance (ESG) Team – the Kempinski Sustainability Committee

Sustainable practices have been incorporated into the Kempinski brand identity for many years. This experience showed us that to actively manage the sustainable performance of the group, we would need to enlist diverse specialities and skill sets that represent the breadth of the organisation.

Our Sustainability Committee reflects this approach with a multidisciplinary group that integrates institutional knowledge from across organisational departments, and which also represents diverse skill sets to best manage the many dimensions of sustainability. By inviting C-suite members, department heads and subject-matter experts, the Kempinski Sustainability Committee is designed to ensure that the highest standards of ESG permeate throughout the entire organisation.

The Sustainability Committee has formed specialised subcommittees to allow for more targeted management of sustainability impacts on a day-to-day basis. The Corporate, Environment and Social subcommittees have dedicated responsibilities of a subset of material ESG impacts, which are reported on at regular Sustainability Committee meetings.



**Hadrian Beltrametti Walker**  
Executive Vice President,  
General Counsel & Interim  
Company Secretary  
Kempinski Hotels S.A.  
ESG Team Leader  
Subcommittee:  
Governance



**Melissa Salibi**  
Chief Human Resources  
Officer  
Subcommittee: Social



**Noel Attard**  
Chief Executive Officer  
Kempinski Trading  
Subcommittee:  
Environment



**Anne Marie Bettex-Baars**  
Managing Director,  
BE Health  
Subcommittee: Social



**Serge Kostrzewski**  
Corporate Chief Engineer  
Subcommittee:  
Environment



**Juliane Schulz**  
Director of Internal Audit  
Subcommittee:  
Governance



**Marc Feller**  
Senior Director Customer  
Experience  
Subcommittee:  
Environment



**Sarah Watterson**  
Global Operations  
Manager, Resense Spa  
Subcommittee:  
Environment



# OUR PROCESS

# 4 Our Process

## 4.1 Professional Partnerships

Kempinski Hotels has long understood that true sustainability cannot be achieved alone. That's because the actions required to embed and develop sustainable initiatives do not stop at our hotels' doors. Kempinski properties are situated in some of the most pristine and beautiful landscapes in the world. The communities where our properties are located are just as important for our guests' experience as their time within the hotel walls. Kempinski properties serve guests from every corner of the globe and they each bring with them a unique and important view of our shared world. When the frame of reference is widened beyond the edge of a hotel property, the whole world becomes a key component of our sustainability journey.

At Kempinski we are committed to continually improving our sustainability, but we can't take on this huge task by ourselves. For that reason, we have a long history of identifying and collaborating with partner organisations and causes to expand our capacity and reach in order to make a positive impact. Our safety, water, health, energy, charity, materials, cleaning products, waste, innovation, luxury offerings, business operations and global impact have all been improved and enriched through partnerships with organisations that align to our sustainability goals.



## BE HEALTH – A DIFFERENT WAY TO CONSIDER SUSTAINABILITY

Giving back to the communities in which the company operates has continually been part of Kempinski's working philosophy. Every hotel in every region depends on the local workforce and no hotel can function in isolation from its local environment. The company's Management Board was convinced that corporations could actively contribute to the health of their employees' communities and have a positive impact on their business and social environment. The decision was made in 2011 to create, with the advice of the public health sector, a tailor-made solution to prevent infectious diseases such as HIV/AIDS, tuberculosis (TB) and malaria in underprivileged neighbourhoods. As a result, the legally independent entity BE Health was established.

Building capacity from the workplace to the local community and empowering people to protect themselves have been BE Health's objectives from the beginning. From 2012 to 2020, BE Health steered two programmes focused on HIV, TB and malaria prevention in Bangkok and Djibouti. Prevention indeed addresses the diseases' root causes and risk factors. Health is more than the absence of illness. Health requires education and changing individual behaviours shaped by social and environmental conditions. Kempinski employees were thus trained by public health partners to become knowledgeable in HIV, TB and malaria prevention and capable of transferring their knowledge to their colleagues and local community. BE Health's trained peer health educators and community health volunteers worked hand in hand with local healthcare partners to alleviate stigma through education, promote early HIV and TB detection to stop the diseases from spreading, support patients throughout long medical treatment periods and provide social protection for highly impoverished patients.

Under the banner of its motto, "Health is contagious", BE Health today encourages each hotel to drive its individual project to protect and care for people's health in its immediate social environment. BE Health brings Kempinski hotels together under one global corporate social responsibility flag with consistent values across the portfolio. BE Health accompanies each Kempinski hotel in implementing health projects with a clearly defined purpose, concrete objectives and activities, transparent fundraising and finally, tangible results in which employees and external parties can actively engage. BE Health aims to instil meaningfulness in each hotel initiative.



## EARTHCHECK

EarthCheck is the world's leading scientific benchmarking, certification and advisory group for travel and tourism. Since 1987, the organisation has helped businesses, communities and governments to deliver clean, safe, prosperous and healthy destinations for travellers to visit, live, work and play.

As part of our commitment to offering sustainable luxury experiences along with safe and quality services and facilities, Kempinski is actively rolling out the award-winning EarthCheck Certified programme. In 2021, one Kempinski hotel was Gold Certified, four hotels were Silver Certified and 14 hotels, Benchmarked Bronze.

Since first partnering with EarthCheck, two Kempinski hotels have attained Gold Certified, 16 hotels have Certified Silver and 23 have Benchmarked Bronze.

Hotels participating in EarthCheck Certified actively monitor and report their environmental and social impacts from their operations, including indicators such as energy and water consumption, carbon footprint, waste generation, community engagement and much more.

Using a science-based approach, each of our hotels aims to increase efficiencies, maximise guest experience and minimise its environmental footprint. Economic concerns addressed in the EarthCheck Certified programme include employment conditions, support for the local economy, use of fair-trade goods and services, and recognition of the seasonality of revenue streams, all of which contribute to the economic and social health of the region.



## CLEAN THE WORLD®

More than two million children under the age of five years will die this year due to two deadly diseases: acute respiratory infection (pneumonia) and diarrhoeal disease. Even more tragic than these staggering facts is that these deaths could be reduced by up to 50% if families in these areas had access to hand soap and basic hygiene education.

Kempinski has partnered with Clean the World, an organisation that collects and recycles soap bars and bottled amenities discarded by the hospitality industry. Joining Clean the World, we know that our toiletries will not end up in landfills or burned. Through the distribution of these and other donated hygiene products to people in need, we help prevent millions of hygiene-related illnesses and deaths, every year.

Clean the World provides at-risk people with access to soap, and information about how and when to use it. Its recycling programme significantly reduces waste and promotes a sustainable future.

These activities benefit shelters, including women's and children's shelters, refugee camps and people who are struggling. With Clean the World, our hotels in Europe collect the amenity bottles (e.g. shampoo, shower gel, body lotion and conditioner bottles) as well as the bar soaps which have been used by our guests.

Once collected, the amenities will be sent to the Clean the World recycling centre. All bottles are recycled in Amsterdam via a state-of-the-art process. They are used in new products and liquid is extracted for reuse. Bar soaps are sanitised, ground into soap noodles and after testing, cut into new 85 gm bars. These new soap bars are distributed in various communities.

In 2020 and 2021, 15 Kempinski hotels signed on to work with Clean the World with soap and/or container collections. Due to many hotels being closed or experiencing low occupancy, only four hotels were able to begin the programme in 2021. In total, they have diverted 726 kg of plastic and 207 kg of soap from landfill. From these hotels, Clean the World has been able to distribute 4,146 bars of soap to communities in need.

Clean the World operates from Amsterdam (The Netherlands), London (United Kingdom), Orlando and Las Vegas (United States of America), Montreal (Canada), Punta Cana (Dominican Republic) and Hong Kong (Hong Kong SAR).



## BRITA

The BRITA Group is one of the leading companies in drinking water optimisation and individualisation. Its long-established brand BRITA has a leading position in the global water filter market. Founded in 1966, today the inventor of the household water filter jug develops, produces and distributes a wide range of innovative drinking water optimisation solutions for private (water filter jugs, on-tap systems and BRITA Integrated Solutions for small and large electric appliances by renowned manufacturers) and commercial use (hotel sector, restaurants, catering and vending), plus mains-fed water dispensers for offices, schools, restaurants and the hygiene-sensitive care sector (hospitals, care homes).

Kempinski Hotels has partnered with Brita to support our hotels to implement an on-site water-bottling programme that replaces plastic bottles and filters tap water. Implementing a water dispensing alternative to plastic bottles generates immediate environmental benefits, including the reduction of plastic waste and up to seven times less carbon footprint.



## SALVATORE FERRAGAMO

Over the years, the deep connection with the local community and its culture has made the Salvatore Ferragamo Group increasingly aware of the need for a strong commitment to protect the places where it operates and the people that work for the group. Sustainability is a positive challenge that the Salvatore Ferragamo Group decided to adopt and interpret in favour of future generations. This commitment places social responsibility at the centre of its decision-making process and pursues economic growth objectives that also take into account the positive and negative impacts of its operations on society and the environment.

Starting from the analysis of the Sustainable Development Goals, the Salvatore Ferragamo Group has defined and implemented its sustainability goals, which are broken down into concrete actions focused on good health and wellbeing, quality education, affordable and clean energy, decent work and economic growth, sustainable cities and communities, responsible consumption and production, climate action, life below water and life on land.

After signing the Fashion Pact in 2019, the Group reinforced its commitment in the field of environmental protection and developed agreed science-based targets to reduce greenhouse gas emissions, in line with the level required to prevent the most damaging effects of climate change. Kempinski Hotels is proud to work with a company that brings sustainability to the forefront.



## MÜHLDORFER

Being a vertical manufacturer, all steps in the production and treatment of Mühlendorfer bedding is undertaken in the company's own facilities, in an environmentally friendly way, with natural down detergent and steam systems.

The secret behind the high quality of its processed down and feathers lies in the pure, calcium-free mountain spring water from the Bavarian Forest. After being washed in the fresh spring water and dried in an airflow, the dust and germ-free feathers move on to the ultra-modern filling plant where they are used to fill the bedding. The duvets and pillows are carefully made and finished using ecologically cultivated cotton, which is tested for harmful substances.

The fabric incorporates a special hydro-transport system for significantly greater and faster moisture absorption/release, creating a healthy sleeping environment for undisturbed rest.



## LAVAZZA GROUP

The Lavazza group has embarked on a mission to integrate the principles of sustainability in all its activities and processes. Lavazza Group's business model for over 125 years is based on synergy between the company's system of values – authenticity, passion for excellence, responsibility, inventiveness – and its economic strength, demonstrated by the extent of its commitment to sustainability.

Today the Group looks at value creation in a fresh light, one that considers social and environmental factors in addition to economic ones when making corporate decisions. With its Sustainability Manifesto, the Lavazza Group has declared its commitment to helping achieve the Sustainable Development Goals of the United Nations' Agenda 2030.

The Manifesto reflects the deep sense of responsibility that the Group has always demonstrated towards the environment and the communities with which it operates, particularly consumers, its own employees and coffee-producers. Furthermore, within the Group's innovation path, environmental sustainability plays a fundamental role, guiding the development of processes and products in order to reduce the impact on the environment and make a positive contribution in the long term.



## DIVERSEY

As our partner in the Linens For Life Face Mask programme and a long-term supplier of cleaning and hygiene products, Diversey's mission is to protect and care for people and the environment by pioneering future-focused solutions. Throughout the course of Diversey's 99 years of providing revolutionary cleaning and hygiene technology, the company has demonstrated that protecting and improving the environment is good for business. Although it has been given many names since 1923, sustainability is at the core of the value Diversey delivers. The United Nations 2030 Agenda for Sustainable Development, consisting of 17 Sustainable Development Goals, served as a key reference point to develop the new Diversey sustainability strategy.

In 2023, Diversey will make available its Soap For Hope programme to collect and recycle soap bars in the following regions: China, Cuba, Dominica, Egypt, Ghana, Indonesia, Jordan, Kenya, Lebanon and Thailand.

Currently, 42 hotels could potentially join this initiative. Kempinski has set a goal to enroll 20% of eligible hotels in the Soap For Hope programme by 2023.



## ORACLE

Oracle sees sustainability as a natural extension of business operations and addresses sustainability challenges with solutions that can be easily integrated with a company's core business activities. As a long-term Kempinski partner for Hotel Information Systems, Oracle is in the unique position of providing solutions that cover all aspects of the nexus of IT and sustainability business practices, hardware, technology and applications, from cloud data centers to business intelligence and smart utility grids.

Oracle uses many of these same technologies and business practices within its own operations to reuse, recycle and reduce. Oracle encourages its customers to leverage Oracle Cloud, a more sustainable alternative. The company also recognises that there is always more to be done and looks forward to contributing to building a new circular economy that promotes greater resource productivity.



## ADYEN

For Adyen, our new payment gateway provider, driving sustainable growth and making good decisions have been central themes since its foundation. In the company's social and environmental responsibility initiatives, these values come to life by both addressing traditional criteria, such as offsetting emissions and facilitating employee volunteering, and the build-out of a product suite with technology to do good. Adyen's social and environmental responsibility efforts are guided by the United Nations' Sustainable Development Goals (SDGs).

Adyen annually calculates its carbon footprint through a greenhouse gas (GHG) audit, which measures CO<sub>2</sub>e emissions. Through a partnership with South Pole, the company is able to offset these emissions by supporting environmental sustainability projects. In 2019, Adyen compensated for all GHGs emitted since the company was founded in 2006.

Since 2020, the company has taken its responsibility one step further and included the energy usage of its products in the footprint calculations. That means that Adyen calculates the emissions generated by each individual transaction on the platform – on POS terminals, online and through mobile payments – and include it in the total offset.

In 2021, the environmental sustainability projects the company supported were focused on the SDGs of climate action and quality education: TIST (Uganda) and Kariba (Zimbabwe). Adyen also added a new project to its portfolio, focusing on metro travel improvements in India, as the business expanded into the country. Each of the projects are helping to bring lasting solutions to these Sustainable Development Goals.

Based on customer demand, Adyen is also leveraging its technology to do good, working on ways to make it easy for merchants to accept charitable donations from customers in the check-out process.

The company is further investing in strong infrastructure that helps businesses generate funds for charities and climate action projects that are close to its brand and strategy.



## SABRE

Sabre has a deep history of philanthropy and giving back to the communities in which we live and work. In the last 20 years, Sabre has donated more than \$20 million and logged over 300,000 volunteer hours as part of Give Together, its global corporate social responsibility (CSR) programme. In partnership with team members, communities and customers, Give Together helps drive positive social and environmental change. Each year, team members are encouraged to volunteer their time and resources in local communities. Team members are given opportunities to participate in group events and/or independent volunteer activities for charities and non-profit organisations in their local areas. Recognising the importance of volunteering, Sabre allows all team members to take four days of paid time off per year to volunteer for any purpose they choose.

When disaster strikes and humankind is faced with unforeseen hardships, Sabre team members come together to support relief efforts, donating time, money and goods to charities by providing aid and comfort to those in need. In the past, Sabre has focused its outreach efforts on victims and survivors of human trafficking. More recently, Sabre has also highlighted STEM opportunities to help create critical thinkers and enable the next generation of innovators and the company is currently working with Girls That Code, a non-profit that teaches young women computing skills.

The Sabre logo is written in a bold, red, italicized sans-serif font. A registered trademark symbol (®) is located at the bottom right of the word.

## VIRTUOSO – SUSTAINABILITY COMMUNITY

In 2020, Kempinski was invited to join Virtuoso's Sustainability Community. Virtuoso is committed to protecting natural and cultural heritage for future generations. The company's three intentions are to highlight partners that are champions of sustainability, educate advisors on sustainable travel and share with them the sustainability success stories of partners, and to influence consumers to make sustainability a factor in their travel decisions.

This partnership allows Kempinski to exchange sustainability initiatives and ideas among Virtuoso's partners and advisors.



## 4.2 Tactical Initiatives

Over the last decade, Kempinski properties have rolled out many incredible initiatives to tackle major challenges and shortcomings to our sustainable performance. Throughout this report there are diverse examples of the achievements of our many sustainability programmes. We are proud to showcase the hard work and success of our properties, stakeholders and partners to integrate innovative projects into the everyday operation of Kempinski Hotels.



## SINGLE-USE PLASTICS

Being aware of the damaging effect that plastic waste has on the environment and the significant carbon footprint of plastic production, Kempinski is phasing out single-use plastic where suitable product alternatives are available. Since 2019, our hotels no longer use plastic straws and stirrers.

From 2020, plastic cocktail pickers, combs, toothbrushes, and packaging for all bathroom items (hygiene set, emery board, cotton buds, cotton pads, etc.) have been replaced by sustainable alternatives, using paper wrapping or wooden alternatives, where possible. Liquid Salvatore Ferragamo bathroom amenities, which are used in the majority of all Kempinski hotels are offered in packaging made of 100% recycled plastic.

We are proud that we have eliminated single-use plastic not only in our rooms and bars, but also in back-of-house areas. Our operating bedroom and bathroom supplies, which are delivered from our preferred suppliers, are now packaged with paper-wrap, instead of plastic packaging.

Guestroom footwear is packaged in organza bags and laundry bags are made from fabric, eliminating single use plastic wherever possible throughout the guest experience.

For 2021, a total of 3,452,070 pieces of plastic were avoided. Based on our 2019 baseline, this amounts to 15,339 kg of plastic avoided from phasing out single-use plastics.



## WOODEN KEY CARDS

Environmental protection and the careful use of resources are complex undertakings. For this reason, Kempinski Hotels regularly reviews the use of all materials and products. The desire to keep our ecological footprint as small as possible is always at the forefront of our minds.

Many of our hotels are surrounded by nature, so it is only natural that our properties began switching from plastic key cards to wooden key cards in 2020. The supplier of this sustainable product, Global Card Systems, is certified by the Forest Stewardship Council (FSC) as participants in responsible forestry activities.

For 2021, 19 hotels have implemented wooden key cards, reducing their plastic use by 765 kg.



## GREEN LINEN ARTEFACT

In our efforts to contribute to a healthier planet while delivering beautiful performances, we created the Green Linen Artefact initiative to enhance our guests' local experience and reflect the true craftsmanship of Kempinski. Through this initiative, we aim to raise awareness about our environmental efforts and to give our guests the opportunity to participate in the vision of a sustainable future, rooted in the local community.

Each hotel can choose its own handmade artefact, reflecting the craftsmanship of the local area. The artefact is placed on the night table in the guestroom, accompanied by an instruction note. When a guest places the artefact on the bed, this means that they wish their bed linens to be replaced.



## STATEMENT FROM ONE OF OUR HOTELS

*“We are very proud to launch the Green Linen Artefact initiative here at Kempinski Hotel Gold Coast City Accra. Our contribution to preserving the natural habitat of this beautiful country is critical to the long-term success of the hotel. This new concept pairs our fundamental commitment to sustainability with a celebration of the rich local culture. We imagine many opportunities to bring this concept to life for our guests. It’s the right thing to do for the local community, plus we anticipate cost savings for the company, in time and money – truly a win for everybody.”*

### **Cornelia Zschunke**

Executive Assistant Manager Rooms, Hotel Adlon Kempinski Berlin  
(Formerly Executive Assistant Manager, Kempinski Hotel Gold Coast City Accra)

## ANIMAL WELFARE

At Kempinski, we have always taken our commitment to animal welfare extremely seriously. It is a key consideration when sourcing all ingredients and produce used in restaurants, cafés and bars across our international portfolio. That is why we are highly committed to sourcing 100% cage-free eggs (shell, liquid and ingredient) by 2025 across our properties worldwide, wherever possible.

With hotels located in what may be considered unusual or remote travel destinations, we recognise this may be achievable sooner in some countries than others, but our hotels in Central European locations are leading the way on this commitment. As of 2021, 29 Kempinski hotels and another two white label hotels are fully committed and compliant in sourcing 100% cage-free eggs.

We believe that our commitment to using cage-free eggs wherever practicably possible throughout our properties will have a lasting positive impact on animal welfare and sustainable food sourcing practices. We will continue to work with hotels and their suppliers to swiftly further this cause.



### 4.3 Professional Consultation for Guidance & Assurance

For guidance on best practice for sustainable innovation, we turned to our long-time corporate sustainability partner EarthCheck. Through the EarthCheck Certified programme, many Kempinski properties have been able to integrate comprehensive sustainability management systems into their everyday operations and achieve world-leading improvements in efficiency and minimising their impacts. Knowing that EarthCheck is the world leader in science-based sustainability for the hospitality industry, we sought to widen our partnership to receive expert assurance that Kempinski has support to remain a sustainability leader into the future.

After establishing the multi-disciplinary Kempinski Sustainability Committee, EarthCheck was engaged in Q3 2021 to develop a bespoke project to guide Kempinski in the establishment of our updated ESG management, compliance and reporting system.

#### **MOBILISATION**

Kempinski held an ESG mobilisation meeting with EarthCheck to set the scope of ESG reporting for Year 1. The meeting included capacity-building on the latest trends of ESG standards, regulations and best practices. This included an understanding of the principles of stakeholder mapping and a material assessment. Outcomes of the meeting were a project plan and timeline for the first ESG-aligned report and identification of, and responsibilities for, three Sustainability Committee subcommittees: Governance (Hadrian Beltrametti Walker, Juliane Schulz), Social (Melissa Salibi, Anne Marie Bettex-Baars) and Environmental (Noel Attard, Serge Kostrzewski, Mark Feller, Sarah Watterson).

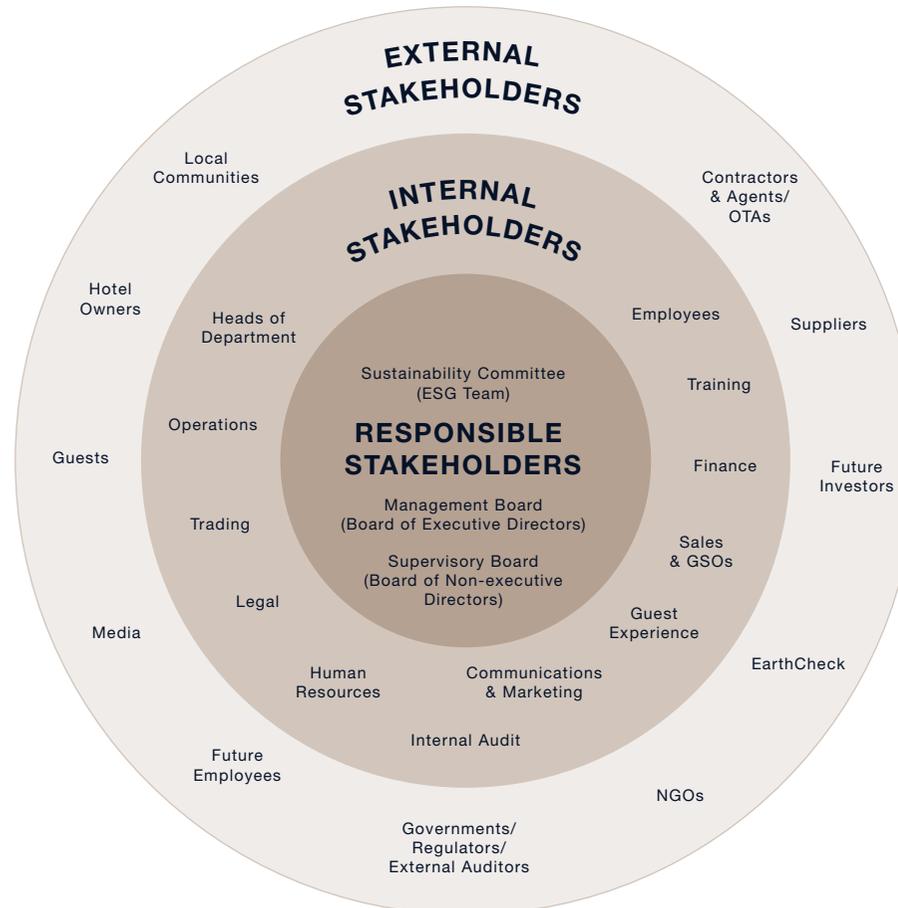
The goals for inclusion within the first Kempinski ESG report were determined to be:

1. Map internal and external stakeholders and define responsibilities for engagement
2. Define the materiality of our ESG impacts
3. Strengthen existing data collection processes and implement any additional data collection necessary to report on material ESG impacts

## 4.4 Stakeholder Mapping

As part of an EarthCheck-facilitated stakeholder engagement workshop, the Kempinski Sustainability Committee and Chief Financial Officer Isidoro Geretto (with review and approval by Chief Executive Officer Bernold Schroeder) undertook a comprehensive stakeholder mapping exercise. Our guiding principles for determining inclusion within the stakeholder categories included:

- Key interest in the operations and operational environment of Kempinski
- Perspectives to be incorporated into materiality assessment
- Primary audiences for sustainability disclosure



**EXTERNAL STAKEHOLDERS**

External Stakeholders are those groups and individuals that have some level of concern with Kempinski ESG issues. They are determined to be engaged to provide input and feedback on ESG issues when necessary, at least once per year.

- Hotel Owners
- Guests
- Suppliers
- Local Communities
- Contractors/Agents/OTAs
- Governments/Regulators/External Auditors
- Non-Government Organisations
- Future Employees
- Media
- Future Investors
- EarthCheck

**INTERNAL STAKEHOLDERS**

Internal Stakeholders are internally aligned to the ESG impacts of Kempinski. They are active participants in the management and reporting of ESG issues.

- Heads of Departments
- Employees
- Operations
- Trading
- Guest Experience
- Training
- Sales/GSO
- Internal Audit
- Finance
- Human Resources
- Legal
- Communications & Marketing

## **RESPONSIBLE STAKEHOLDERS**

Responsible Stakeholders have a delegated responsibility and accountability for oversight, management and/or reporting of ESG issues. There are three responsible stakeholders: Kempinski Hotels Board of Directors, the Supervisory Board and the Sustainability Committee. The responsibilities, accountability and relationships between these Responsible Stakeholders are detailed in the Kempinski Governance Structure on pages 36–37.

## 4.5 Materiality Assessment

With a clear understanding of the stakeholders that are impacted by ESG issues, it is necessary to determine the scope of materiality. Based on global best practice as well as the regulatory environment, Kempinski will apply the European Union definition of 'double materiality'. From this perspective, each ESG issue is evaluated for both the impact on the company's long-term value and the impacts on our stakeholders, the environment and society.

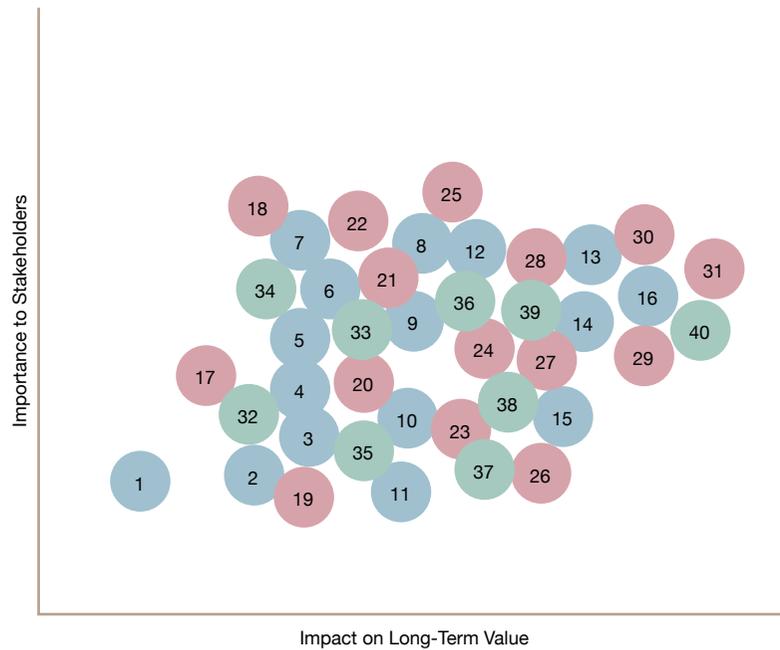
In addition, Kempinski incorporated clarification guidance from SASB on determining materiality including:

1. Direct financial impacts and risk
2. Legal, regulatory and policy drivers
3. Industry norms, best practices and competitive drivers
4. Stakeholder concerns and social trends and opportunities for innovation

Kempinski also reflects on the dynamic nature of ESG materiality. That is, the scope of our ESG materiality does not remain static over time. It requires continual assessment and consultation with stakeholders to determine where material impacts may arise and others recede.

The initial materiality assessment was conducted at the stakeholder engagement workshop. Initial considerations for ESG impacts were derived from the World Economic Forum's four pillars of ESG, SASB standards for hotel/lodging, leisure facilities and restaurants, and a market review of peers and competitors. From this collection of potential impacts, the Sustainability Committee assigned each impact to a relevant subcommittee and applied the previously mentioned determination criteria.

**MATERIALITY MATRIX**



Governance	Social	Environment
1. Total R&D	17. Collective bargaining	32. Facilities in flood zones
2. Remuneration	18. Discrimination and harassment	33. Land use
3. Infrastructure investment	19. Unfilled skilled positions	34. Impact of GHG emissions
4. Milestone progress	20. Wage level	35. Impact of water consumption
5. Integrated risks	21. Pay equality	36. Energy management
6. Conflict management	22. Human rights	37. Water consumption
7. Losses from unethical behaviour	23. Work incidents	38. GHG emissions
8. Anti-corruption	24. Health & safety	39. Waste
9. Ethics & whistleblowing	25. Child, forced or compulsory labour	40. GHG emissions targets
10. Financial investment	26. Number and rate of employment	
11. ESG topics in capital allocation	27. Training and education	
12. Economic contribution	28. Diversity and inclusion	
13. ESG purpose	29. Social value	
14. Governance body	30. Employee wellbeing	
15. Vitality index	31. Total social investment	
16. Purpose-led management		

This assessment of material ESG impacts for the organisation establishes the foundation for sustainability management across Kempinski moving forward. In line with our approach to dynamic materiality, Kempinski will consult with our stakeholders to re-evaluate this assessment on an annual basis, as a minimum.



GOVERNANCE

# 5 Governance

Sustainability has been a priority for the Executive Leadership team at Kempinski for many years. In support of this refocusing of our ESG impacts and realignment of our corporate purpose, the highest levels of the organisation have committed to ensuring that holistic sustainability be firmly established as a core principle for Kempinski Hotels.

The governing body of Kempinski is currently evaluating the most appropriate reimagining of our corporate mission to align with our ESG values. Led by the commitment of Chief Executive Officer Bernold Schroeder, Kempinski aims to continue our commitment to providing uncompromising luxury services that are considerate of our ecological impact and create positive social impacts for communities today and for future generations.

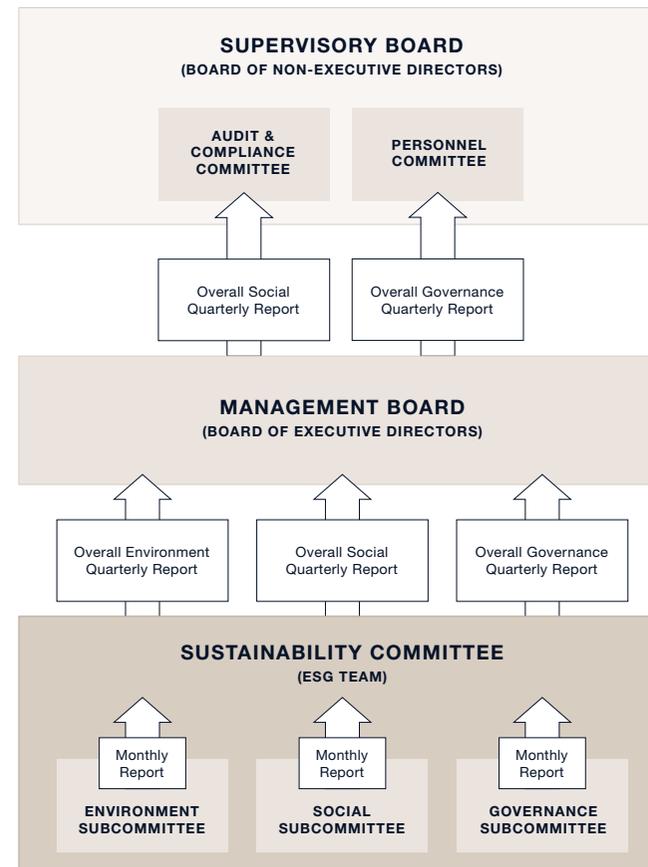
Kempinski has established an ESG governance structure to ensure that roles and responsibilities are clearly defined. Accountability and transparency are paramount to make certain that ESG issues are centrally managed at the highest levels of the organisation.



**BOARD OVERSIGHT**

The members of the Sustainability Committee are assigned to a relevant subcommittee based on their role and expertise. Each subcommittee manages, tracks and reports on the material ESG impacts determined to be their responsibility through the materiality assessment. The subcommittees convene on a monthly basis and report quarterly to the whole ESG team on achievements, challenges and progress towards targets.

The Management Board, which is comprised of executive directors, hold ESG reporting meetings on a quarterly basis. At these updates, members of the Sustainability Committee subcommittees report on the overall progress of all material ESG impacts. The Management Board reports to the Supervisory Board and to its committees quarterly. At these meetings, progress towards ESG targets is reported.





STRATEGY

# 6 Strategy

With a firm foundation of material ESG impacts and corporate governance established, it is necessary to integrate ESG principles into the company's guiding strategy. The material impacts that have been identified have been evaluated based on their characterisation as risks or opportunities.

ESG risks are capable of having a negative impact on the long-term value of Kempinski or may negatively effect our stakeholders, communities or environment. Specifically related to the impacts of climate change, there are physical risks and transition risks. Physical risks describe changes to our ecosystem and climate, such as extreme weather events, risk of wildfire, drought or flood, or sea level rise.

Transition risks describe the measures taken by governments and societies to mitigate and adapt to climate change, such as carbon taxes, supply chain disruptions or resource scarcity. ESG opportunities have the potential to positively impact the long-term value of Kempinski and benefit our stakeholders, communities or environment. These include potential for innovation, improved efficiency and competitive advantages.

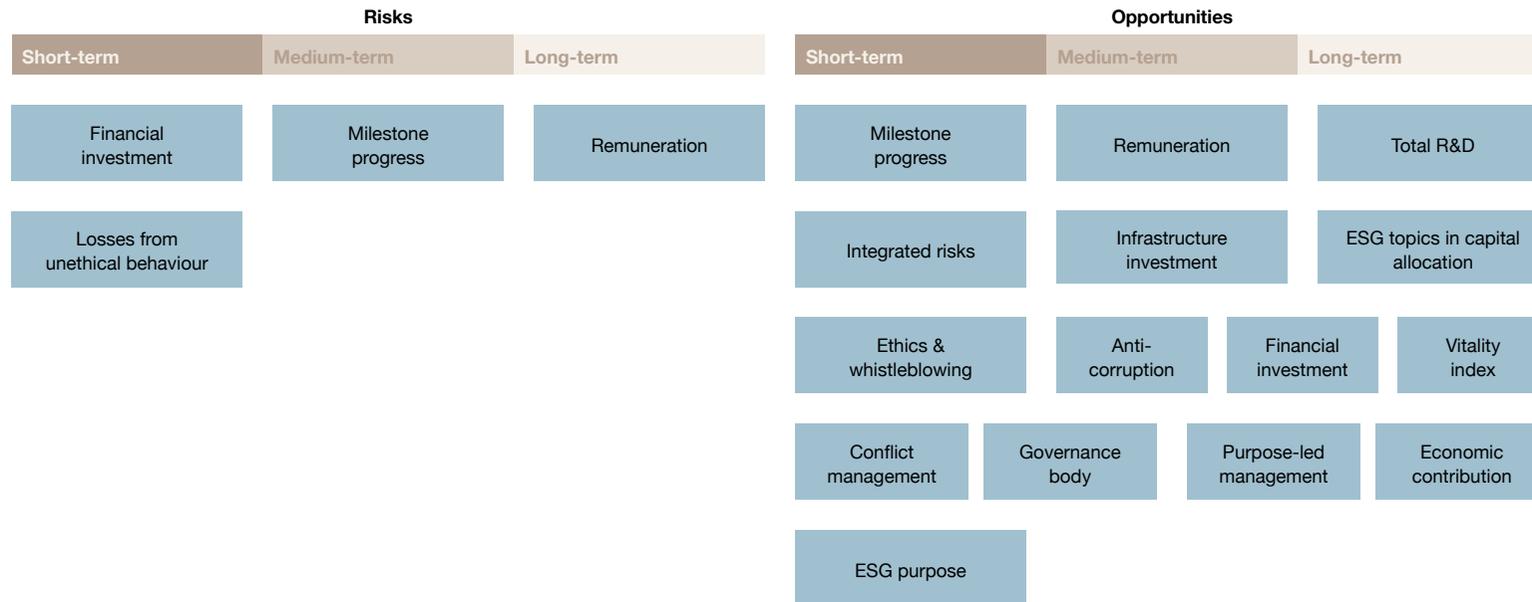
Risks and opportunities related to sustainability principles do not operate on traditional business timelines. Rather, time horizons for ESG risks and opportunities must be delineated as to determine where and when the impacts are most likely to occur.

For our purposes, Kempinski uses the following time horizons:



Each Sustainability subcommittee first evaluated the relevant ESG impacts as either risks or opportunities (or both). Following that evaluation, each risk and opportunity is assigned to a likely time horizon (or multiple time horizons).

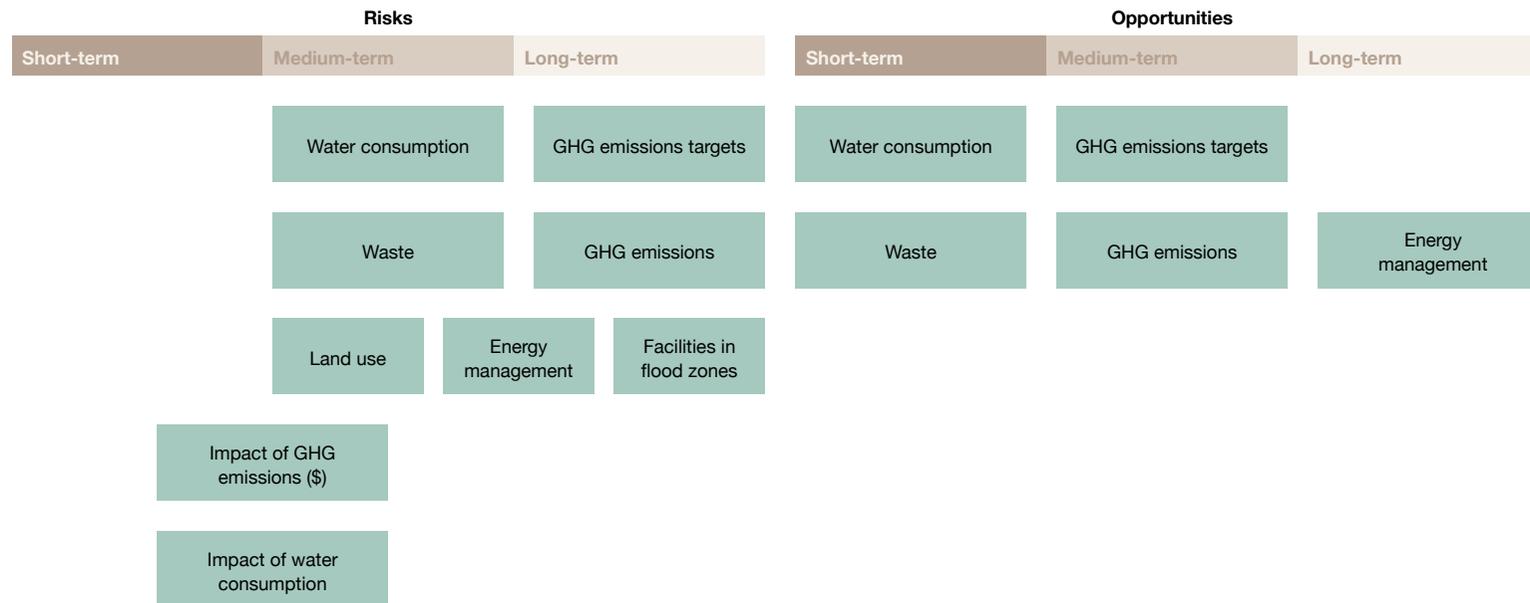
**GOVERNANCE ESG RISK & OPPORTUNITIES**



**SOCIAL ESG RISK & OPPORTUNITIES**

Risks			Opportunities			
Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term	
Health & safety	Unfilled skilled positions	Child, forced or compulsory labour	Training impacts	Training	Diversity & inclusion	Training
Number & rate of employment	Human rights		Child, forced or compulsory labour	Pay equality		Total social investment
Work incidents (\$)	Wage level		Collective bargaining	Training		Social value
			Employee wellbeing	Wage level		Employee wellbeing
				Training impacts (\$)		Number & rate of employment
				Employee wellbeing		Training impacts (\$)
				Child, forced or compulsory labour		
				Human rights		
				Discrimination & harassment		

**ENVIRONMENT ESG RISK & OPPORTUNITIES**



Having made an initial determination of the material ESG risks and opportunities for the organisation, the governance bodies will work to integrate ESG impacts into the broader corporate strategy by 2023/4. This will not only require the evaluation by the governing bodies of Kempinski, but also will require consultation with stakeholders, to understand and incorporate broader perspectives into our strategy for the relevant time horizons.

Alignment between broader corporate strategy and ESG risks and opportunities will outline a prioritisation for maximising opportunities. Short- and medium-term opportunities are intended to be covered by a transition plan that outlines tactical initiatives and operational plans to improve performance. A long-term action plan will be aligned to financial plans and include scenario analysis in line with TCFD recommendations.

The background is a gradient of green, transitioning from a darker shade on the left to a lighter shade on the right. A large, dark green curved line sweeps across the bottom left corner. In the bottom right corner, there is a cluster of several translucent green bubbles of various sizes, some overlapping. The text "RISK MANAGEMENT" is overlaid on the bubbles and the background.

# RISK MANAGEMENT

# 7 Risk Management

Based on the results of ESG risk and opportunity analysis, the Sustainability Committee has identified high-level responses to manage ESG risks. Kempinski adopts the ‘Accept-Transfer-Mitigate-Avoid’ framework for risk management. As the risk management approach must be aligned with the yet-to-be-integrated corporate strategy, these risk management approaches are limited to short-term risks.

Kempinski is currently updating our global enterprise risk management (ERM) approach. With the addition of ESG risks and extended time horizons, the updated ERM will provide a holistic system for identifying, managing and mitigating risks to Kempinski now and into the future. The updated ERM is targeted to be completed before the end of 2022.

	Accept	Transfer	Mitigate	Avoid
Governance Risk Management		Losses from unethical behaviour Whistleblowing 'Speak Up', Insurance	Losses from unethical behaviour Investigation policies	
Environmental Risk Management		Energy management Optimise energy use	Energy management Environmental Management system	
Social Risk Management		Discrimination & harassment Whistleblowing	Discrimination & harassment Code of conduct	



# METRICS & PERFORMANCE

## 8 Metrics & Performance

Having established the material ESG risks and opportunities for Kempinski corporate strategy and then defining the most appropriate risk management approach for short-term material risks, it is necessary to define the metrics to be used in evaluating ESG performance over time. As with all aspects of our sustainability management approach, ESG metrics are data-driven and comprehensive, with both quantitative and qualitative measurements to convey a complete picture with necessary context.

Based on guidance from the ISSB, Kempinski applies the sector-specific metrics of SASB related to the sectors for hotel/lodging, leisure facilities and restaurants. To expand upon these metrics, we also integrate guidance from the World Economic Forum's four pillars of ESG. Finally, for sustainable initiatives unique to Kempinski (e.g. BE Health), we have developed bespoke metrics to evaluate performance and progress. The metrics are broken down by Governance, Social and Environmental categories.



## 8.1 Governance

### SETTING PURPOSE

An essential component of embedding sustainability management is to define corporate purpose aligned to the ESG impacts material to the organisation. This establishes a foundation for connecting sustainability to long-term value creation. By aligning the purpose to these sustainable principles, it ensures accountability and builds legitimacy with all stakeholders.

Reflected in the commitments of the executive leadership of Kempinski Hotels, including the statement of prioritising our ecological footprint by our Chief Executive Officer, the future of Kempinski is indelibly connected to our material ESG issues. Kempinski has demonstrated that our values drive action through our many commitments and initiatives. Committing to the UN Global Compact and Sustainable Development Goals, proactively reducing our plastic waste and prioritising cruelty-free practices in our suppliers are all examples of Kempinski walking the talk of sustainable values. We now look to embed that within the very core of our business.

Kempinski Hotels sets a target to define our corporate mission in line with the principles of ESG by 2023/24. This stated purpose will express the means by which we aim to tackle economic, environmental and social issues. It also provides a clear manner to drive corporate strategy with integrated sustainable ambitions.

### PURPOSE-LED MANAGEMENT

As sustainability gains broader support across the corporate landscape, there is an increased risk of greenwashing. This carries dual risk for negative impacts. For businesses that fail to adequately incorporate ESG risk management, there is a false sense of risk mitigation when their future ability to protect value creation is insufficient. For stakeholders, there is a misunderstanding of the response to material issues that are not being addressed in the short-term. For these reasons, it is critical that sustainable purpose goes beyond nominal support, but is directly linked with tangible impacts.

Kempinski believes a key determinant of the effectiveness of embedding sustainable principles into corporate purpose is the connection to corporate strategies and goals. Rather than maintaining ESG issues as a separate management topic, Kempinski integrates sustainability into our corporate purpose and aligns this to our strategy. This strategy will be translated into action via concrete targets established for each material ESG impact.

**ECONOMIC, ENVIRONMENTAL & SOCIAL TOPICS  
IN CAPITAL ALLOCATION FRAMEWORK**

One of the clearest determinants of purpose being integrated into corporate strategy is to evaluate the capital allocation framework. To truly integrate risk management and maximise the ability to take advantage of opportunities, resources must be dedicated to support organised efforts.

As Kempinski is in the process of fully integrating ESG principles into our corporate mission and clearly linking this with our strategic decision-making, we are still evaluating the appropriate allocation of resources to support our goals. We will continue to consult with stakeholders and evaluate at the executive level the most effective support necessary to maintain our ambition for sustainability leadership, as well as to achieve the targets we set as an organisation.



**GOVERNANCE BODY COMPOSITION**

At Kempinski, we affirm the benefit of having a competent and accountable governance body. The form and function of this body must support the long-term value creation of the organisation. As outlined in the Governance Structure (pages 36–37) the Supervisory Board of Kempinski AG represents the most senior governance body. This team provides oversight of the Management Board. The Sustainability Committee team leader reports directly to the Chairman of the Management Board of Kempinski AG, as well as to the Chairman of the Supervisory Board.

The Supervisory Board is segmented into committees to delegate responsibility for specific areas of oversight. Currently the Supervisory Board committees include the Personnel Committee and Audit & Compliance Committee. All five members of the Supervisory Board are non-executive.

**DEMOGRAPHIC MAKE-UP OF THE BOARD MEMBERS:**

<b>Gender</b>	80 % Male	20 % Female	
<b>Ethnicity</b>	60 % European	20 % Arab	20 % Asian

Management Board of Kempinski AG, the highest executive body of the Kempinski Group

## MATERIAL ISSUES IMPACTING STAKEHOLDERS

A key consideration for the materiality assessment of ESG issues is the direct impacts each issue has for Kempinski stakeholders. As detailed in the Materiality Assessment (pages 33–34) the Kempinski Sustainability Committee and Management Board members have made a preliminary determination of the material ESG issues for the organisation with consideration of impacts for internal and external stakeholders.

For 2022, we have set corporate goals to expand consultation and assessment of the extent of these ESG impacts for materiality and determination as risks and opportunities. At the level of the Supervisory Board, this includes a Global Risk Assessment to identify the top three risks. Additionally, the Supervisory Board committees will have specific responsibilities. The Audit & Compliance Committee will conduct an internal audit of material ESG issues and a review of bribery and corruption threats. The Personnel Committee will conduct a review of diversity and inclusion progress.

## ANTI-CORRUPTION

A central risk for any organisation is the threat of corruption. This encompasses any actions or decision-making that is not aligned to the corporate mission and strategy of the organisation, but instead prioritises the needs of an individual over the collective good. Not only is there a direct negative effect on the ability of the organisation to achieve its sustainable ambition, but it also undermines the legitimacy and trustworthiness of the entire company.

Kempinski prioritises the inclusion of anti-corruption training as part of the Kempinski Learning Journey: the further education and career progression platform in which all Kempinski employees participate. We are currently updating our training policy to ensure that anti-corruption training is renewed for all employees and executives on an annual basis.

For 2021, no incidents of corruption were reported at any Kempinski property. We are currently updating our reporting tool called ‘Speak Up’, which provides additional protected means to report any incidence of corruption or unethical behaviour. This update complies with the EU Whistleblowing Directive. Additionally, as part of the updates to our Supplier Code of Conduct, anti-corruption training will be required for the renewal or signing of supplier contracts.

## ETHICS ADVICE & REPORTING

Aligned to our approach to mitigate the risk of corruption, Kempinski also seeks to protect the ethical operation and management of our hotels. Our priority is not only to focus on prevention, but also facilitating remedies for ethical issues. The existing Global Whistleblowing Policy is targeted to be updated before the end of 2022. This update will provide added clarity for internal processes, including the ‘Speak Up’ tool, as well as expanding new processes for external whistleblowing.

At the supervisory level, legal advice is sought on a needs basis where and when the situation requires it. For reporting purposes, until the ‘Speak Up’ tool is fully upgraded, Kempinski manages a secure email for reporting. These measures support our corporate commitment to uphold organisational integrity and ensuring a safe environment for all stakeholders. The Supervisory Board demonstrates their authentic intent to mitigate the risks of unethical behaviour.

## PROGRESS AGAINST STRATEGIC MILESTONES 2022–2024

Issue Category	Strategic Target	Timeframe	Progress
Governance	ESG-aligned purpose	2022	Executive commitment
Governance	Evaluate ESG materiality with stakeholder input	2022	ESG Team materiality assessment
Governance	Supervisory Board risk assessments and reviews	2022	Supervisory Board committees delegated responsibility
Governance	Implement ‘Speak Up’ protected reporting tool	2022	Roll out of tool throughout 2022
Governance	Update of Global Whistleblowing Policy	2022	Roll out update throughout 2022
Governance	Update to Supplier Code of Conduct	2022	Assessment of material ESG issues to integrate into update
Social	Update to Child, Forced or Compulsory Labour Policy	2022	Assessment of material ESG risks to integrate into update
Social	Update to property reporting for work-related ill-health, injuries or fatalities for global collation	2022	Property-level measurement of absenteeism
Social	BE Health active healthcare projects at all Kempinski properties: 37% of all properties	2022	46% (May 2022)
Social	BE Health projected healthcare initiatives: 30 initiatives	2022	37 initiatives launched (May 2022)
Social	BE Health number of signed LOI with hotels: 30 hotels	2022	18 hotels (May 2022)
Environment	100% Kempinski corporate carbon emissions footprint	2023/2024	19% (2021)
Environment	Paris Agreement-aligned emissions reduction targets (1.5 °C)	2024	Progress toward measuring current carbon emissions
Environment	Integrating monetary impacts of carbon emissions	2024	Progress toward measuring current carbon emissions
Environment	Measurement of total property area (in hectares) for all Kempinski properties	2023/2024	Current measures of area under roof
Environment	Assessment of flood risk for all Kempinski properties	2023/2024	Initiating research into risk assessment

## 8.2 Social

### DIVERSITY & INCLUSION

When taking a look at the wide variety of beautiful properties managed by Kempinski around the world, the first thing that springs to mind is the rich vibrance of culture and sense of place that each property evokes. At Kempinski, we understand that the most important piece of the culturally unique identity of every place is tied to the people that call it home. Each hotel managed by Kempinski aims to include aspects of the diverse community in which it operates.

We recognise that good people make good business, and good people management means empowering and promoting inclusion. Diversity of people leads to diverse perspectives and skill sets which lead to idea exchange and innovation. As a people-focused organisation, Kempinski has prioritised diversity and inclusion in our approach to hospitality.

Kempinski has developed a Human Resources Scorecard to evaluate the performance of our properties to support diversity and inclusion. Gender and age statistics are collected for every property to determine their performance in meeting the employment standards set out in the Scorecard. Due to the global distribution of Kempinski hotels, we do not currently apply ethnicity evaluations as part of the scorecard. Rather, Kempinski properties measure the percentage of workforce that are either Local Nationals or Non-Nationals.

Overall, Kempinski employees are 89% Local Nationals and 11% Non-Nationals. As this is largely determined by each country of operation's specific demographic composition and national migration policies, Kempinski has no material means to alter this distribution. Ethnic diversity will continue to be evaluated with stakeholders to determine the materiality of inclusion in future updates to the HR Scorecard. An overview of 2021 HR scorecard findings can be found in Appendix I.



## PAY EQUALITY AND WAGE LEVEL

A key tool to bridge diversity gaps, attract talent and drive long-term competitiveness is to implement pay equality standards for remuneration. In an age of increasing competition for talent, as well as between industries, leading performance on pay equality measurements can mitigate risks as much as provide opportunity for competitive advantage. Equitable compensation reduces risk for discrimination imbalances and legal non-compliance.

Kempinski currently measures pay equality with regard to gender for our staff. As each Kempinski-managed property is owned by separate entities, we do not currently evaluate pay equality between hotels with different ownership. We will continue to consult with stakeholders to determine the materiality of additional pay equality measures such as major to minor ethnic groups and between age groups.

Kempinski follows industry standards and local regulations in terms of remuneration of different jobs. We collect and monitor information about individual pay for employees in jobs with a similar level of responsibility, and analyse within each property managed by Kempinski whether there are observable differences between male and female employees.

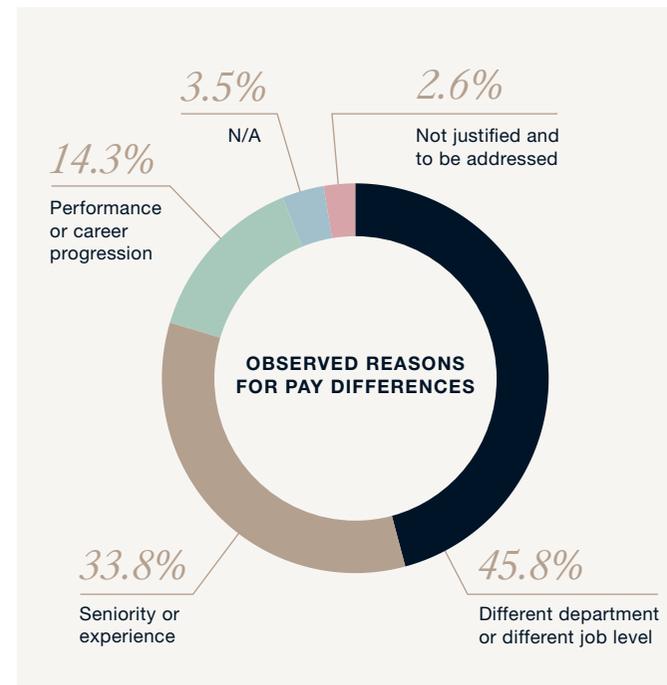
Overall, there is no major observable difference between male and female remuneration levels (-1.92%–1:1 ratio). At a more granular level, there are no indications of pay differences based solely on gender. In most cases, where differences are observed, these are linked to job level differences linked to specific departments (45.8%), seniority and/or experience (33.8%), and performance-related reasons (14.3%).



Due to the complex nature of Kempinski’s management relationships with hotel owners, material assessment of remuneration policies can be challenging. Considering that over 90% of staff have contractual arrangements with individual hotel ownership, and that our managed properties are spread across 34 countries, there is an added level of complexity to managing all material impacts.

Kempinski does not currently quantitatively measure wage level or living wage. The ratio of standard entry-level wage to local minimum, the ratio of CEO compensation to median of annual employee compensation, nor the living wage levels for each property location are tracked. To better understand competitive remuneration practices, Kempinski regularly participates in external salary market studies to ensure that our compensation and benefits offerings remain competitive with market peers and competitors.

When managing properties in many diverse jurisdictions with unique local circumstances, the task of collecting and tracking the required data becomes burdensome based on the current prioritisation of material impacts. Wage level and living wage will continue to be monitored with stakeholder input to determine whether the material impacts rise to the level to require management of the complex task.



**PAY EQUALITY PER REGION**

REGION	PAY GAP	GENDER RATIO <sup>1</sup>
Middle East & Africa	-2.93%	0.97
Europe	-1.79%	0.98
Asia	-2.09%	0.98
The Americas	6.86%	1.07
<b>Grand total</b>	<b>-1.92%</b>	<b>0.98</b>

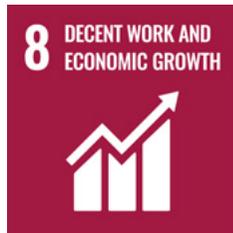
<sup>1</sup> Number of females per 1 male  
<sup>2</sup> Hotel Industry Rewards Group

**PAY EQUALITY PER JOB LEVEL**

JOB LEVEL	HIRG <sup>2</sup>	PAY GAP	GENDER RATIO <sup>1</sup>
GM	10	-	-
ExCom	9	6.81%	1.07
ExCom	8	8.92%	1.09
HoD	7	-1.29%	0.99
Managers	6	-6.96%	0.93
Managers	5	-0.68%	0.99
Supervisors	4	-4.38%	0.96
Supervisors	3	-3.51%	0.96
Staff	2	-3.45%	0.97
Staff	1	-2.98%	0.97
<b>Grand total</b>		<b>-1.92%</b>	<b>0.98</b>

### **RISK FOR INCIDENTS OF CHILD, FORCED OR COMPULSORY LABOUR**

As highly as Kempinski prioritises the people-management of a luxury hospitality organisation, the risk for compromising those standards is immense. When brand values and identity are as essential to enterprise value creation, it is non-negotiable to maintain compliance with all international and legal requirements.



Kempinski last updated our policy to manage and mitigate the risks for incidents of child, forced or compulsory labour in 2020. It is applied at every property Kempinski manages. A policy update to expand the scope to include value chain considerations is currently being prepared and will be complete before the end of 2022. The update will require all suppliers to comply with disclosure requirements to evaluate risk levels by type of operation, type of supplier and geographic areas considered at risk. The current Kempinski Third-Party Labour Policy is included in Appendix II.

**LINENS FOR LIFE**

As the COVID-19 pandemic dragged on in Indonesia towards the end of 2020, more and more people also were driven below the poverty line. People living in crowded slums, garbage dumps, landfills and impoverished villages suffer more than ordinary urban residents living in high-rise apartments or landed houses during lockdowns as communities were unable to earn their daily incomes. In some places, the situation became so bad that people had to decide between buying food or buying masks, and families had to eat only one meal per person, every few days.

Diversey is the global sustainable cleaning and sanitation provider for Kempinski Hotels. The company launched the Linens For Life Face Mask programme during the early months of the pandemic. In November 2020, when Diversey reached out to Hotel Indonesia Kempinski Jakarta to join the programme, the hotel had no hesitation in agreeing.



Hotel Indonesia Kempinski Jakarta provided 1,625 kg (1.6 tonnes) of end-of-life linens such as bedsheets, duvet covers and pillow cases – all washed, sanitised, pressed and folded to the standard of deployment in hotel rooms – prior to the donation for the Linens For Life Face Mask programme.



Hotel linens are among the top five best fabrics from which to make reusable and washable face masks, found in a study of 30 materials made into face masks. It found that bed linens are good at filtering out 90% of one micron particles i.e. it protects people from bacteria, some viruses and dust.

In Jakarta, Diversey partnered with an NGO, Emmanuel Foundation, whose mission was to look after marginalised communities in Jakarta slums. The Emmanuel Foundation helped many disadvantaged women find jobs during the pandemic. The Linens For Life Face Mask programme was warmly embraced by the women, who sewed masks from the used bed linen. These masks were then paid for by donors and distributed freely among the poor and needy. Altogether, Hotel Indonesia Kempinski Jakarta's linens were enough to make 65,000 face masks for distribution.

On top of the livelihood enhancement and life-saving benefits, the Linens For Life Face Mask programme also has several environmental benefits. As of 2021, more than two tonnes of end-of-life linens have been diverted from landfill. Repurposing these linens into face masks also resulted in a water footprint reduction of 9.71 million litres of water (4,750 litres of water is needed to make 1 kg of new linen) and CO<sub>2</sub> footprint reduction of 24.5 tonnes (1 kg of new linen has a 12 kg CO<sub>2</sub> footprint). Over 81,000 masks have been produced since the programme began in 2020.

The Linens For Life Face Mask programme meets several Sustainable Development Goals (SDGs) such as SDG #1 No Poverty and SDG #8 Decent Work, by providing jobs for people in need; SDG #12 Responsible Consumption and Production, by repurposing end-of-life linens instead of discarding them; and SDG #17 Partnership for the Goals, by enabling each key stakeholder in this partnership to achieve their organisational goals.

In total, there were three other Kempinski Hotels, in addition to Hotel Indonesia Kempinski Jakarta, that joined the Linens For Life Face Mask programme: Siam Kempinski Hotel Bangkok, Sindhorn Kempinski Hotel Bangkok and The Apurva Kempinski Bali.

The linens contributed by these hotels provided local jobs and life-saving masks for local communities in need.

### HEALTH & SAFETY – PROPERTY LEVEL

At the very core of any positive experience is an assurance of good health and secure safety. For Kempinski, the provision of a healthy and safe environment begins with our internal stakeholders and staff, is extended to every one of our guests and expands out into our local communities.

The impacts and lessons learned from the COVID-19 pandemic reaffirmed our understanding that health and wellbeing are intrinsic to the value created at Kempinski properties. Likewise, the interconnectedness of our global society means that no individual component can be excluded; we are all dependent upon and responsible for the wellbeing of those around us.



Kempinski has long prioritised a healthy and hygienic environment for both our staff and guests. The Kempinski White Glove Services guide prescribes both front-of-house and back-of-house hygiene practices and standards. In response to social distancing requirements, Kempinski instituted extended service hours for staff canteens to allow for employee breaks to be staggered in an effort to reduce exposure and transmission risks in the line of duty. It is only possible to create and offer a safe and hygienic experience for guests if our internal stakeholders share the same level of safety and protection.

Work-related injuries and fatalities are a material impact for Kempinski-managed properties. The luxury hospitality industry is wholly reliant on skilled and supported staff members to create memorable experiences for our guests. All Kempinski hotels monitor injuries, fatalities, hours worked and access to medical services individually at each property.

This information is not reported from each property or tracked at the global level. We will continue to consult with stakeholders to determine the necessity in expanding reporting requirements for staff health and wellbeing. Additionally, future determinations for material impacts from injuries and fatalities will consider whether it is necessary to quantify the monetary impact of work-related incidents at individual properties and globally as an organisation.

Ensuring employee wellbeing is the responsibility of all organisations that value their internal stakeholders. Currently, Kempinski-managed properties track work-related ill-health, injuries or fatalities. Absenteeism is tracked locally, but the figures are not collected to provide a global picture across all properties. Additionally, employee engagement with health and wellbeing programmes is tracked within each property's annual action plan, but this data is not currently tracked at the global level. Kempinski has a target to update property reporting requirements to include work-related injuries and fatalities, standard working hours (non-individual) and absences (illness and non-justified) by the end of 2022.

In extending the health and safety from staff to guests, Kempinski has prescribed that all staff be provided with, and wear, personal protective equipment (PPE) in all facilities. The Kempinski White Glove Services guide (see Appendix III) has strict cleanliness and disinfection requirements that provide our guests with assurance that every precaution is taken to ensure a safe, comfortable and carefree experience.

A recurring theme of the Kempinski worldview is that our action and attention should not be bound by the edge of our properties. As a global organisation, we feel a deep connection to the broader communities in which we operate. Such a critical matter as health and safety must be included in that wider consideration. We are all dependent upon each other and Kempinski feels a strong responsibility to support a healthier global community. BE Health has been our programme partner for community disease prevention since 2012 and has achieved tangible impacts in that time.



## BE Health is about making a difference in local communities

### **BE HEALTH STANDS ON THE SHOULDERS OF ITS RECENT PAST**

In 2008, the Kempinski Management Board acknowledged that it had a social impact in the communities where the company's hotels operate. In a business where people are at the centre of everything, whether they are guests, employees or suppliers, what could be more important than health? In order to give back to those local communities, Kempinski partnered actively for four years with Stop TB Partnership, an organisation committed to eradicating tuberculosis worldwide. From 2008 to 2012, Kempinski hotels worldwide drove regular communication campaigns by training their employees (20,000) in ways to protect themselves against the disease and raised awareness amongst hotel guests by placing postcards (577,000) on the pillows of 13,044 guestrooms.

These communication campaigns also revealed that employees were not immune to tuberculosis, when several employees were diagnosed with the disease. Such an alarm bell raised the question of how to deal with tuberculosis within the workplace with no ready-to-implement solution. Lots of hotel employees come from underprivileged neighbourhoods exposed to infectious diseases, creating the inherent risk of transmission.

In 2011, and with the advice of the Global TB Department of the World Health Organisation, Kempinski decided to develop a tailor-made solution: building capacity from the workplace to the local community and empowering people to protect themselves from tuberculosis, HIV/AIDS and malaria. This is how BE Health was founded the same year.





From 2013 until the end of 2020, in collaboration with local healthcare partners, BE Health first focused on training peer health educators amongst hotel employees capable of transferring knowledge to their local communities. In doing so, the organisation established two strong networks of peer health educators and community health volunteers (selected among underprivileged local residents) in Bangkok and Djibouti, where tuberculosis and HIV/AIDS are major killers. Together with their local coordinator, they organised peer prevention sessions among colleagues and in their community, focusing on the avoidance of risk factors for TB, HIV and malaria. They also carried out community visits to accompany TB patients throughout long

treatments until recovery to stop transmission in the community. They empowered individuals living with HIV and helped to alleviate stigma through education and by informing others about the disease and TB, which is a well-known major killer among people living with HIV.

A few years later, BE Health decided to ensure specific support for impoverished TB and Multi-Drug Resistant-TB (MDR-TB) patients because the disease, determined by multiple social factors, is mainly spread through patients who fail to adhere to or are withdrawing from their medication. With this so-called Social Protection Programme, BE Health delivered financial, food and psychosocial support to improve their treatment outcomes. On average, a TB patient received social protection for eight months, while the support was extended between 12 and 24 months for MDR-TB patients, depending on their needs for a full recovery.



For the first seven years, BE Health's operating model was based on three realistic and achievable objectives:

- 1) The first objective was to enhance and build capacity to spread health from the workplace to the local community. BE Health established a sustainable network of peer health educators and community health volunteers. In 2020, BE Health was happy to collaborate with 52 peer health educators and community health volunteers.
- 2) Empowering people in the workplace and local community to prevent infectious diseases was BE Health's second objective. Both teams in Bangkok and Djibouti organised over 1,200 workplace and local community prevention meetings, as well as awareness-raising campaigns that reached more than 26,000 people directly.
- 3) Hand in hand with local healthcare partners, BE Health addressed and empowered TB patients and patients living with HIV. More than 5,400 people were screened for TB during numerous 'Active TB case finding' campaigns; 143 TB patients received psychosocial support until their recovery; and 48 TB patients received financial support (daily food, house rent and transport to the healthcare centre) throughout their medical treatment.

BE Health's activities have enjoyed financing mainly through corporate donations, including guest donations. Kempinski enlisted 23 of its hotels in raising funds by asking guests to offer one Euro per room per night. From early 2013 until December 2019, \$ 3,292,000 was collected. This included 10% income from individual private donors and 18% in donations from a family-owned company called Hellweg.

The economic crisis generated by COVID-19 throughout the hospitality industry in 2020 and 2021 put a full stop to BE Health's fund collection and therefore brought its activities in Bangkok and Djibouti to an end. On the other hand, Kempinski wished to continue its corporate social responsibility programme as BE Health's activities showed over the years that the company has the capacity to create measurable outcomes in its local community.

Without altering its vision and objectives, BE Health's model of business engagement was therefore redesigned such that all 80 Kempinski hotels could launch their individual corporate social responsibility programme under the name of BE Health. Under the motto of 'Health is contagious', hotel CSR projects work upstream to spur healthier lifestyles and early disease detection and/or provide special care to avoid downstream consequences of medical caring.



How does it work? Firstly, BE Health defines together with each hotel its project's objectives and target group(s) and agrees on its partnering with the appropriate local health organisation. Next, hotel management arranges regular fundraising through hotel guests and additional special events to fund community-based activities in collaboration with the local healthcare partner. Depending on the hotel's project scope, employees become well-informed and/or trained to raise awareness and share their knowledge with the target group, while actively participating in achieving the project's objectives. Finally, BE Health provides assistance in implementing the project's objectives and establishes, together with the hotel, a monitoring and evaluation framework.

All BE Health hotel initiatives will be progressively featured on BE Health's website ([www.behealth.com](http://www.behealth.com)) and Instagram account ([behealth\\_is\\_spreading\\_health](https://www.instagram.com/behealth_is_spreading_health)).

With the expansion of BE Health's scope of mission and availability to all Kempinski properties, we are instituting performance indicators to evaluate progress toward achieving the programme's determined objectives.

The first objective is to build capacity through healthcare promotion and prevention in hotels' local communities. The impact indicator for this objective is the percent of active hotel healthcare projects out of all Kempinski hotels. A target of 37% has been set for 2022. For Objective 1, several output and outcome indicators have been developed, though not all have targets already determined. By the end of 2022, BE Health aims to reach a target of 30 healthcare initiatives across the Kempinski portfolio and 30 letters of intent signed by individual Kempinski hotels.

The second objective is to empower people at the workplace and in local communities through health awareness and promotion. Additional outcome and output indicators have been determined for Objective 2, but no targets have been determined for 2022.

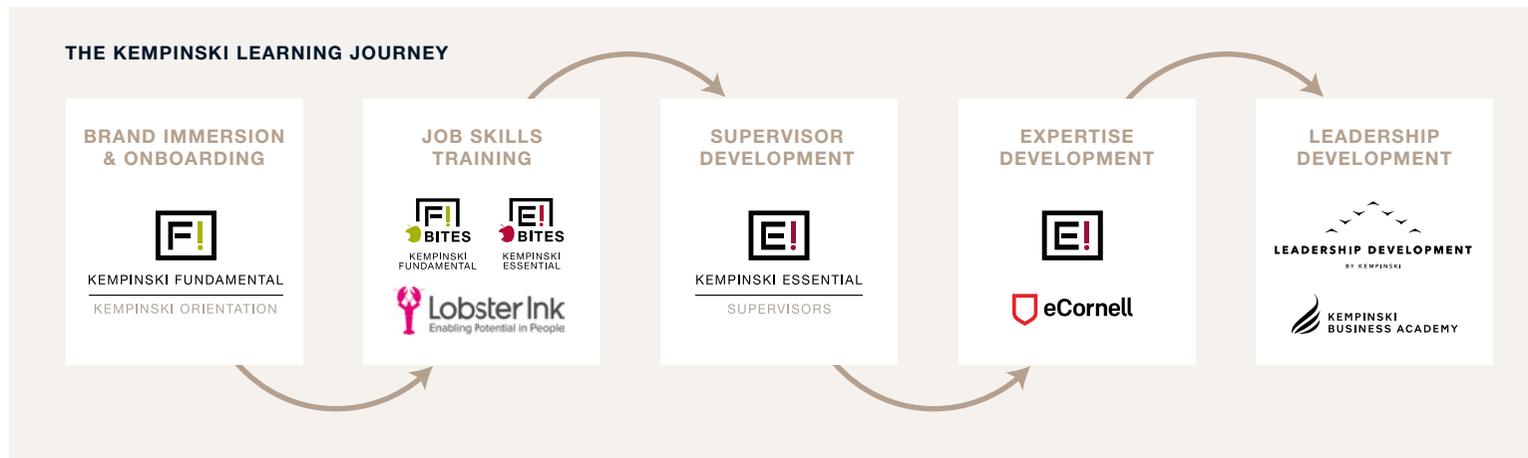
## TRAINING PROVIDED

With the foundational understanding of the inherent value of all internal stakeholders and staff, we also take a view that people are our ultimate resource and are worth investing in. There is a tangible link between the fundamental importance of well-trained employees and the capacity of Kempinski to ensure sustainable, long-term enterprise value creation.

At Kempinski, we understand the virtuous cycle of prioritising staff training. By ensuring that all employees are empowered to develop along a training journey into highly-qualified professionals, Kempinski is able to provide excellent service and experiences. Beneficially, the commitment to invest in people also attracts potential candidates with the ambition to develop professional skills.

With a keen understanding of the demands required to deliver luxury hospitality experiences, Kempinski provides diverse training opportunities which support the development of functional, behavioural and leadership skills. Our objective is to deliver training programmes that drive the quality of guest service and engagement. The mandate of our training approach is to ensure that our internal stakeholders are professionally developed with skills and competencies to excel in their current roles, build a connection with Kempinski culture and brand, and create a succession for future Kempinski leadership.





**NUMBER OF UNFILLED SKILLED POSITIONS**

Given the commitment Kempinski has made to maximising the skill sets and capabilities of our staff, there is a benefit to accessing and retaining people to fill skilled positions within the organisation. The returns on our training investment mitigate risks in an otherwise volatile employment market, especially within the hospitality and leisure industry. Currently, Kempinski tracks all open vacancies, but this is not differentiated by an assessment of skilled versus entry-level or apprentice employment categories. We will continue to consult with stakeholders to determine any change in the material impact of access to suitable candidates to fill skilled positions.

To deliver effective training, the strategy adopted by Kempinski incorporates in-house trainers, area specialists and external expert facilitators that utilise training materials bespoke to Kempinski. Our strategy incorporates a 70-20-10 approach to learning.

70-20-10 Training
70% of skills are learned on the job
20% are learned from observing others
10% are acquired during designated and personalised training

### MONETISED IMPACTS OF TRAINING

It is critical that our training programmes are linked to tangible impacts on guest service excellence and the development and empowerment of our staff. Kempinski currently tracks the monetised impacts of training for our internal stakeholders. For 2021, Kempinski required each hotel to invest 1% of total payroll into delivering training opportunities for our employees on their individual training journeys. Additionally, we prioritised the connection between our investment in training and the returns received across our organisation.

Apart from our universally mandated training programmes, our employees receive individual training assigned by a training manager in accordance with the employee profile. These additional trainings are delivered in an online format, using a variety of skills-based courses available through the Lobster Ink platform. This approach to training is intended to convey the reason for offering certain products or services and the standards and procedures governing the offering.

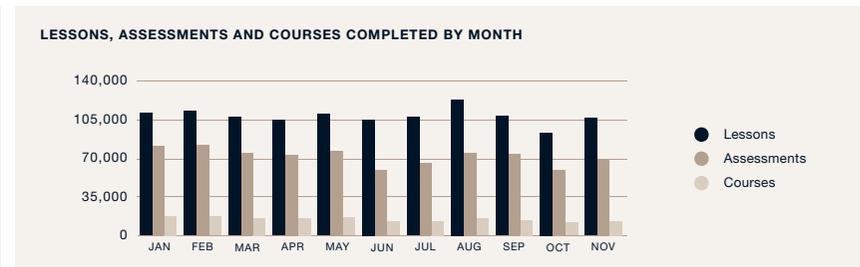
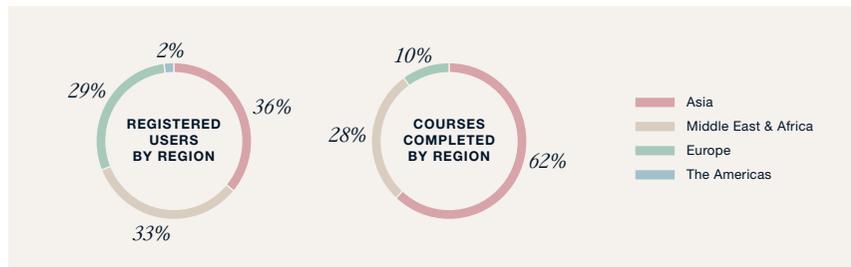
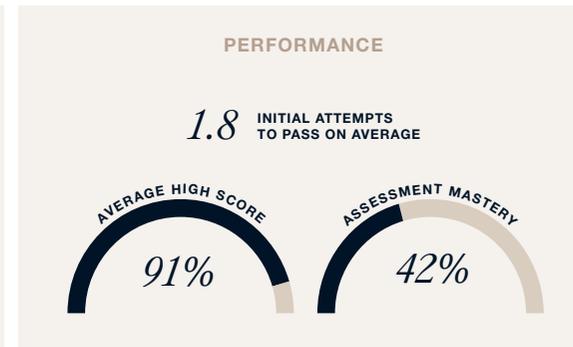
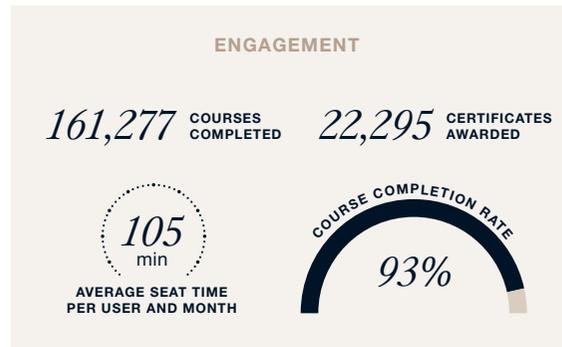
The courses were developed in collaboration with Kempinski, to capture the culture and heritage of the Kempinski brand. Our employees, however, have an opportunity to select their own course of interest beyond their assigned allocation. This approach is intended to allow for employees to expand their skills and competencies beyond their present employment category.

In 2021, almost 9,000 Kempinski employees registered to use the Lobster Ink online training courses and 75% maintained an 'active learner' status. Course completion exceeded 90% for the total number of courses delivered, equaling 161,277.

Kempinski has the capacity and passion to provide development opportunities for future leaders. In Germany and Austria, Kempinski welcomes higher education apprentices from local communities that desire to gain experience in the luxury hospitality industry.

Kempinski currently tracks total hours and expenditure of training on a property level. These figures are not reported for global tracking of training. We will continue to consult with stakeholders to determine whether to require reporting training hours and expenditure on a per-person basis. Additionally, we will determine the necessity of assessing training access by demographic categories (e.g. gender, age group) and/or by employee category.

GLOBAL LEARNING ACTIVITY & PERFORMANCE



### **DISCRIMINATION & HARASSMENT INCIDENTS AND TOTAL AMOUNT OF MONETARY LOSS**

In line with our people-first hospitality principles, Kempinski does not condone or tolerate any instance discrimination or harassment. This policy applies to all stakeholders: internal stakeholders and employees, guests and external stakeholders and community members. Our policy regarding discrimination and harassment is embedded within our world-class training approach. Training is reported as part of each property's annual action plan.

Currently, Kempinski does not track the time and expenditure of discrimination and harassment training per person or by demographic breakdown. We will continue to consult with stakeholders to determine the need to update the scope of our reporting on this matter. Additionally, we will consider the requirement to track and report the total monetary losses incurred from discrimination and harassment as an organisation.



### **FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING AT RISK**

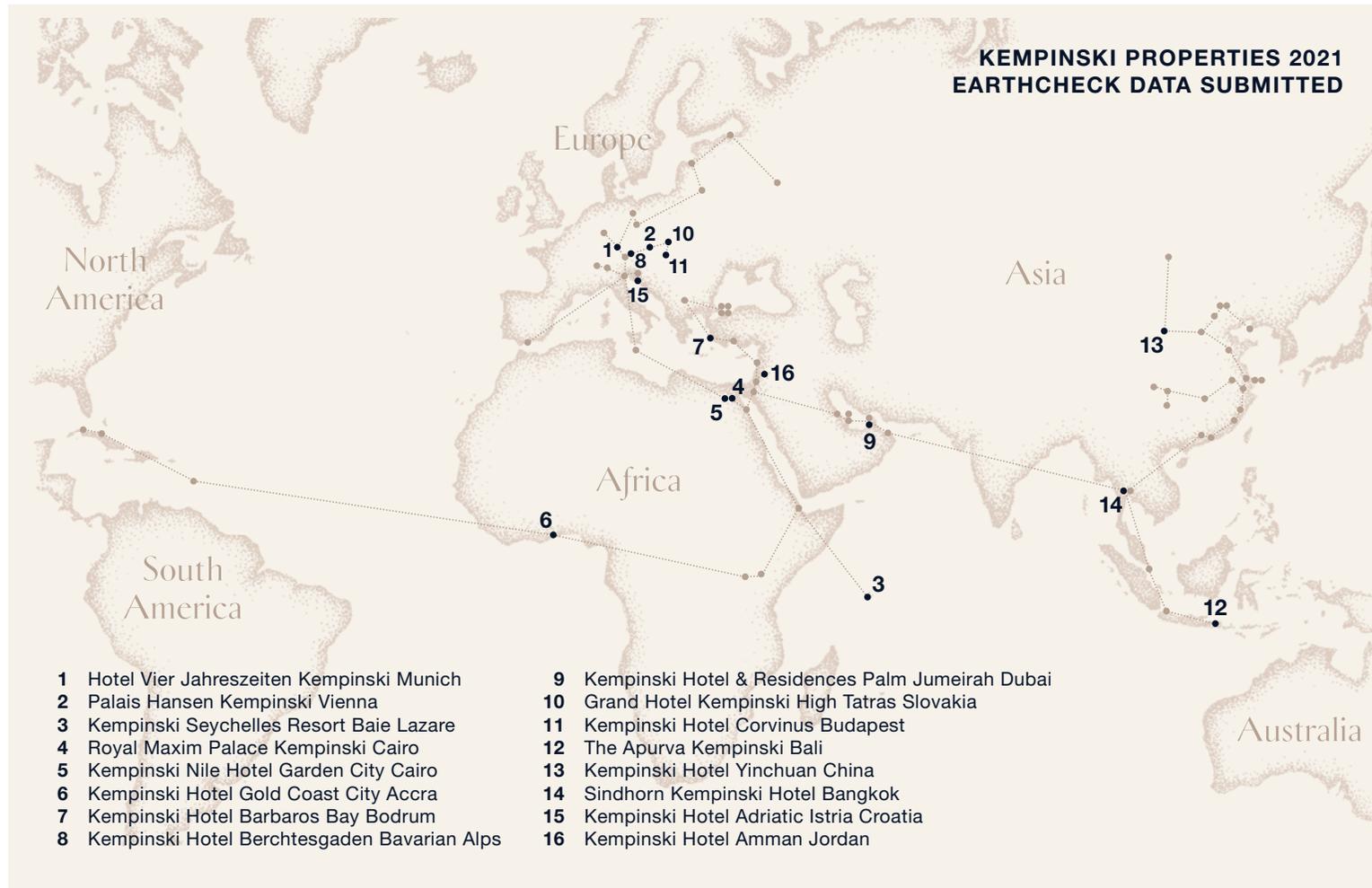
Kempinski values the rights and freedoms of our internal stakeholders as a principle from our people-centred approach. While we track collective agreements of employees at the property level, this data is not reported for more global statistics such as percentage of active workforce. With regard to our assessment of our suppliers and their alignment with these principles, Kempinski is currently updating our Supplier Code of Conduct to reflect our commitment to ensuring our values are reflected across our value chain. We have a target to require all vendors to sign the updated code of conduct by the end of 2022.

### **HUMAN RIGHTS REVIEW, GRIEVANCE IMPACT AND MODERN SLAVERY**

Kempinski takes a global approach to considering our relationship with our stakeholders. We see ourselves as part of the whole community of humanity and seek to support and protect everyone with whom we engage and encounter. To reflect our people-centred principles, Kempinski has an existing Human Rights policy against which grievances are tracked annually. Additionally, our suppliers are covered by this policy via our Supplier Code of Conduct.

Due to the nature of our supply partners, the threat of human rights and modern slavery violations is not deemed to be material for Kempinski. We will continue to consult with stakeholders to monitor any change in this materiality assessment. The Kempinski Human Rights policy can be found in Appendix V.





## 8.3 Environment

### ENERGY MANAGEMENT

Energy is an indispensable resource for the hospitality industry. To keep the lights on, the rooms cool, the water warm and the kitchen humming, energy is the name of the game. It can also be the largest contributor to the environmental impact of a hotel. Using fuel or purchasing energy from the grid is often the single largest contributor to greenhouse gas emissions. That is why clean energy is considered a key part of the UN Sustainable Development Goals.

Within a hospitality operation, energy can take on many forms. Electricity from the grid is needed to illuminate a hotel. A diesel fuel generator is required to keep a water pump running. Natural gas cooks the food for the guests. The hotel shuttle runs on petrol or electricity. No matter how you slice it, energy is critical to a successful operation and a pleasant experience for guests. So a holistic approach to energy management is needed to monitor and improve the performance of all the forms energy manifests across Kempinski properties.



Since energy and water usage are so closely related in terms of utilities management, they are both regulated by the Energy Management Policy. The policy establishes a uniform standard for management procedures in the areas of lighting, heating, cooling, Heating Ventilation and Air Conditioning (HVAC), domestic water use, refrigeration and power distribution. These management procedures foresee mandatory rules and recommendations for all properties under Kempinski management to reach a uniform way to ensure the most resource efficient management of the above listed areas.

The policy governs energy saving measures such as LED light installation and the procedures for optimising lights in use, Guest Room Management System (GRMS) and Building Management System (BMS) features and requirements, guidelines of energy optimum temperature control for heating and cooling, regular equipment calibration and monitoring to ensure its correct functioning and to prevent energy losses.

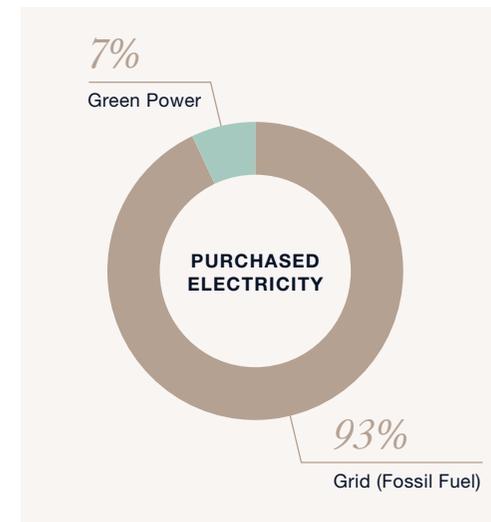
A growing number of Kempinski hotels use Hotel Optimizer, a piece of software that monitors energy and water consumption and waste management to obtain a clear picture of our carbon footprint related to these resources. The software is able to analyse and evaluate an individual hotel's performance, while taking into account variable factors such as hotel occupancy, outside temperatures and the number of F&B covers in a day, in order to create a baseline performance metric. Hotels can then benchmark their own performance against other hotels in the region and see what can be achieved when management of these areas is optimised. Based on the data, hotels can establish monthly targets for energy and water consumption, considering additional variables such as hotel occupancy and seasonality.

The facilities management company FARNEK, which developed Hotel Optimizer, also provides quarterly recommendations on technical measures and procedural modifications to improve efficiency and reduce environmental impact related to the utilities. Hotel Optimizer then tracks these measures in due course. Centrally, Kempinski Hotels Corporate Department of Engineering reviews these reports and checks that each hotel's performance corresponds to the Kempinski brand standards.

Hotel Optimizer has been used at Kempinski hotels since 2016, beginning with our Middle East and Africa properties. Currently, it is being extended into use at European properties with further plans for expansion to China and Southeast Asia.

In 2021, 16 properties reported their mix of energy consumed. Many properties saw a bounce back in operations from depressed demand during the height of COVID-19 restrictions in 2020. Six properties run on district heating and/or cooling and in total, they consumed 141,264,677 megajoules (MJ) of energy in 2021. Hotel Vier Jahreszeiten Kempinski Munich was able to use 73% green district power, while Palais Hansen Kempinski Vienna used 32% green district power.

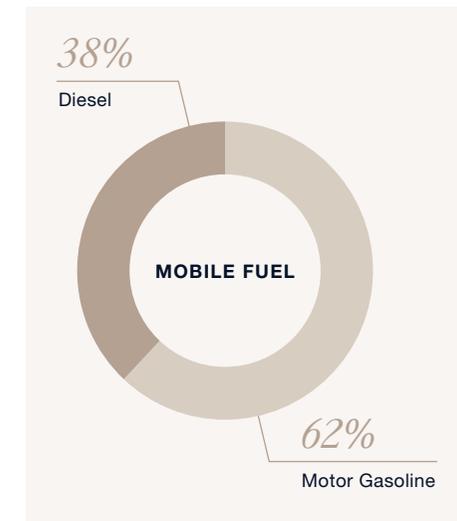
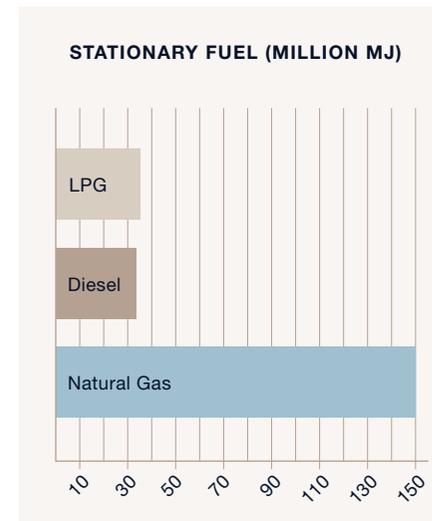
For all 16 properties, purchasing energy from the grid is a necessity to operate. In 2021, these hotels consumed 306,113,274 MJ of grid electricity. Kempinski Hotel Berchtesgaden and Palais Hansen Kempinski Vienna were able to purchase 100% green power, while Hotel Vier Jahreszeiten Kempinski Munich purchased 83% green power. These green power purchase agreements accounted for 7% of the total purchased electricity in 2021.



Stationary fuel is also critical to ensure that our hotels operate smoothly and provide our guests with the best possible stay. Natural gas, diesel fuel and liquified petroleum gas (LPG) are the stationary fuels used at our hotels. Natural gas is the most prevalent. In 2021, six properties consumed 150,553,975 MJ of natural gas. Diesel and LPG consumption was almost equal amongst properties in 2021. Six properties consumed 33,447,641 MJ of diesel. Six properties consumed 34,458,091 MJ of LPG. Kempinski Hotel Barbaros Bay Bodrum, Kempinski Hotel & Residences Palm Jumeirah Dubai, Palais Hansen Kempinski Vienna and Hotel Vier Jahreszeiten Kempinski Munich did not report any stationary fuel consumption for 2021.

Four Kempinski properties utilise mobile fuel for their operations. Diesel and motor gasoline were the two fuels consumed in 2021. 502,257 MJ of motor gasoline were consumed, while 307,140 MJ of diesel were consumed.

To better understand the efficiency performance of each property’s use of their own unique mixture of energy sources, it is best to normalise the total energy use by the activity measure of guest nights.



### Why are activity measures important?

When endeavouring to measure any aspect of business operations, the default approach is often to gauge the total amount.

What is the total budget for food and beverage?

What is the total number of staff at a property?

These measurements can be informative, but what they lack is context and scope. To better understand how much impact or efficiency a measurement has, especially for sustainability measures, it is necessary to compare a total measurement with a standard frame of reference to improve understanding. Activity measures provide the context and scope for standardising measurement.

For Kempinski and our technical partner EarthCheck, the primary activity measure for the accommodation sector is the guest night, which takes into account the number of overnight guests, staff nights, day guests and restaurant guests. Secondary activity measures include Area Under Roof and Occupied Rooms.

It's easy to see how an activity measure can improve understanding of otherwise ambiguous absolute measurements. Consider two neighbouring hotels, Hotel A and Hotel B. Hotel A uses 1,000,000 L of water each year while Hotel B uses only 500,000 L of water. In absolute terms, Hotel B is twice as efficient with water resources as Hotel A.

But when a guest night activity measure is included, we now take into account the size of each property, occupancy rates, staffing rates and amenities on-site. If Hotel A has three times as many rooms as Hotel B, both hotels have the same occupancy rate, Hotel A has twice as much overnight staff and Hotel A has a restaurant while Hotel B does not; there is now a clear context and scope for the water difference.

In fact, Hotel A may end up using half as many litres of water per guest night (L/Guest Night) as Hotel B, making Hotel A the significantly more efficient resource user.

Activity measures are an indispensable tool to understand sustainability performance. For each quantitative environmental measure, there is an accompanying activity measure to provide the necessary context and scope to assess the relative performance of our diverse properties.

## GREENHOUSE GAS EMISSIONS

At Kempinski, we acknowledge the impact of human activities on the increasing effects of climate change. We affirm the findings of the latest Intergovernmental Panel on Climate Change's Sixth Assessment Report that states, "It is unequivocal that human influence has warmed the atmosphere, ocean and land. Widespread and rapid changes in the atmosphere, ocean, cryosphere and biosphere have occurred."<sup>1</sup> Additionally, as an early adopter of the United Nations Global Compact, Kempinski is committed to taking urgent action to combat climate change and its impacts.

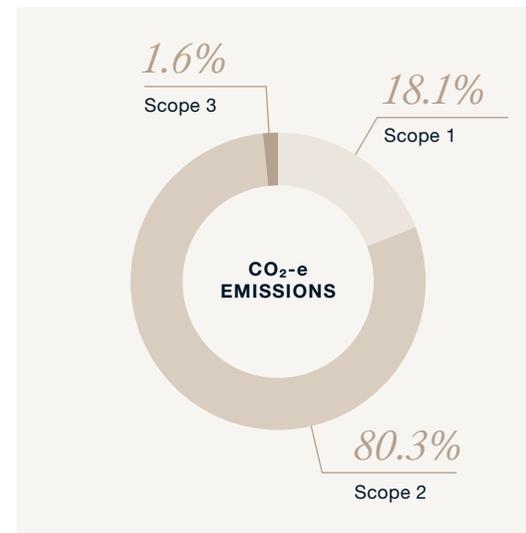
The greenhouse gas emissions (GHG) that are the most damaging aspect of human activities contributing to climate change are an inherent part of our current operations. The carbon footprint of our operations is generated through direct fuel combustion and consumption at Kempinski properties (Scope 1), the purchase of energy from the grid (Scope 2) and emissions outside of our direct control that exist upstream (e.g. supplier emissions) and downstream (e.g. waste to landfill) of operations (Scope 3). We are currently in the process of mapping the Scope 1 and 2 carbon footprint for the entire Kempinski property portfolio, with an aim to measure 100% of GHG emissions for 2023. For Scope 3 emissions, the immediate focus is to measure emissions from waste before working with our suppliers to measure upstream emissions.

For 2021, 16 hotels in 14 countries have submitted data required to calculate their property's carbon emissions for Scope 1, 2 and partial Scope 3 (waste). The total combined carbon footprint of these properties was 66,415,683 kg of carbon dioxide equivalent (CO<sub>2</sub>-e). There was a common theme of increased emissions from 2020, which can largely be attributed to a bounce back from the decreased demand during COVID-19. Though some properties were able to maintain emissions reductions from year-to-year, ten of the 15 hotels saw increases in total emissions from 2020.



<sup>1</sup> IPCC, 2021: Summary for Policymakers. In: Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [Masson-Delmotte, V., P. Zhai, A. Pirani, S.L. Connors, C. Péan, S. Berger, N. Caud, Y. Chen, L. Goldfarb, M.I. Gomis, M. Huang, K. Leitzell, E. Lonnoy, J.B.R. Matthews, T.K. Maycock, T. Waterfield, O. Yelekçi, R. Yu, and B. Zhou (eds.)]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA, pp. 3–32, doi:10.1017/9781009157896.001.

To best understand how efficient each property is at conducting operations and producing minimal emissions, the carbon footprint can be normalised with the guest night activity measure.



**2021 KEMPINSKI EMISSIONS  
TOTAL PER SCOPE**

EMISSIONS SCOPE	TOTAL (KG CO <sub>2</sub> -e)
Scope 1	12,030,958
Scope 2	53,331,108
Scope 3	1,053,617
	<b>66,415,683</b>

## GREENHOUSE GAS EMISSIONS TARGETS

At Kempinski, we are well underway in terms of mapping the complete carbon footprint of our properties and corporate operations. Kempinski has identified EarthCheck as a corporate partner with the capability to support our emissions measurement at the property level with specific expertise in the accommodation and hospitality sectors. With 16 properties currently certified or benchmarked and 40 more properties either current or past participants, 70% of our portfolio has undertaken an emissions measurement in the last four years.

### **Our first emissions target is to measure 100% of Kempinski corporate and property emissions for 2023.**

Kempinski Executive Leadership has evaluated the disclosure of property-level sustainability metrics, including GHG emissions, and determined that it does not currently align to the organisational sustainability strategy. Due to the nature of the management relationship between Kempinski and the individual hotels in our portfolio, the current target to measure 100% of property emissions is the priority. To avoid any negative incentives for measuring the sustainability data required to achieve this goal, Kempinski will not disclose all property-level sustainability metrics. Once measurement is conducted across our entire portfolio, Kempinski will be able to set science-based targets for improved performance which will provide the necessary context at the property level. We will continue to consult with stakeholders to determine the materiality of property level disclosure once all properties are measured.

In order to set science-based targets for the future, the first critical step is to quantitatively measure our current performance. Through our partnership with EarthCheck, emissions measurements are broken down by source and assigned to Scope 1, 2 or 3 emissions in line with the international standards of the GHG Protocol. Empowered with this knowledge and in line with the recommendations of the TCFD, Kempinski has determined a 2024 goal to fully implement science-based targets for emissions reductions aligned to the Paris Agreement target of limiting warming to 1.5°C and net zero emissions by 2050.

## IMPACT OF GREENHOUSE GAS EMISSIONS (\$)

Kempinski acknowledges that there should be a determination for a non-zero societal cost of carbon (emissions) that is used in shaping corporate strategy and decision-making. Given our current priority to establish the complete carbon footprint of the organisation and to determine the distribution of emissions across operations and properties, Kempinski is not yet able to set an internal cost of carbon. Converting the impact of emissions into monetary terms has been determined to be a material impact for Kempinski and falls in line with our reduction target goal to be achieved by 2024.

**WATER**

At Kempinski, we understand the essential value of water. We are committed to supporting SDG #6 Clean Water and Sanitation at every Kempinski hotel.

Not only is water a precious resource for all of our stakeholders, but it is also a significant operating cost for our properties. From a hotel management company point of view, reducing water consumption and improving efficiency is not only good for the environment and community, it also makes smart business sense.

For 2021 water data, 16 hotels from 14 countries have submitted data for EarthCheck benchmarking or certification. In total, these properties consumed just over two billion litres of water in 2021.



Water Source	Number of Properties	Quantity Consumed (L)
Municipal Supply	14	772,674,000
Wells/Ground Water	1	580,364,000
Desalinated	1	406,254,000
Recycled Water	3	119,576,000
Sea Water	2	115,688,000
Tankers/Trucks	1	35,800,000
Rainwater Harvest	1	3,620,000
<b>Total Hotel Consumption</b>		<b>2,033,975,900</b>

The efficiency of water use gives a more accurate understanding of how well the properties manage water resources. For accommodations, efficiency of water consumption is measured in L/Guest Night.

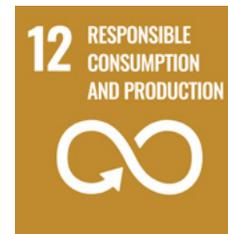
## WASTE

Waste is a critical component of our environmental impact. Not only does waste take up space in landfills and pose the threat of pollution if it enters the environment directly, it is also responsible for producing some of the most potent greenhouse gases, such as methane. For this reason, we have prioritised waste management for many years. Kempinski Hotels aims to prevent waste generation through optimisation of the input materials necessary for our hotels' operations. Whenever waste generation cannot be avoided, emphasis is placed on finding methods to reduce the environmental impacts by increasing the rate of waste diversion from landfill through recycling and/or re-use.

Among the hotels within the Kempinski portfolio, there are many initiatives focused on waste. For some, the objective is to reduce the environmental impacts via waste segregation. Kempinski Seychelles Resort Baie Lazare separates 22 types of waste, and Villa Rosa Kempinski Nairobi separates 14 types of waste. While Seychelles is a high impact archipelago ecosystem that demands careful management of resources and minimal footprint, Nairobi is a bustling capital city that is estimated to produce 2,400 tonnes of solid waste daily<sup>2</sup>. Waste management is about more than location; it takes strategy and dedication to achieve positive outcomes.

Recycling is another method to minimise the impact of waste on the environment. Kempinski Hotel Soma Bay Red Sea Egypt, Kempinski Residences and Suites Doha and Marsa Malaz Kempinski The Pearl Doha have all seen significant increases in their recycling rates since 2018.

In 2021, 15 properties submitted their waste data for calculation. The total amount of waste sent to landfill was 1,671,576 litres. Kempinski Hotel Barbaros Bay Bodrum, Kempinski Hotel Berchtesgaden, Kempinski Hotel & Residences Palm Jumeirah and Grand Hotel Kempinski High Tatra all reported 100% recycled or reused waste. Recycling or reuse of waste has been integrated into waste management practices at 13 of the 15 hotels.



<sup>2</sup> World Bank, 2021, Battling Kenya's Plastic Waste: Young Kenyan Woman is Transforming Waste into Sustainable and Affordable Building Materials. <https://www.worldbank.org/en/news/feature/2021/03/11/battling-kenya-plastic-waste-young-kenyan-woman-transforming-waste-into-sustainable-and-affordable-building-materials>

Property	Recycle, Reuse & Compost Ratio Versus Landfill
Grand Hotel Kempinski High Tatras Slovakia	100
Kempinski Hotel Berchtesgaden Bavarian Alps	100
Kempinski Hotel & Residences Palm Jumeirah Dubai	100
Kempinski Hotel Barbaros Bay Bodrum	100
Kempinski Seychelles Resort Baie Lazare	87.8
Hotel Vier Jahreszeiten Kempinski Munich	74.6
Kempinski Hotel Gold Coast City Accra	68.4
The Apurva Kempinski Bali	68
Sindhorn Kempinski Hotel Bangkok	63.5
Royal Maxim Palace Kempinski Cairo	59.5
Palais Hansen Kempinski Vienna	55.6
Kempinski Hotel Adriatic Istria Croatia	25.9
Kempinski Hotel Corvinus Budapest	20.3

To fully gauge the efficiency of each property at minimising its waste footprint, it is important to compare total landfill waste with the guest night activity measure. The four hotels previously mentioned that achieved 100% waste diversion from landfill were the best performers in 2021. Kempinski Hotel Yinchuan (0.17 L/Guest Night) and The Apurva Kempinski Bali (0.196 L/Guest Night) were both able to limit their unavoidable waste to less than a litre per guest night. Kempinski Hotel Adriatic had the highest landfill waste rate at 6.3 L/Guest Night (though this was a reduction of 38% from 2020). In 2020, a total of seven properties achieved zero waste to landfill. Further, 10 more properties were able to keep their unavoidable waste to less than a litre per guest night.

The trend for waste reduction was positive for Kempinski properties in 2021. Nine of the 14 properties that had previously submitted waste data reduced their waste per guest night from 2020 measurements. Grand Hotel Kempinski High Tatras achieved 100% reduction to zero landfill waste. Kempinski Hotel Corvinus Budapest saw the largest increase of 2,156% to 3.8 L/Guest Night (though this is still equivalent to the regional leader benchmark).

## FOOD WASTE

One of the key areas in which Kempinski has sought to reduce waste to landfill is through more active management of food waste. Not only does food waste impact the environment by producing greenhouse gases during decomposition at landfills, but chronic food waste has a major impact on the global food supply chain that has the potential to reduce hunger in our broader communities.

Until fairly recently, there was a common misconception in the catering and hospitality industries that food waste is a natural by-product of commercial kitchens and that a certain amount of food waste is to be expected. But that was because kitchens were not equipped with the tools to manage and reduce food waste.

According to an internal case study conducted at six hotels in 2019, the integration of a food waste management programme into the hotel kitchens saved USD 63,000 per year on food costs. That equates to saving roughly 38,000 meals at each of these hotels. When that is expanded out, considering the larger impacts of food waste, each hotel can reduce their carbon footprint by 65 tonnes of CO<sub>2</sub>-e greenhouse gases each month.

To better understand how to best go about reducing our impacts from food waste, Kempinski will look into rolling out a new food waste management programme from 2023 onwards.





68%

Average reduction in food waste by value



38,000

Average number of meals saved annually per site



USD 63,000

Average annualised food cost saved per site



USD 5,500

Average annual cost of investment per site



65,000 kg

Average CO<sub>2</sub> emissions saved monthly per site

## LAND USE

Our care for the environment does not stop at the edge of our hotel properties. Kempinski acknowledges and respects that each of our hotels is part of a greater ecosystem that is interconnected. Our properties are found in some of the most beautiful locations around the globe. It is our shared responsibility to care for these destinations and be stewards of the ecological systems that sustain them.

To best ensure that Kempinski properties have a positive impact on their surrounding environments, we have determined that management of land use and ecological sensitivity is a material impact for our organisation. Presently, each property with EarthCheck Certified status manages this through a tailor-made policy to mitigate environmental pollution and degradation specific to their geography.



For EarthCheck Certified properties, part of the certification process includes a comprehensive catalogue of policies and management plans covering:

- Freshwater resources
- Stormwater management
- Ecosystem conservation and management
  - Minimise eco-disturbance
  - Wildlife
  - Protected species
  - Materials and vehicles
- Air quality, noise and light controls
- Wastewater management
- Management of environmental harmful substances

In addition to this comprehensive management approach, EarthCheck determines whether each property is high impact or low impact based on the operating context. High impact properties carry a higher risk of negatively affecting their surrounding environment (e.g. coastal resort adjacent to protected coral reefs) and require an annual onsite audit to ensure compliance with approved management practices. Low impact properties are not deemed to carry a significant risk to their immediate surroundings (e.g. business hotel in developed city centre) and may opt for onsite audits biennially.

Kempinski does not currently track the total area of each property in relation to its proximity to key biodiversity or protected areas. Since 2019, 59 properties have measured area under roof (AUR) with an accompanying assessment of high or low impact according to EarthCheck standards. This will serve as our modified benchmark for 2021. Kempinski will set a goal to record total property area, measured in hectares, for 2023. Further review will be conducted to determine whether material impacts from key biodiversity or protected areas require a more stringent evaluation than the EarthCheck impact assessment.

## FLOOD RISK

One of the impacts of climate change that has already manifested in certain parts of the world is the elevated risk of flood. Whether caused by short-term extreme weather events or long-term threats of sea level rise, Kempinski has identified that long-term flood risk is something to be monitored and avoided.

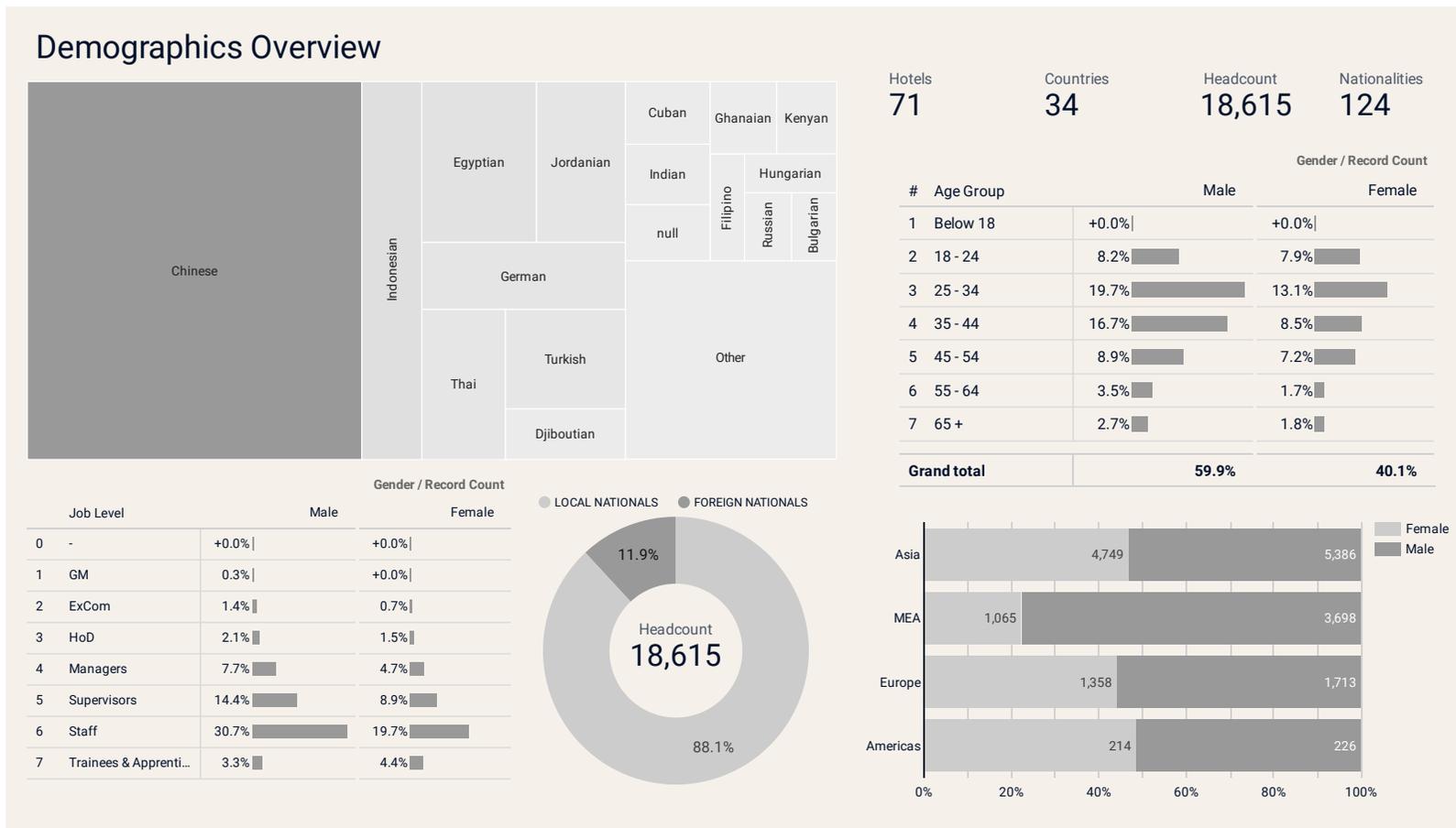
Kempinski has set the goal to incorporate flood risk assessments for each hotel by 2023/4. Additionally, flood risk will be incorporated into business continuity planning for any property that is deemed to have significant short-, medium- or long-term risk of floods.



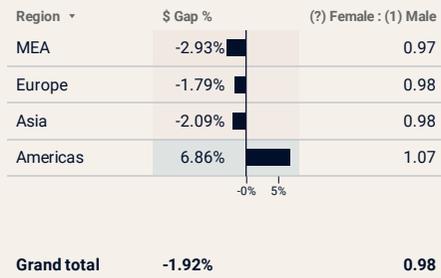


APPENDICES

# Appendix I – 2021 Kempinski HR Scorecards



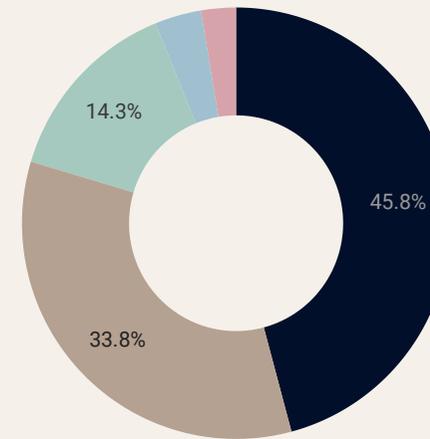
## Pay Gap Overview



Job Level	HIRG*	\$ Gap %	(?) Female : (1) Male
GM	10	-	-
ExCom	9	6.81%	1.07
ExCom	8	8.92%	1.09
HoD	7	-1.29%	0.99
Managers	6	-6.96%	0.93
Managers	5	-0.68%	0.99
Supervisors	4	-4.38%	0.96
Supervisors	3	-3.51%	0.96
Staff	2	-3.45%	0.97
Staff	1	-2.98%	0.97
<b>Grand total</b>		<b>-1.92%</b>	<b>0.98</b>

\* Hotel Industry Rewards Group

## OBSERVED REASONS FOR PAY DIFFERENCES



Different Department / Job Level	209	45.8%
Seniority / Experience	154	33.8%
Performance / Career Progression	65	14.3%
N/A	16	3.5%
To be addressed - not justified	12	2.6%

# Appendix II – Third-Party Labour Standards

Kempinski Hotels is committed to abiding by the highest ethical standards as an international luxury hotel operator. This is particularly relevant in the area of Human Resources, where Kempinski strives to be an **employer of choice** throughout the world and supports four fundamental principles and rights at work, specified in the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights of Work of 1998 and the human-centered-approach specified in the ILO Centenary Declaration for the Future of Work, 2019.

Equally, we expect all **subcontracting companies** to abide by these same standards.

This policy outlines to all those who are involved in the negotiation and supervision of suppliers providing **outsourced labour** of the **principles** that have to be complied with regarding the provision of such casual staff working in our hotels. The same applies to team members employed directly by our hotels and residences.

It furthermore addresses a mandatory **review of supplier agreements** regarding the provision of contracted staff/casual labour for compliance with minimum standards that all Kempinski hotels and their subcontractors abide by.

## 1. COMPLIANCE

The absolute **minimum** standard that must be complied with at all times is set out in the **laws** of the country where your hotel or residence is located. In particular, persons performing work at the hotel or residence, whether employed on a permanent or temporary contract, or seconded to the hotel through an external supplier, must be treated equally and fairly with working conditions that are in line with local laws and practices.

The local laws and practices to be adhered to have to include, without limitation, at least the following, which have to be captured in the **supplier agreement** with any providers of outsourced labour:

- Staff must receive **rest time/time off** at least in accordance with local labour law and suppliers have to guarantee that employees will not be placed on work assignments with other suppliers during rest times. The maximum consecutive number of days staff should work, provided local law permits it, is six days; thereafter as a minimum one rest day has to be given.
- Daily, weekly, monthly and annual working hours must not exceed the maximum **working hours** stated in the labour law. Overtime must be tracked and compensated as per legal regulations. Suppliers need to be able to demonstrate based on their time tracking (made available to the client) that this is adhered to when taking into account the number of hours actually worked. If the employer-provided accommodation is located further than one hour from the workplace, the supplier must account for the time above one hour travel as overtime, where legally required.

- Staff have to be paid at least at **minimum wage** level prescribed by local labour law and it needs to be paid in a timely manner. Suppliers need to be able to provide evidence in the format of payslips or payroll records that there was no wage paid below the minimum.
  - **Recruitment fees** cannot be charged to the staff by the employer or any other third party and all recruitment costs should be absorbed by the employing entity.
  - Any salary or wage **deductions** from staff must be made within the boundaries of the labour law.
  - Any **living arrangements** (such as accommodation, where part of local employment practice) provided to the staff need to be in accordance with the requirement of local law. The hotel/residence needs to have the contractual right to do spot checks on the living arrangements of outsourced staff at their discretion.
  - Proper **insurance** of staff in prescribed health and accident insurances and, where applicable, statutory social security is adhered to.
  - Staff are not deprived of any **rights** of free speech or association. Staff have a possibility to submit their grievances in anonymous ways to the contractor and the contractor has a process to record, review and take the grievances into consideration for further action.
- Furthermore, **supplier agreements** regarding the provision of outsourced labour needs to contain at least the following provisions:
- The provider guarantees to be in the possession of all **licences** and authorisation for the provision of labour which may be necessary in the respective country.
  - Mandatory pre-employment **background checks** are being performed and the hotel/residence has a right to perform additional background checks if it sees a need for them.
  - The provider guarantees that all staff are fit to work and **skilled** to perform the services required, including any professional licenses which may be necessary.
  - The provider acknowledges the **Kempinski Code of Conduct & Business Ethics** and accepts that staff assigned to our premises will be asked to adhere to it and be instructed in the use of the whistleblowing policy in case of any malpractice.
  - The hotel/residence has the right to question staff regarding their employment conditions to **check compliance** with the above mentioned upon joining and sporadically in spot checks.
  - Upon request, e.g. in case of a suspected malpractice or in the course of a regular internal audit, the supplier agrees to give access to **information** regarding all above mentioned and relevant employment conditions to the client (hotel/residence).
  - The supplier assumes **full responsibility** for any breaches of the labour law and any provisions mentioned in the contract, and is liable for any **damages** (including financial compensation for reputational damages) caused to the client by this non adherence.
  - Furthermore, the contract needs to include a provision that if any of the above is not followed and upon warning not remediated within 30 days (or immediately if the law would not permit a delay), the supplier agreement may be **terminated** immediately.

## 2. REVIEW OF SUPPLIER AGREEMENTS

In light of the foregoing and to ensure compliance with the all relevant laws, practices, policies and procedures, we request that you carry out an annual **review of all supplier agreements** for the provisions of outsourced labour, as well as the practices at your hotel.

If any discrepancies are found, we expect you to take **immediate action** to remedy the situation and ensure compliance.

Should there be any indications of **malpractice** by a supplier through routine spot checks or whistleblowing from outsourced staff or external sources, the improvement areas need to be sent to the supplier as a **warning** and be rectified within a given deadline of maximum 30 days, after which an immediate renegotiation of the contract, and if required change of provider, needs to take place.

All future supplier agreements have to contain as a minimum the clauses listed under section one.

## 3. ONGOING REVIEW OF PRACTICES

In order to ensure smooth ongoing compliance, please ensure that local employment practices for any staff working at your hotel/residence, whether employed or contracted through external providers, are regularly (at least annually) **audited** (quarterly spot checks and annual review as a minimum).

# Appendix III – Kempinski White Glove Services Overview

**KEMPINSKI  
WHITE GLOVE  
SERVICES**

**AT A GLANCE**




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Our utmost priority has always been to ensure a healthy and safe environment for all our guests and employees worldwide, at all times.

The Kempinski White Glove Services initiative includes a number of measures and steps that are implemented in our hotels worldwide to ensure the comfort and safety of our guests. These measures cover everything from arrival to set-up of public areas, food & beverage and housekeeping, as well as spa areas and meeting facilities.

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*Kempinski hotels will adhere to local and national safety and health regulations at all times and might adapt our services where needed and applicable.*



## General Guidelines and Public Areas

- All employees are wearing masks and gloves
- Masks are available for guests on request
- Hand sanitisers are available in all public areas including restrooms and clearly visible for guests
- Social distancing rules are adhered to by all staff keeping a minimum of 1.5 to 2 metres distance when talking and interacting with guests
- Elevators and handrails are cleaned regularly

## Guest Experience and Rooms

- Upon check-in, guests have the possibility to request a 'Do not enter my room' process – which means, all guest interaction will happen in front of the guest's room (e.g. luggage delivery, in-room service, etc.)
- The luggage cleaning service is offered as per the Kempinski Brand Standard and an additional service for luggage disinfection is available
- Only disinfected pens are used at the reception and a new pen is placed for each guest
- Key cards are disinfected prior to hand-out to guests and employees
- Contactless card payment is available
- Each room has complimentary face masks and mini hand sanitisers are included in our in-room amenity set
- Like the linen and the towels, the pillow protectors are changed and sanitised after each departure



## Restaurants & Bars

- All service employees are wearing masks and gloves
- Hand sanitisers are available in all outlets and clearly visible to guests
- Tables can only be occupied by a maximum of 4 guests with a minimum distance of 2 metres between the tables
- All surfaces and table-top items, including salt and pepper and flower vase, are cleaned after each service and guest
- Only contactless card payment is accepted
- Wherever possible, menus are available digitally
- Menus, pen, bill folder or other items, are disinfected prior to giving to a guest
- All snacks are served in closed mini bags, sugar is served in paper sachets or as wrapped cubes

## Spa, Fitness & Pools

- Distance markings are in place in all spa and pool areas, including waiting areas, changing rooms, showers and toilets
- All gym equipment and public spa areas are frequently cleaned
- Gym equipment is cleaned and disinfected after each usage
- Due to social distancing regulations, some treatments might not be allowed at the moment
- Guests who prefer doing exercise in their room can request in-room sports equipment



## Meetings & Events

- All service employees are wearing masks and gloves
- Group arrivals are managed in a separate entrance or divided in several groups to avoid a concentration of people in the lobby
- Social distancing rules are adhered by all staff keeping a minimum distance of 1.5 to 2 metres when talking and interacting with guests
- Hand sanitisers are available and visible to delegates at each meeting room entrance, coffee break station and dining table
- The meeting room setup is compliant with local health regulations, respecting the minimum required distance between delegates and the allowed number of delegates per square metre
- Meeting rooms are cleaned frequently during the day in addition to the end of the day cleaning
- Kempinski pens used by delegates are collected, cleaned and disinfected after each meeting day. New disinfected pens are provided for every new meeting day
- Water bottles and glasses are changed during each cleaning
- Coffee breaks, lunch, dinner and cocktail set ups are compliant with local and national regulations, ensuring the minimum required distance, the maximum number of delegates per table and per room square metre as well as food safety
- All A/V equipment is thoroughly disinfected after each use

# Appendix IV – Kempinski Human Rights Policy

## PREAMBLE

Kempinski enacts its strong commitment to acknowledge and respect human rights for all people. Our Human Rights Policy provides fundamental standpoints in relation to the company's business conduct and adherence to international human rights guidelines. As a multinational key luxury hospitality player, with an ever-growing sphere of influence, Kempinski seeks to manage its direct and indirect impact on human rights, alleviate potential risks and facilitate an environment where human rights thrive and live up to the expectations of the general public and of our stakeholders, among which are governmental entities and the local community.

Kempinski's understanding of "human rights" is based on the definition provided by the [United Nations High Commission for Human Rights](#). "Human rights are rights inherent to all human beings, whatever the nationality, place of residence, sex, national or ethnic origin, colour, religion, language, or any other status. We are all equally entitled to our human rights without discrimination. These rights are all interrelated, interdependent and indivisible."

## SCOPE

The Kempinski Human Rights Policy is applicable to the Kempinski Corporate and Regional Offices as well as to all Kempinski-branded and affiliated hotels and residences. Moreover, Kempinski communicates its principles and encourages adoption thereof within its value chain, including but not limited to suppliers, business collaborators and owners.

## OVERVIEW

Our approach to human rights is governed by internationally recognised standards. We refer to the following treaties, covenants and global norms to guide our approach:

- [Universal Declaration of Human Rights](#) and the main instruments through which it has been codified: the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights
- [International Labour Organization's \(ILO\) Conventions](#)
- [United Nations Guiding Principles on Business and Human Rights](#)
- [OECD Guidelines for Multinational Enterprises](#)

## POLICY STATEMENT

This policy expresses Kempinski's commitment as an international company towards the observance of human rights. Kempinski commits to conducting its business and operations by respecting a strong set of values and ethical practices, consistent with international human rights principles and standards.

## **KEY AREAS OF IMPACT**

### **Human Rights of our Employees**

At Kempinski, we believe that all our employees should be treated with respect and dignity, worldwide. Respecting employees' human rights is the solid foundation of our business and everyone at Kempinski is expected to observe and honour such fundamental rights, individually and collectively. To safeguard human rights, Kempinski has in place a Code of Conduct and Business Ethics, as well as a Whistleblowing Policy.

### **Human Rights of Employees in the Kempinski Value Chain**

Kempinski recognises that all the people that are part of its value chain must be treated in the same way that Kempinski employees are treated. Kempinski has a zero-tolerance approach to human rights abuses, including forced labour, any form of modern slavery or human trafficking or the exploitation of children. We require our suppliers' and business partners' commitment to sustainable employment and human practices through the implementation of our Policy Regarding Labour Standards by Third-Party Providers, consisting of a comprehensive set of standards that we expect our providers to strictly adhere to.

### **Workplace Diversity**

Kempinski places great value on the diversity within its business operations and does not condone discriminatory practices. As a multinational company, Kempinski embraces and promotes workplace diversity and does not discriminate on the basis of race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status, in line with the United Nations Universal Declaration of Human Rights. Particularly, strong emphasis is placed on gender equality and we remain committed to fairness in terms of pay and advancement opportunities independently of the gender of an employee.

## KEMPINSKI TOOLS, WORKPLACE POLICIES AND PRACTICES

At Kempinski, we operate under the conviction that success is defined not only by profits, but also by the mark we leave on our people and society. We are therefore consistent in our approach of acting responsibly and committed to observing sensible and conscientious workplace practices, with ethical business conduct and good corporate citizenship serving as foundations.

### Code of Conduct & Business Ethics

Kempinski strongly believes that maintaining high standards of ethics, integrity and professionalism across the organisation and running the [business in accordance with all applicable laws and regulations](#) are integral parts of its identity. Above all else, we act with integrity, keep high standards and use good judgement. We define success as achieving our goals while conducting our business with the highest moral and ethical standards.

### Whistleblowing Policy

This policy provides employees with a channel to raise concerns related to breaches of the Code of Conduct and Business Ethics directly with the highest management level within the organisation. At Kempinski, we believe that all such concerns are of utmost importance, and we conduct thorough investigations, while remaining committed to protecting, where needed, the identity of the complainant. This way, we create [an environment where employees feel safe](#) to come forward and trust the organisation to care for their rights and interests.

Moreover, we provide all our stakeholders with the opportunity to share concerns via [sustainability@kempinski.com](mailto:sustainability@kempinski.com). This can be found on our [public domain](#).

### Policy Regarding Labour Standards by Third-Party Providers

This policy outlines the principles that have to be complied with by contractors regarding the provision of external temporary staff working in our properties. The policy is addressed to all those who are involved in the negotiation and supervision of our contractors. It furthermore addresses a mandatory review of supplier agreements regarding the provision of contracted staff/casual labour and due diligence related to the compliance with basic [Kempinski standards](#).

### **INTERNAL TRAINING & AWARENESS**

Kempinski makes sure to thoroughly communicate and explain its commitment to human rights and related global compliance policies to all employees upon their joining the organisation, as part of their mandatory onboarding process. These policies are also communicated to our third-party employees, in accordance with the Policy Regarding Labour Standards by Third-Party Providers. Although they are not directly employed by our hotels, Kempinski encourages them to share concerns and grievances they might have in relation to their employer, and conducts random interviews as part of the audit on compliance with the Policy Regarding Labour Standards by Third-Party Providers.

### **HUMAN RIGHTS BREACHES AND REMEDY**

In cases where human rights are not properly acknowledged, we engage ourselves in taking immediate corrective action that may ultimately lead to the termination of the relationship between Kempinski and the individual or party breaching our Human Rights Policy.

At the same time, we remain committed to conducting our due diligence to identify existing or prospective human rights breaches within our organisation and value chain, and mitigate such risks through adequate measures. To this end, Kempinski will continue to strengthen its policies, diligence processes, investigation practices and communication mechanisms.

In addition, we anticipate an increased risk of running into human rights breaches in various geographical areas of our business operations where cases of such practices are publicly known. In these particular cases, Kempinski will encourage and strongly recommend practices that correspond to international human rights standards, in line with our policies.

### **GOVERNANCE**

All Kempinski stakeholders are expected to uphold and abide by our Human Rights Policy and related compliance policies.

Executive oversight of and responsibility for the Human Rights Policy lie with our Chief Executive Office, Management Board Members and Sustainability Committee.

Our Corporate Human Resources Department is responsible for establishing policies and regulations related to the respect of human rights throughout the organisation in relation to labour and ensures the process is in place to establish compliance with the related corporate regulations.

Corporate functions cooperate with corresponding functions at a regional and hotel level to ensure a uniform understanding and implementation of human rights practices.



METRICS &  
TARGETS DETAIL

# Metrics & Targets Detail

## GOVERNANCE

Metric	Detail	Modification
<b>Setting purpose</b>	<p>Company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues.</p> <p>Additional metrics: investment aligned to purpose/ culture aligned to purpose.</p>	<p>Kempinski has commitments: cage-free eggs, UNGC. But there is no mention of sustainability in the company's mission statement. Plan to include this for 2023.</p>
<b>Governance body composition</b>	<p>Composition of the highest governance body and its committees by: competencies relating to EES topics; executive or non-executive; independence; tenure on body; # of each individual's other significant positions/ commitments, nature of commitments; gender; membership of underrepresented groups; stakeholder representation.</p> <p>Additional: member qualifications in a Skills Matrix.</p>	<p>Supervisory Board of Kempinski AG. Committees: Personnel Committee (PC); Audit &amp; Compliance Committee (ACC). All non-executive. Four men and one woman. Three European, one Arab, one Asian.</p>
<b>Material issues impacting stakeholders</b>	<p>A list of topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.</p> <p>Additional: Materiality Matrix.</p>	<p>Global Risk Assessment to be implemented (Top 3 Risks)</p> <ul style="list-style-type: none"> <li>– Internal Audit (ACC)</li> <li>– Bribery &amp; Corruption (ACC)</li> <li>– Diversity and Inclusion (PC)</li> </ul>
<b>Anti-corruption</b>	<ol style="list-style-type: none"> <li>1. Total percentage of governance body members, employees &amp; business partners who have received training on anti-corruption policies &amp; procedures, by region.</li> <li>2. Total number and nature of incidents of corruption confirmed during the current year, A) related to previous years, B) related to this year.</li> <li>3. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.</li> </ol> <p>Additional: compatibility assessment with local laws.</p>	<ol style="list-style-type: none"> <li>1. No information about any incidents for 2021/2022 so far.</li> <li>2. With the implementation of the 'Speak up' tool, we will be able to get more information about these cases.</li> <li>3. Anti-corruption training to be renewed once a year.</li> </ol> <ul style="list-style-type: none"> <li>– Extend the audience to require suppliers</li> </ul>

Metric	Detail	Modification
<b>Protected ethics advice &amp; reporting</b>	<ol style="list-style-type: none"> <li>1. Seeking advice about ethical and lawful behaviour and organisational integrity.</li> <li>2. Reporting concerns about unethical or unlawful behaviour and lack of organisational integrity.</li> </ol>	<p>Updating and rolling out the Whistleblowing Policy (internal) and creating a new one for external whistleblowing.</p> <p>Consider a policy and procedure for seeking advice relating to ethical and lawful behaviour and organisational integrity.</p>
<b>Integrated risk &amp; opportunity</b>	Company risk factor and opportunity disclosures that clearly identify principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect to these risks, how these risks and opportunities have moved over time and the response to those changes.	<p>Risk Assessment of the Management Board implemented.</p> <p>External Risk Assessment will be implemented.</p>
<b>Purpose-led management</b>	How the company's stated purpose is embedded in company strategies, policies & goals	Vision, mission, values. Review these and list policies and procedures in place that reflect it.
<b>Progress against strategic milestones</b>	Disclosure of the material strategic EES milestones expected to be achieved in the following year, such milestones achieved from previous year and how those milestones are expected to contribute to long-term value.	See table p. 50
<b>Economic, environment and social (EES) topics in capital allocation framework</b>	How the highest body considers EES issues when overseeing major capital allocation decisions, such as expenditures, acquisitions and divestments.	Consider including ESG goals in strategic decision-making process.

## ENVIRONMENT

Metric	Detail	Modification
<b>GHG emissions</b>	Report tonnes carbon dioxide equivalent (tCO <sub>2</sub> e) for Scope 1 & 2; estimate Scope 3 where appropriate.	Kempinski has GHG emissions data available with EarthCheck but covering only Kempinski properties benchmarked and certified (by EarthCheck). For this report, we propose to tentatively set the emissions boundary as what has been currently measured with a target to set 100% carbon footprint measurement by 31.12.2023.
<b>TCFD implementation</b>	Disclose at most three-year timeline to fully implement science-based targets in line with Paris 1.5C w/net-zero by 2050.	Achieving as a whole ESG team, combining Governance, Strategy, Risk Management and Metrics & Targets (four core pillars of the TCFD framework).
<b>Land use &amp; ecological sensitivity</b>	Report the # and area (ha) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBAs).	This data is not currently tracked but we can start by reporting AUR (areas under roof) which are currently available for each of the Kempinski hotels and total property area (ha) being reported by 31.12.2023.
<b>Impact of GHG emissions</b>	Report wherever material along the value chain (scope 1–3) the valued impact of emissions; disclose the estimate of the societal cost of carbon used and the source or basis for this estimate.	This metric asks for a conversion of carbon footprint into a monetary figure. This data is currently not available and it will require research on the economic costs of carbon prior to defining. Technical assistance is required to help finding the right price conversion.
<b>Land use &amp; ecological sensitivity</b>	Report operations and full supply chain: <ol style="list-style-type: none"> <li>1. Area of land used for the production of basic plant, animal or mineral commodities.</li> <li>2. YoY change in area of land used.</li> <li>3. % of land area used or total plant, animal and mineral commodity inputs by mass or cost, covered by a sustainability certification standard or formalised sustainable management programme. Disclose the certification along with % of total land area, mass or cost covered by each certification/programme.</li> </ol>	At this stage we do not have this information regarding the Kempinski suppliers that are in farming, animal or husbandry, since this data is not kept centrally. We do not have any suppliers in mining. We are looking into ways of collecting data and our target is to be able to have satisfactory data collected by 31.12.2023.

Metric	Detail	Modification
<b>Impact of land use and conversion</b>	Report wherever material along the value chain: the valued impact of use of land and conversion of ecosystems.	Technical assistance is required to start implementing this specific topic.
<b>Impact of freshwater consumption and withdrawal</b>	Report wherever material along the value chain: the valued impact of freshwater consumption and withdrawal.	The 'Water Risk Atlas' shows that hotels located anywhere in MEA and partly in China are at Extremely High Risk. Technical assistance is required to help finding the valued impact of water consumption/withdrawal.

**SOCIAL**

<b>Metric</b>	<b>Detail</b>	<b>Modification</b>
<b>Diversity &amp; inclusion</b>	% of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).	Part of the HR scorecard, however not collecting data on ethnicity. General data only.
<b>Pay equality</b>	Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups and other relevant equality areas.	This is done only based on gender and not locally adapted yet.
<b>Risk for incidents of child, forced or compulsory labour</b>	An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour; such risks could emerge in relation to: A) type of operation and type of supplier; B) countries or geographic areas with operations and suppliers considered at risk.	Policy in place that addresses these issues. To be updated with added scope.
<b>Health and safety</b>	The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury and the number of hours worked; an explanation of how the organisation facilitates workers' access to non-occupational medical and healthcare services; and the scope of access provided for employees and workers.	Recorded on property, not currently reported on a global level.
<b>Training provided</b>	<ol style="list-style-type: none"> <li>1. Average hours of training per person that the organisation's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees).</li> <li>2. Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees).</li> </ol>	Training hours are documented, but not by gender. Expenditure is currently tracked but not reported globally, this can be adjusted.

Metric	Detail	Modification
<b>Pay gap</b>	<ol style="list-style-type: none"> <li>1. Mean pay gap of basic salary and remuneration of full-time relevant employees based on gender (women to men) at a company level or by significant location of operation.</li> <li>2. Ratio of the annual total compensation for the organisation's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.</li> </ol>	Tracked and reported globally. Scope to be adjusted as per details.
<b>Discrimination &amp; harassment incidents and the total amount of monetary losses</b>	<ol style="list-style-type: none"> <li>1. Average hours of training per person that the organisation's employees have undertaken during the reporting period, by gender and employee category.</li> <li>2. Average training and development expenditure per full time employee.</li> </ol>	Training conducted and reported, but should be updated as per scope.
<b>Freedom of association and collective bargaining at risk</b>	<ol style="list-style-type: none"> <li>1. Percentage of active workforce covered under collective bargaining agreements.</li> <li>2. An explanation of the assessment performed on suppliers for which the freedom of association and collective bargaining is at risk, including measures taken by the organisation to address these risks.</li> </ol>	Collective agreements are documented. No assessment is done on the corporate vendors. The Supplier Code of Conduct will be introduced shortly and all vendors will need to sign it by the end of the year. If a vendor is reported through either one of our hotels, or through any other means of being in breach of any of the above, the contract can be terminated for just cause, after allowing 30 days for the supplier to investigate and remedy.
<b>Human rights review, grievance impact and modern slavery</b>	<ol style="list-style-type: none"> <li>1. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.</li> <li>2. Number and type of grievances reported with associated impacts related to a salient human rights issue.</li> <li>3. Number and percentage of operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour.</li> </ol>	We have a Human Rights Policy. Grievances are tracked and reported. Suppliers are tracked through Kempinski Trading. We do not have an estimation for this. From the corporate vendors (which represent only 15% of the vendors used by our hotels), the risk might be lower than 10% due to the fact that most of our vendors come from countries with higher levels of regulation). However, it is also difficult to estimate since a lot of these companies might outsource sometime to countries that may have lower level of regulation.

Metric	Detail	Modification
<b>Monetised impacts of work-related incidents on organisation</b>	By multiplying the number and type of occupational incidents by the direct costs for employees/employers per incident (including actions and/or fines from regulators, property damage, healthcare costs, compensation costs to employees).	Incidents tracked locally, but not on a global level. To be updated and tracked.
<b>Employee wellbeing</b>	<ol style="list-style-type: none"> <li>Number of fatalities as a result of work-related ill-health, recordable work-related ill-health injuries and the main types of work-related ill-health for all employees and workers.</li> <li> <ol style="list-style-type: none"> <li>Percentage of employees participating in best practice health and wellbeing programmes.</li> <li>absentee rate (AR) of all employees.</li> </ol> </li> </ol>	Not currently tracked. To be updated. Tracking engagement yearly with action plans, globally. Currently measuring absenteeism locally, not globally.
<b>Number of unfilled skilled positions</b>	<ol style="list-style-type: none"> <li>Number of unfilled skilled positions.</li> <li>Percentage of unfilled skilled positions for which the company will hire unskilled candidates and train them.</li> </ol>	Tracking vacancies, but to be updated considering new details.
<b>Monetised impacts of training</b>	<ol style="list-style-type: none"> <li>Investment in training as a percentage (%) of payroll.</li> <li>Effectiveness of the training and development through increased revenue, productivity gains, employee engagement and/or internal hire rates.</li> </ol>	Currently tracked.



WATER, WASTE & ENERGY  
EMISSIONS DATA

# Water, Waste and Energy Emissions Data

Hotel	Year	Energy (Consumption) MJ/Guest Night	Water (Portable Consumption) L/Guest Night	Waste (Sent to Landfill) L/Guest Night	Scope 1 & 2 GHG Emissions kg CO <sub>2</sub> -e/Guest Night
Grand Hotel Kempinski High Tatras Slovakia	2021	670.5	602.9	0	74.4
Hotel Vier Jahreszeiten Kempinski Munich	2021	386.7	381.6	1	0.153
Kempinski Hotel & Residences Palm Jumeirah Dubai	2021	603.4	824.4	-	58.5
Kempinski Hotel Adriatic Istria Croatia	2021	438.0	501.6	6.3	34.7
Kempinski Hotel Amman Jordan	2021	321.7	762.4	0	44.0
Kempinski Hotel Berchtesgaden Bavarian Alps	2021	826.1	398.2	0	34.9
Kempinski Hotel Corvinus Budapest	2021	705.2	703.5	3.8	51.2
Kempinski Hotel Gold Coast City Accra Ghana	2021	398.3	824.1	3.8	51.5
Kempinski Hotel Yinchuan China	2021	768.5	1,118.0	0.170	83.6
Kempinski Nile Hotel Garden City Cairo	2021	578.0	720.7	1.6	41.2
Royal Maxim Palace Kempinski Cairo	2021	948.0	1,993.3	3.1	84.3
Kempinski Seychelles Resort Baie Lazare	2021	153.5	386.7	4.2	18.8
Palais Hansen Kempinski Vienna	2021	961.4	592.3	2.6	29.0
Sindhorn Kempinski Hotel Bangkok	2021	667.0	1,664.7	1.2	92.7
The Apurva Kempinski Bali	2021	671.2	1,866.6	0.196	83.6
Cabrits Resort & Spa Kempinski Dominica	2020	568.6	5,343.9	0.011	39.0
Çırağan Palace Kempinski Istanbul	2020	1,219.6	932.4	1.6	67.8
Grand Hotel Kempinski Riga	2020	565.4	729.1	23.3	21.5
Grand Kempinski Hotel Shanghai China	2020	135.3	365.1	0	18.0
Hotel Indonesia Kempinski Jakarta	2020	320.2	613.9	3.1	55.2
Kempinski Al Othman Hotel Al Khobar	2020	784.4	642.5	-	130.3

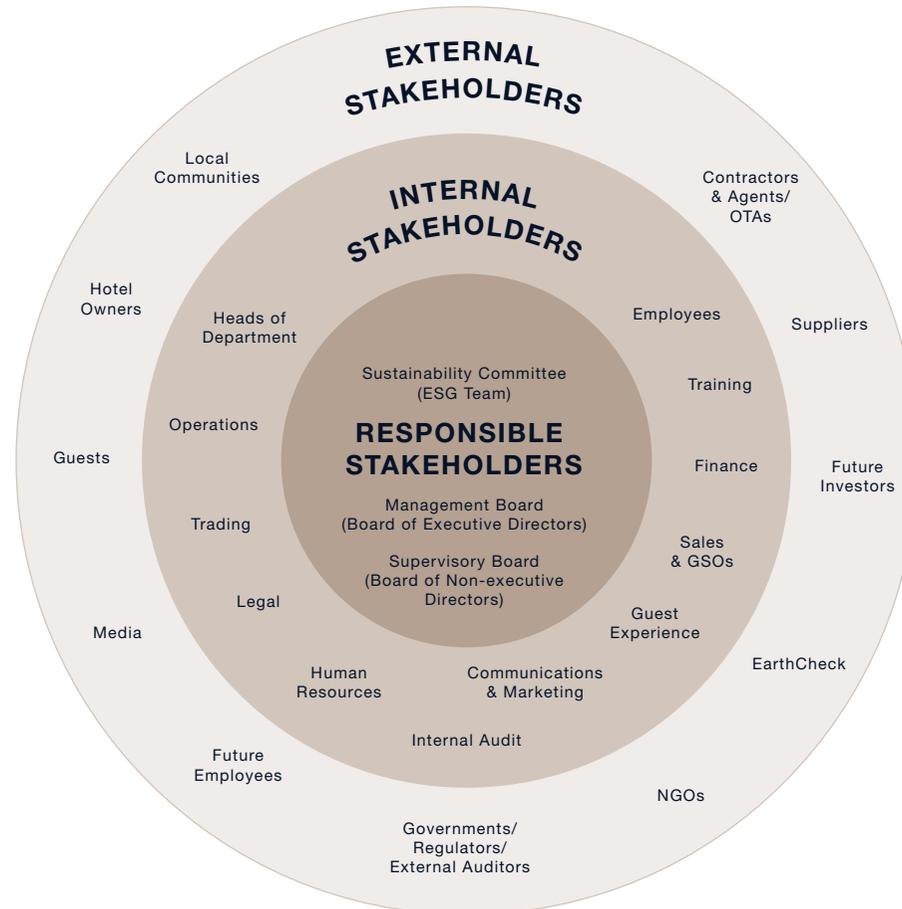
Hotel	Year	Energy (Consumption) MJ/Guest Night	Water (Portable Consumption) L/Guest Night	Waste (Sent to Landfill) L/Guest Night	Scope 1 & 2 GHG Emissions kg CO <sub>2</sub> -e/Guest Night
Kempinski Hotel Dalian China	2020	198.9	743.1	4.2	43.5
Kempinski Hotel Beijing Lufthansa Center China	2020	12,933.9	56,260.6	-	2,763.3
Kempinski Hotel Chengdu China	2020	467.7	1,151.3	7.6	27.0
Kempinski Hotel Grand Arena Bansko Bulgaria	2020	430.8	1,432.9	14.5	41.0
Kempinski Hotel Hangzhou China	2020	558.4	778.0	4.1	78.1
Kempinski Hotel Huizhou China	2020	447.3	1,740.4	0.043	38.4
Kempinski Hotel Muscat Sultanate of Oman	2020	243.3	457.6	8.2	50.8
Kempinski Hotel Nanjing China	2020	298.0	402.3	0.342	38.0
Kempinski Hotel Shenyang China	2020	711.1	1,496.7	8.0	64.7
Kempinski Hotel Shenzhen China	2020	300.0	974.2	0	31.9
Kempinski Hotel Soma Bay Red Sea Egypt	2020	383.0	1,623.4	1.4	40.6
Kempinski Hotel Taiyuan China	2020	401.2	754.2	0	34.4
Kempinski Residences & Suites Doha	2020	189.2	229.1	4.6	26.0
Kempinski The One Suites Hotel Shanghai Downtown	2020	209.4	768.0	8.1	30.5
Marsa Malaz Kempinski The Pearl Doha	2020	410.0	877.6	3.0	47.0
Siam Kempinski Hotel Bangkok	2020	1,267.1	2,902.7	10.4	153.8
Sunrise Kempinski Hotel Beijing & Yanqi Island	2020	1,270.2	1,624.8	0	143.7
Sunrise Kempinski Hotel Beijing & Yanqi Island – Accommodation – Villas	2020	5,874.2	1,055.5	0	562.2
The Capitol Kempinski Hotel Singapore	2020	341.5	475.8	1.4	46.9
Villa Rosa Kempinski Nairobi	2020	500.2	1,139.6	0.143	36.6
Kempinski Hotel Khan Palace Ulaanbaatar	2020	424.5	784.5	3.6	61.7
Kempinski Hotel Aqaba Red Sea Jordan	2020	326.5	751.7	0.292	46.1
Kempinski Hotel Xiamen China	2020	289.5	1,236.1	0.001	27.7
Kempinski Hotel Suzhou China	2020	758.1	4,532.6	0	184.7

Hotel	Year	Energy (Consumption) MJ/Guest Night	Water (Portable Consumption) L/Guest Night	Waste (Sent to Landfill) L/Guest Night	Scope 1 & 2 GHG Emissions kg CO <sub>2</sub> -e/Guest Night
Kempinski Hotel Guiyang China	2020	129.4	715.4	1.9	7.2
Djibouti Palace Kempinski Djibouti	2019	437.3	609.6	0	54.3
Gran Hotel Manzana Kempinski La Habana Cuba	2019	310.8	724.4	0.869	86.5
Grand Hotel Kempinski Vilnius	2019	214.8	285.0	-	0.255
Hotel Adlon Kempinski Berlin	2019	255.3	403.1	0	11.7
Kempinski Hotel Changsha China	2019	129.6	2,085.4	0.004	11.6
Kempinski Hotel Das Tirol Jochberg Kitzbühel Alps	2019	251.2	190.7	0	8.2
Kempinski Hotel Fuzhou China	2019	204.4	669.5	1.2	31.1
Kempinski Hotel Ishtar Dead Sea Jordan	2019	863.6	2,129.8	0.184	146.8
Kempinski Palace Portorož Istria Slovenia	2019	196.8	268.6	9.4	14.5
Kempinski Summerland Hotel & Resort Beirut	2018	637.1	1,281.4	16.0	97.6
Grand Hotel des Bains Kempinski St. Moritz	2018	114.5	314.1	2.5	1.2
Kempinski Hotel Bahía Marbella Estepona	2018	272.3	478.0	0.134	17.6
Kempinski Hotel San Lawrenz Gozo Malta	2016	193.2	116.7	2.0	37.4

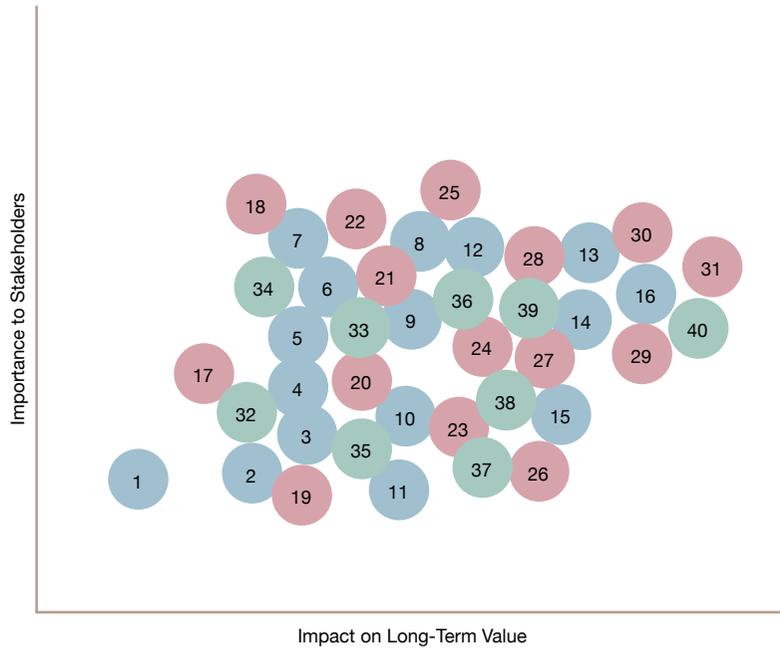


GRAPHICS

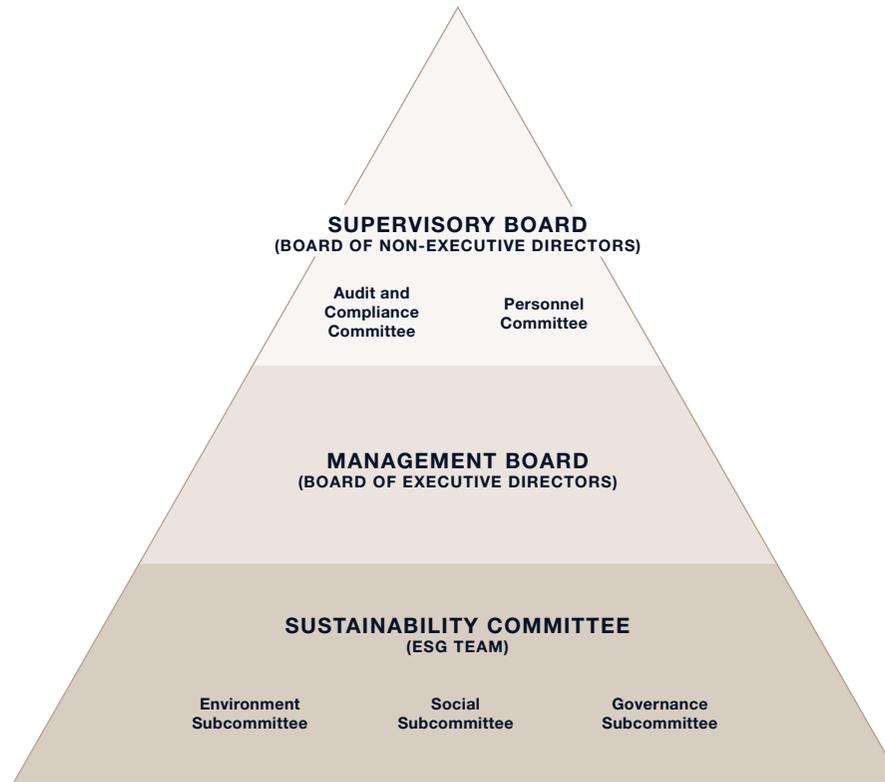
# Graphics

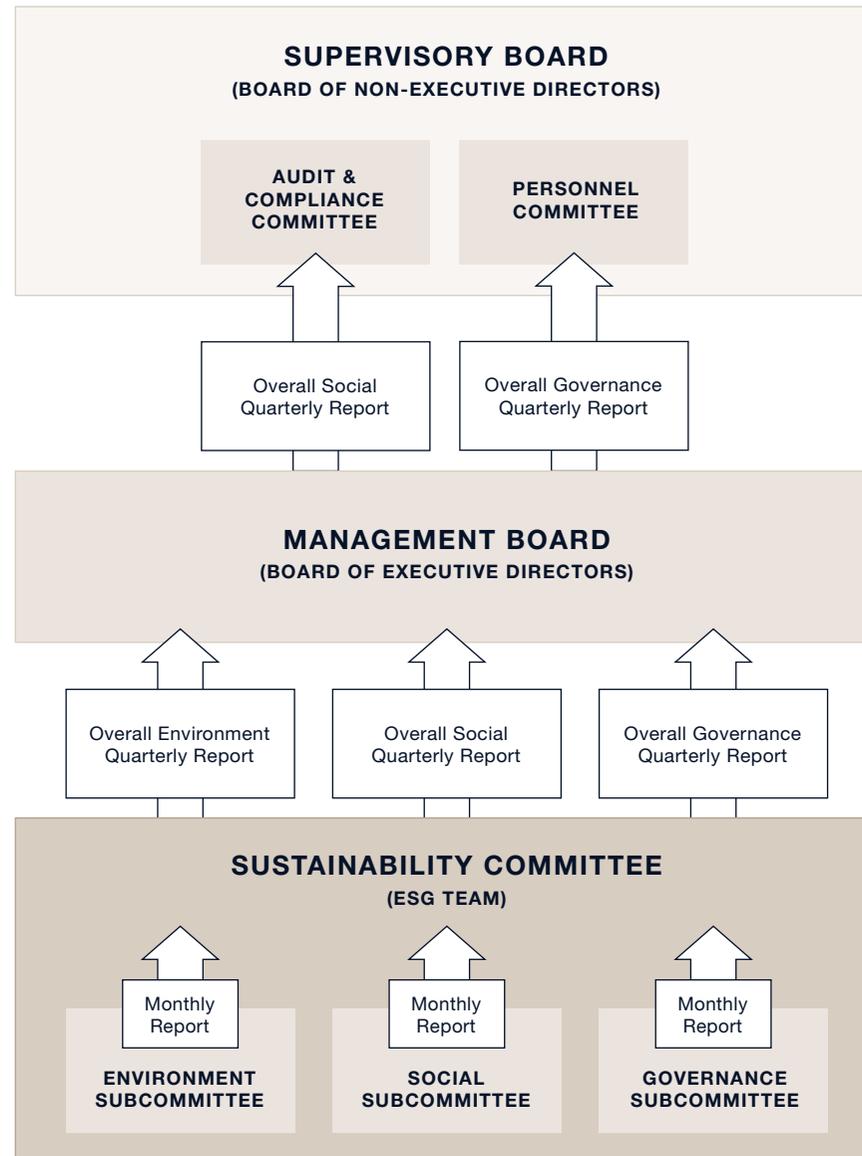


**MATERIALITY MATRIX**

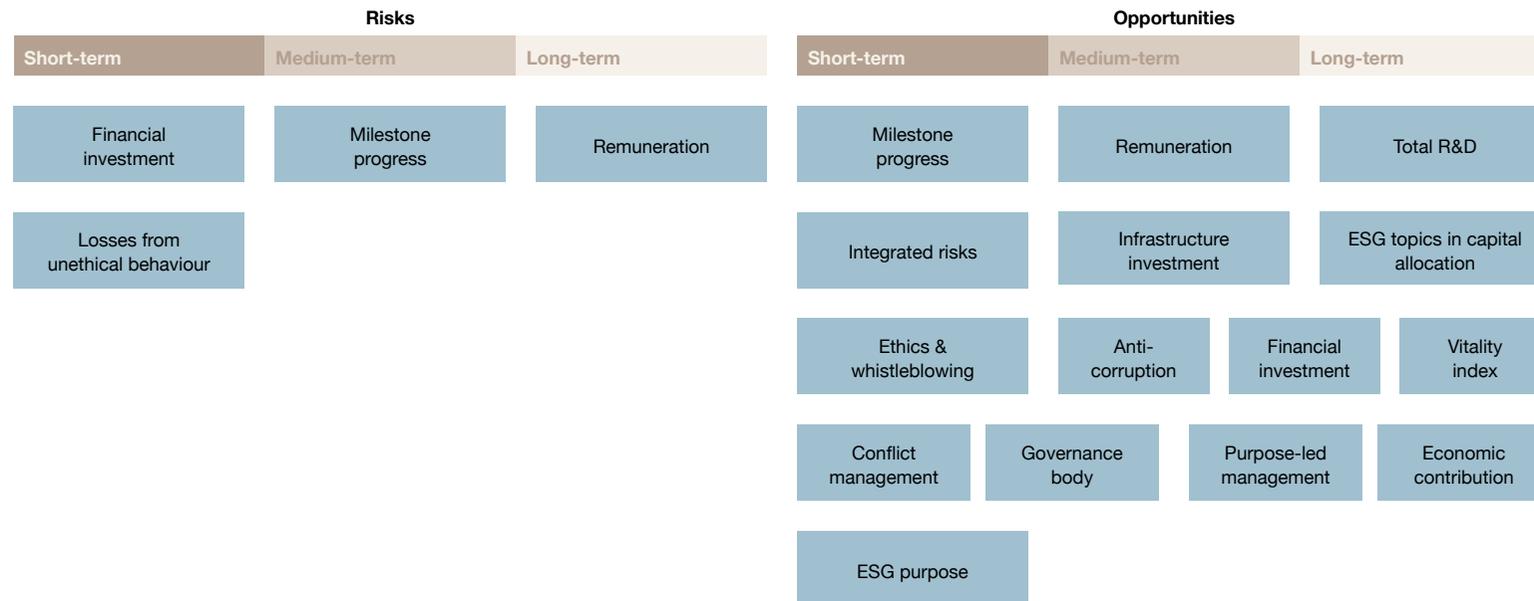


Governance	Social	Environment
1. Total R&D	17. Collective bargaining	32. Facilities in flood zones
2. Remuneration	18. Discrimination and harassment	33. Land use
3. Infrastructure investment	19. Unfilled skilled positions	34. Impact of GHG emissions
4. Milestone progress	20. Wage level	35. Impact of water consumption
5. Integrated risks	21. Pay equality	36. Energy management
6. Conflict management	22. Human rights	37. Water consumption
7. Losses from unethical behaviour	23. Work incidents	38. GHG emissions
8. Anti-corruption	24. Health & safety	39. Waste
9. Ethics & whistleblowing	25. Child, forced or compulsory labour	40. GHG emissions targets
10. Financial investment	26. Number and rate of employment	
11. ESG topics in capital allocation	27. Training and education	
12. Economic contribution	28. Diversity and inclusion	
13. ESG purpose	29. Social value	
14. Governance body	30. Employee wellbeing	
15. Vitality index	31. Total social investment	
16. Purpose-led management		





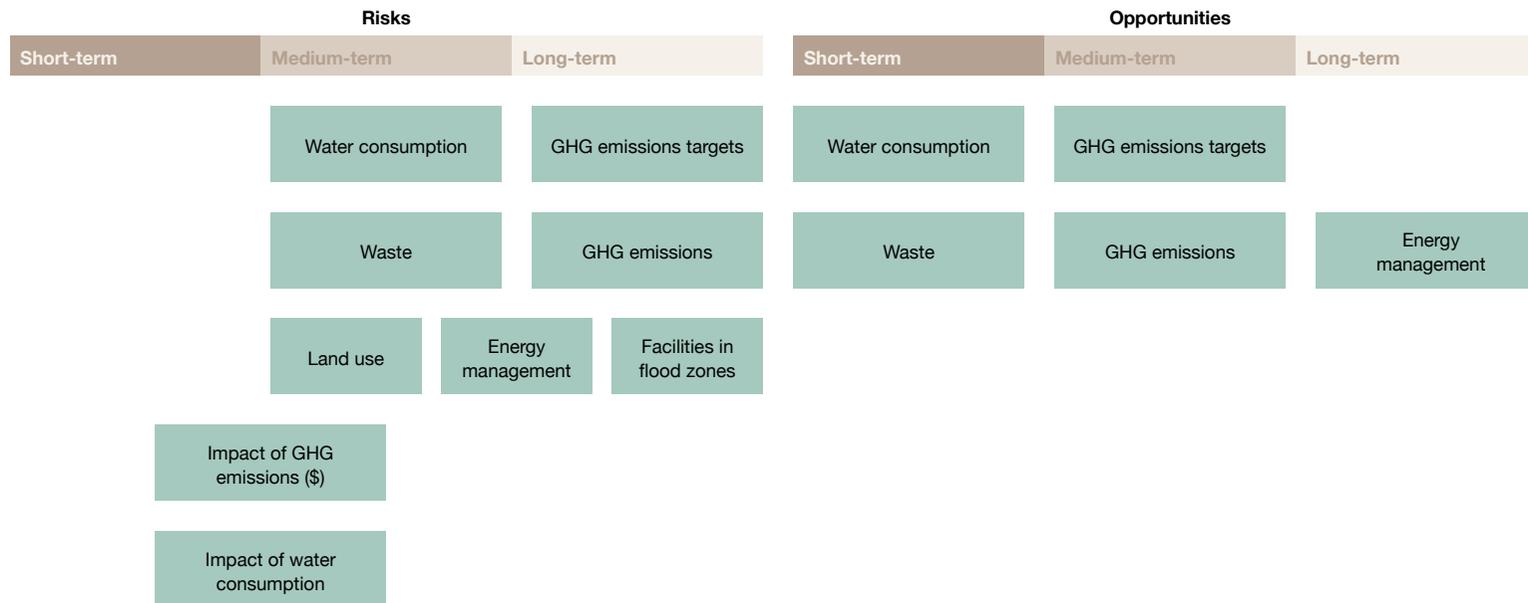
**GOVERNANCE ESG RISK & OPPORTUNITIES**

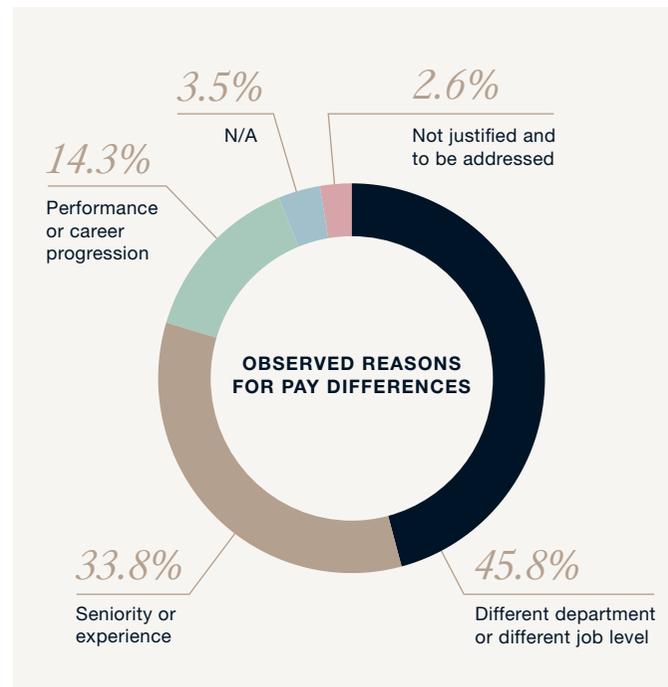


**SOCIAL ESG RISK & OPPORTUNITIES**

Risks			Opportunities			
Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term	
Health & safety	Unfilled skilled positions	Child, forced or compulsory labour	Training impacts	Training	Diversity & inclusion	Training
Number & rate of employment	Human rights		Child, forced or compulsory labour	Pay equality		Total social investment
Work incidents (\$)	Wage level		Collective bargaining	Training		Social value
			Employee wellbeing	Wage level		Employee wellbeing
				Training impacts (\$)		Number & rate of employment
				Employee wellbeing		Training impacts (\$)
				Child, forced or compulsory labour		
				Human rights		
				Discrimination & harassment		

**ENVIRONMENT ESG RISK & OPPORTUNITIES**





**PAY EQUALITY PER REGION**

REGION	PAY GAP	GENDER RATIO <sup>1</sup>
Middle East & Africa	-2.93%	0.97
Europe	-1.79%	0.98
Asia	-2.09%	0.98
The Americas	6.86%	1.07
<b>Grand total</b>	<b>-1.92%</b>	<b>0.98</b>

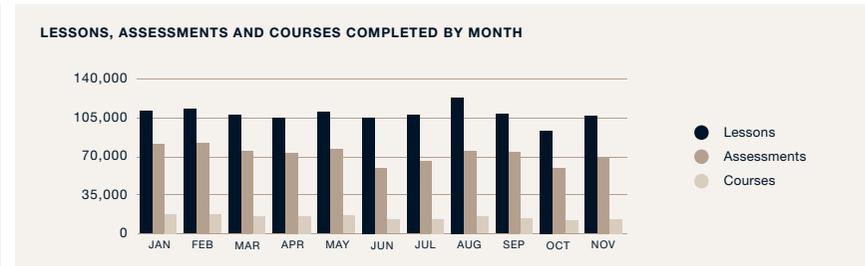
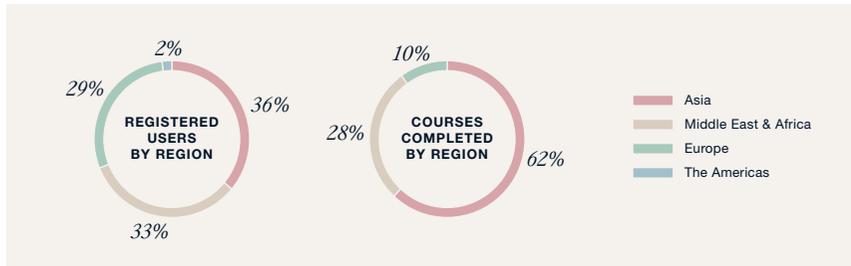
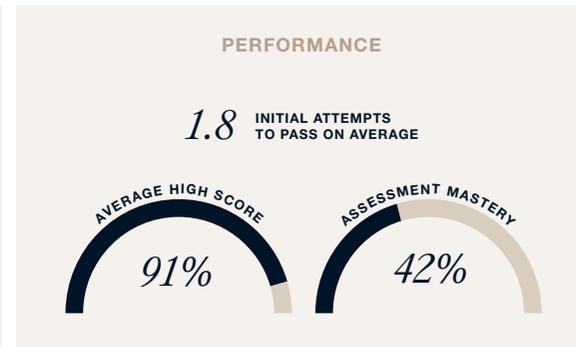
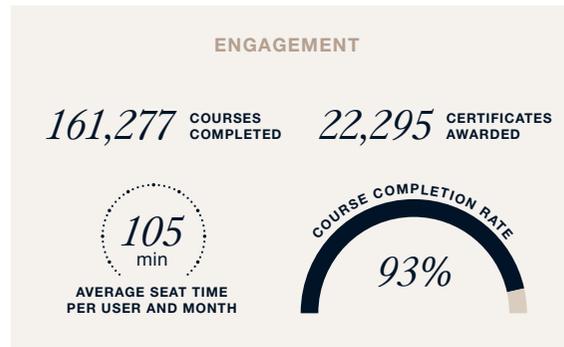
<sup>1</sup> Number of females per 1 male  
<sup>2</sup> Hotel Industry Rewards Group

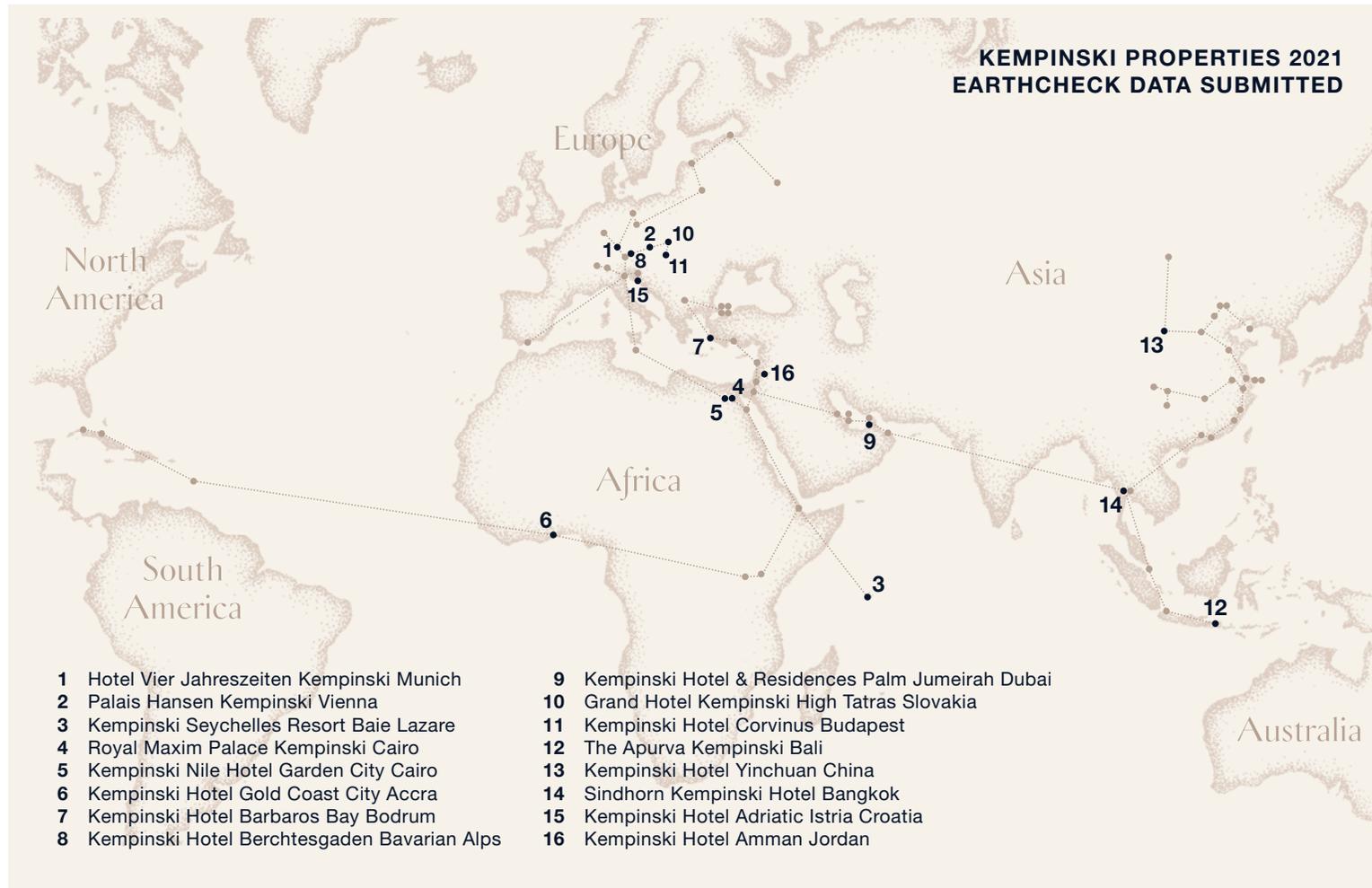
**PAY EQUALITY PER JOB LEVEL**

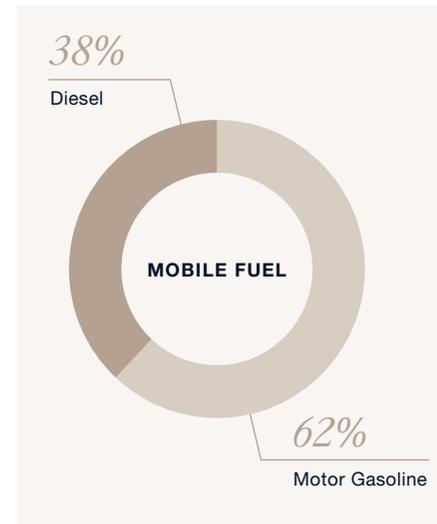
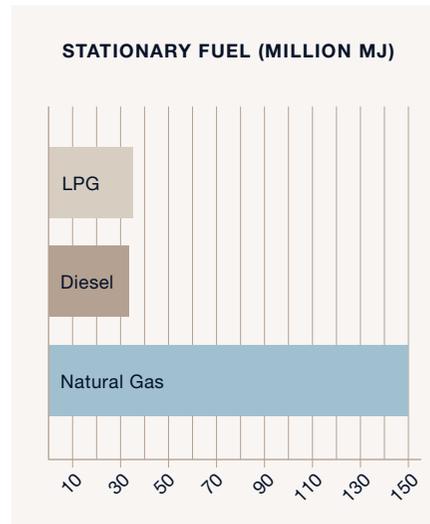
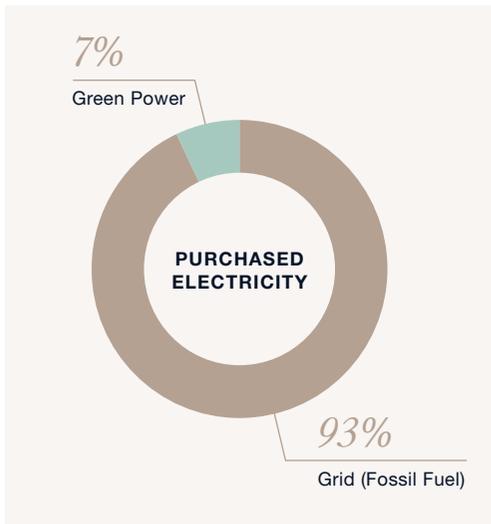
JOB LEVEL	HIRG <sup>2</sup>	PAY GAP	GENDER RATIO <sup>1</sup>
GM	10	-	-
ExCom	9	6.81%	1.07
ExCom	8	8.92%	1.09
HoD	7	-1.29%	0.99
Managers	6	-6.96%	0.93
Managers	5	-0.68%	0.99
Supervisors	4	-4.38%	0.96
Supervisors	3	-3.51%	0.96
Staff	2	-3.45%	0.97
Staff	1	-2.98%	0.97
<b>Grand total</b>		<b>-1.92%</b>	<b>0.98</b>

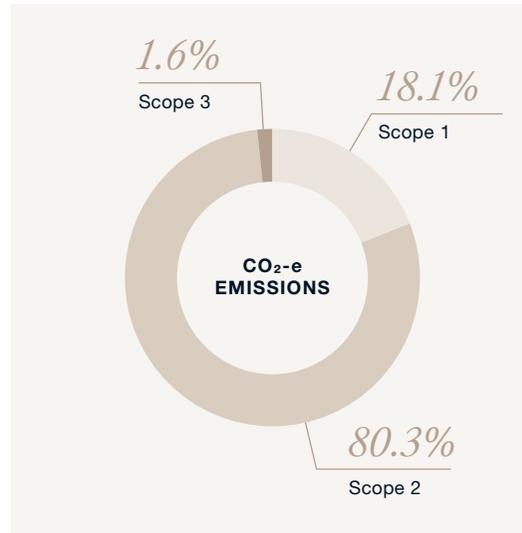


**GLOBAL LEARNING ACTIVITY & PERFORMANCE**









**2021 KEMPINSKI EMISSIONS  
TOTAL PER SCOPE**

EMISSIONS SCOPE	TOTAL (KG CO <sub>2</sub> -e)
Scope 1	12,030,958
Scope 2	53,331,108
Scope 3	1,053,617
	<b>66,415,683</b>



68%

Average reduction  
in food waste by value



38,000

Average number of meals  
saved annually per site



USD  
63,000

Average annualised food cost  
saved per site



USD  
5,500

Average annual cost of  
investment per site



65,000 kg

Average CO<sub>2</sub> emissions  
saved monthly per site

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The level of success in attaining results from all actions, events and programmes mentioned in this document depends upon a number of factors, including the business environment, key performance indicators and goals, partners, tactical or seasonal promotions, destinations and audience, distribution channels and the market situation. Because these factors differ according to each hotel and/or region, Kempinski does not guarantee the trading results and/or ability to earn revenue through these initiatives and actions.

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