



ENVIRONMENTAL, SOCIAL & GOVERNANCE

REPORT 2022

Kempinski

HOTELIERS SINCE 1897

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CEO MESSAGE

The world is transforming at exceptional speed. While this brings positive developments, it also presents new and evolving challenges. For us at Kempinski, sustainability is a prominent and urgent presence on this list.

We have embraced the challenge of becoming more sustainable and have been thriving to make a meaningful impact on the company's immediate ecological and social environment, all while ensuring our financial continuity. In its 125-year history, Kempinski has consistently translated challenge into opportunity. We have built resilient foundations from which our hotels have been able to deliver triple bottom line to all stakeholders and success to the company.

We have formalised this vision through our ESG strategy, which is designed to show our guests, employees, and investors how we intend to progress as a sustainable business resilient to the challenges of the modern world and beyond.

As the next step in this journey, I am happy and proud to present the Kempinski Environmental, Social & Governance (ESG) Report 2022.

Now in its second year, the ESG Report embodies our determination to constantly improve against our sustainability objectives and hold ourselves accountable

against best-in-class guidance from global bodies such as the World Economic Forum and United Nations Global Compact.

Across the past 12 months, we've continued to drive significant progress on our sustainability agenda. We have delivered improved performance across several key performance metrics, including the efficiency of energy output, potable water, and landfill waste and other big issues. We've also reduced soap waste and plastic usage, thanks to targeted initiatives rolled out across our hotels.

There remains work to be done, but by gradually embedding sustainability into every area of Kempinski, we're moving in the right direction to drive positive change across the wider five-star hospitality sector. I would like to thank our Sustainability Committee for driving this report forward with the support of all our hotels.

With a constellation of 82 hotels across 34 countries in 2022, and a healthy pipeline of hotels and residences to add in the coming years, we remain relentless in our

dedication to providing world-class luxury that doesn't come at the cost of the environmental and societal well-being of the world we operate in.



BERNOLD SCHROEDER
CHIEF EXECUTIVE OFFICER, KEMPINSKI GROUP CHAIRMAN
OF THE MANAGEMENT BOARD OF KEMPINSKI AG

INTRODUCTION

Our industry currently contributes 1% to total global carbon emissions – a significant figure that will only rise if increasing guest numbers are not offset by integrating dedicated, holistic sustainability practise into corporate strategy.

This ethos guides us. As a team, together with our professional partners, we are committed to delivering measurable Environment Social and Governance impact by producing a framework that integrates Kempinski's sustainability strategy into tangible corporate and hotel initiatives, KPIs and actions to achieve them. While we are still in the early stages of this journey, we are achieving positive progress to create social

and economic value from our internal and external stakeholders' perspectives.

Our annual ESG Report is an opportunity to celebrate the wins, reflect on what could have been done better and identify key opportunity areas for the years ahead. Some areas have been more challenging to attain progress in 12 months, such as emissions, but

we acknowledge that this is part of the sustainability journey and will strive to use learnings to improve moving forward.

This report also allows us to sincerely thank every ESG-committed hotel team and our professional partners engaged to succeed collectively in the paradigm shift for tomorrow's generation.

**HADRIAN
BELTRAMETTI
WALKER**
EXECUTIVE VICE
PRESIDENT, GENERAL
COUNSEL & INTERIM
COMPANY SECRETARY

**MELISSA
SALIBI**
CHIEF HUMAN
RESOURCES OFFICER

**NOEL
ATTARD**
CHIEF EXECUTIVE
OFFICER,
KEMPINSKI TRADING

**ANNE MARIE
BETTEX-BAARS**
MANAGING DIRECTOR,
BE HEALTH

**SERGE
KOSTRZEWSKI**
CORPORATE
CHIEF ENGINEER

**JULIANE
SCHULZ**
VICE PRESIDENT
INTERNAL AUDIT

**MARC
FELLER**
SENIOR DIRECTOR
CUSTOMER EXPERIENCE

**SARAH
WATTERSON**
GLOBAL OPERATIONS
MANAGER, RESENSE SPA

1.
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.

In 2022, the Kempinski Group operates 82 hotels and residences in 34 countries and has 30 prominent 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 CSR solution to offer vulnerable people in hotels' local communities health prevention, health support and/or care. 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.



Resense



KEMPINSKI
TRADING
SINCE 1862



2.

SUSTAINABILITY HIGHLIGHTS

2. SUSTAINABILITY HIGHLIGHTS

Kempinski continues to honour our long tradition of sustainability in 2022. Building upon our successful modernisation of comprehensive sustainability management, Kempinski strives to be an industry leader in a transitioning global economy while paying due respect to our legacy as Europe's oldest luxury hotel group.

Kempinski has formalised its engagement for sustainability in 2021 with its first ESG report, and has taken the next steps to mature our processes. By embedding ESG into our corporate purpose and engaging with our stakeholders on material ESG impacts, we are committed to continual progress toward our goal of becoming a touchstone for best practise that provides an example for the rest of our industry.

82 PROPERTIES

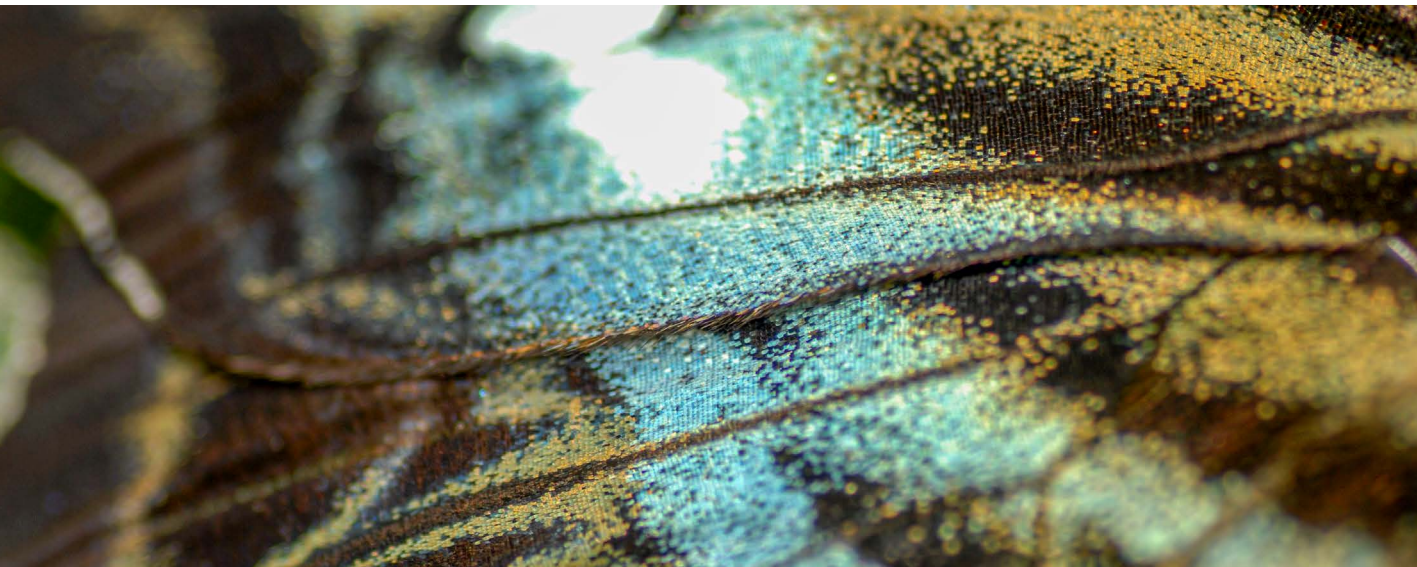
34 COUNTRIES

30 PROPERTIES (PIPELINE)

22,500 EMPLOYEES

20,841 ROOMS

4.56M GUESTS



2.1 Sustainability Performance

	MEASURED HOTELS	ROOMS OCCUPIED	TOTAL GUESTS
2021	16	531,887	841,789
2022	58	2,790,135	4,566,116
INCREASE	+280%	+425%	+442%

As shown in the above table, the number of measured member hotels has significantly increased during the past 12 months. Simultaneously, hotels’ occupancy rose substantially from 2021 to 2022, which furthermore includes food costs growth.

Therefore, the above numbers obviously enlighten the ascending 2022 consumption and emissions levels.

MEDIAN PROPERTY PERFORMANCE	ENERGY (MEGAJOULES/GUEST-NIGHT)	EMISSIONS SCOPE 1+2 (KILOGRAMS CO2-E/GUEST-NIGHT)	POTABLE WATER (LITRES/GUEST-NIGHT)	LANDFILL WASTE (LITRES/GUEST-NIGHT)
2021 MEDIAN	671	41	704	2.6
2022 MEDIAN	432	47	701	0.8
IMPROVEMENT	36%	-14%	0.4%	71%

The median performance across all Kempinski data for the years 2021 and 2022 can be interpreted as the performance of a typical Kempinski hotel member in either year. With an increase from 16 to 58 hotels measured in this area, out of the 66 total hotel members in 2022, a substantial variation between 2021 and 2022 was expected. In 2022, the median performance was better for all indicators except emissions, which

will be clarified further in this report (page 61). The emissions included in the above table are only direct (scope 1) and indirect (scope 2). Data extraction on scope 3 emissions, such as freight and landfill emission, is still challenging due to the wide range of sources, but will be integrated in the next ESG report.

MEDIAN PROPERTY CONSUMPTION	ENERGY (MEGAJOULES)	SCOPE 1+2 (KILOGRAMS)	POTABLE WATER (LITRES)	LANDFILL (LITRES)
2021 TOTAL	26,918,744	2,879,531	40,674,000	48,367
2022 TOTAL	42,245,215	4,275,885	73,765,035	67,795
% IMPROVEMENT	-57%	-48%	-81%	-40%

This second table shows the median total consumption across all Kempinski data for the years 2021 and 2022. It can be interpreted as the consumption of a typical Kempinski member in either year. As with the table above, we would expect to see some variation between years. The median total consumption of Kempinski members

increased for all indicators. The total consumption increased, while the performance decreased, which is clearly due to the increase of the number (and size) of properties and, therefore, collected data.

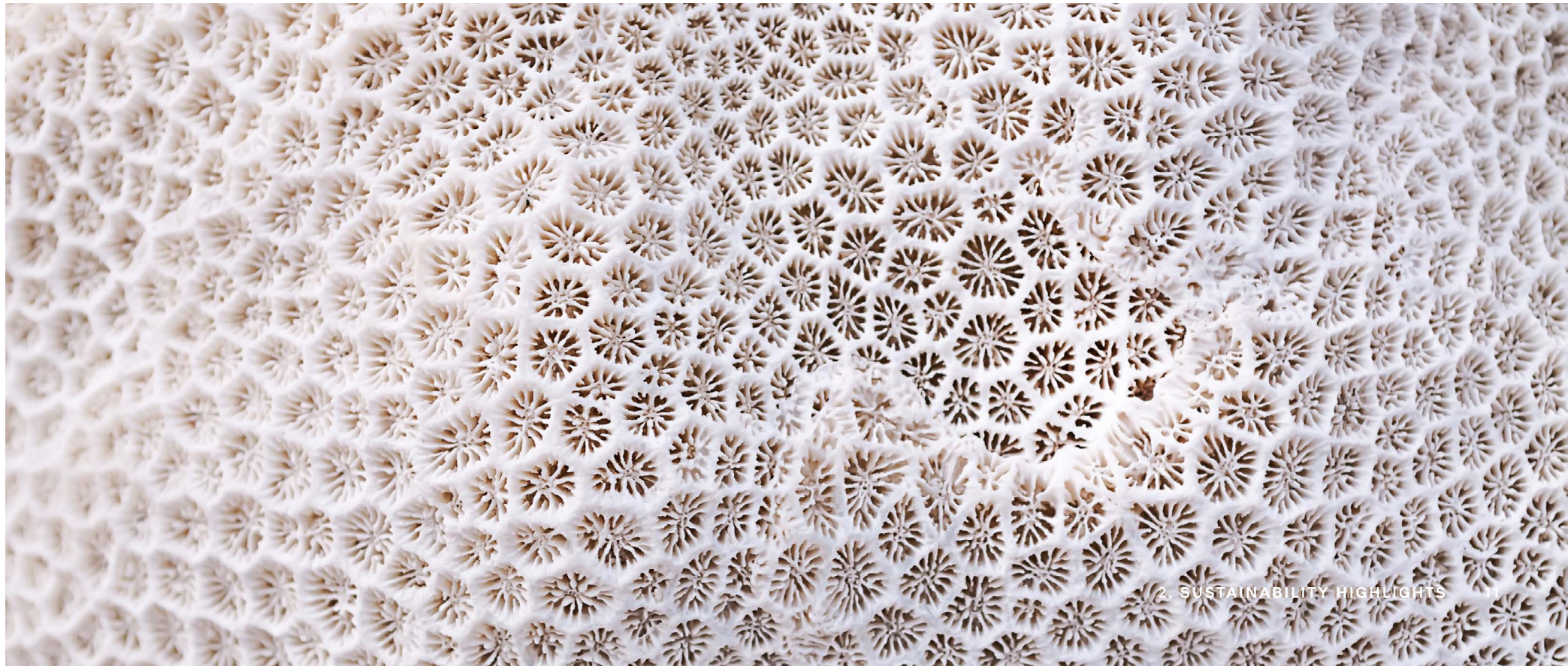


	CLEAN THE WORLD	WOODEN KEYS
2021	<p>4,146</p> <p>SOAP BARS DONATED</p>	<p>933kg</p> <p>WASTE AVOIDED</p>
2022	<p>17,286</p> <p>SOAP BARS DONATED</p> <p>2022 (317% INCREASE)</p>	<p>5,129kg</p> <p>WASTE AVOIDED</p> <p>2022 (450% INCREASE)</p>
		<p>723kg PLASTIC AVOIDED</p> <p>17 HOTELS (24% PORTFOLIO)</p>
		<p>1,482kg PLASTIC AVOIDED (105% INCREASE)</p> <p>29 HOTELS (35% PORTFOLIO)</p>

2.2 Awards and Recognition

In 2022, 66 Kempinski properties were engaged with EarthCheck, our international sustainable tourism advisory partner, while 58 out of these 66 hotels were measured from an environment perspective. EarthCheck helps to improve efficiencies, maximise the guest experience and minimise environmental footprint. We are proud that in 2022, two Kempinski hotels achieved Gold Certified status, 15 hotels achieved Silver Certified and 22 hotels were Benchmarked Bronze.

Furthermore, Kempinski was granted with Forbes World's Best Employers Award for 2022 in addition to the Gallup Excellence Workplace Award 2022.



3.

KEMPINSKI APPROACH TO ESG

3.1 ESG Purpose

To reduce, reuse, refine and re-establish. These are our guiding principles that underpin our goal to embody holistic sustainability through engagement, innovation and leadership.

3.2 Overview

In line with our purpose, sustainability is Kempinski's method to bridge our proud heritage with a successful and resilient future that meets the needs of all.

While sustainability has long been a consideration for Kempinski properties that is a component of world-class hospitality, our focus has been sharpened in recent years to prioritise sustainability performance that delivers measurable impacts.

Kempinski relies on global best practice to guide the strategy and implementation of our approach

to sustainability. This involves the incorporation of material ESG (Environment, Social, Governance) impacts into the strategy vision at the highest levels of management through to the day-to-day delivery of the finest service for our guests. These impacts are aligned with the guidance of the Taskforce for Climate-related Financial Disclosure (TCFD), Sustainability Accounting Standards Board (SASB), World Economic Forum's four Pillars of ESG and the United Nations Global Compact.



3.3 Sustainability Partnerships

in line with our commitment to maximise sustainable impact and supporting the United Nations Sustainable Development Goals (SDGs), Kempinski prioritises partnerships to deliver innovation and results. We have a long history of identifying and collaborating with many partner organisations and causes to expand our capacity and reach to make a positive impact.



BE HEALTH

BE Health is an encompassing corporate social responsibility programme for Kempinski hotels wishing to empower people to protect themselves against communicable and non-communicable diseases through personal behaviour alteration and early disease detection. In close collaboration with the individual hotel, BE Health builds therefrom prevention and people caring initiatives framed by quality, monitoring and evaluation standards. Our CEO, Bernold Schroeder, serves as the Chairman of the Board for BE Health, while Anne-Marie Bettex-Baars, Managing Director at BE Health, also serves on the Kempinski ESG Team as a member of the Social sub-committee.



CLEAN THE WORLD

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



EARTHCHECK

EarthCheck is the world's leading scientific benchmarking, certification and advisory group for travel and tourism. Since 1987, they have 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.



IMPACT COOPERATIVE

Impact Cooperative exists to facilitate measurable sustainability outcomes for corporate clients. By prioritizing education and empowerment, facilitates engagement between clients and stakeholders with multidisciplinary expertise built on scientific research and real-world practice. Kempinski has partnered with Impact Cooperative to design and implement our stakeholder engagement programme designed to involve internal and external stakeholders in the process of defining Kempinski’s material ESG issues and identifying priority areas for future ESG strategy.



BRITA

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



FERRAGAMO

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 set science-based targets to reduce greenhouses gas emissions in line with the level required to prevent the most damaging effects of climate change. Kempinski Hotels are proud to work with a company which brings sustainability to the forefront.



MÜHLDORFER

Being a vertical manufacturer, all steps in production and treatment of Mühlendorfer bedding are done on their own facilities, in an environmentally friendly way with natural down detergent and steamed. The duvets and pillows are carefully made and finished using ecologically cultivated cotton which is tested for harmful substances. Its natural qualities comply with the stringent standards of the "Eco-Tex Standard 100". Thanks to our partnership with Mühlendorfer, we know that Kempinski Hotel guests will enjoy their peaceful night' sleep, in harmony with the environment.



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. With its Sustainability Manifesto, the Lavazza Group has declared its commitment to helping achieve the Sustainable Development Goals of the United Nations’ Agenda 2030.



DIVERSEY

As our partner in the Linens for Life Face Masks programme and cleaning and hygiene products, Diversey’s mission is to protect and care for people and their environment every day by pioneering future-focused solutions. Throughout the course of Diversey’s more than 100 years of providing revolutionary cleaning and hygiene technology, they have demonstrated that protecting and improving the environment is good for business. 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.



GOOGLE

Kempinski migrated its global email and workspace to Google Cloud over a decade ago. By creating efficient data centres, Google is accelerating their transition to carbon-free energy, creating sustainable workplaces, building sustainable devices and services, and empowering users with technology to help ensure a cleaner, healthier future for generations to come. On average, a Google data centre is twice as energy efficient as a typical enterprise data centre and continues to improve their environmental performance even as demand for their products has risen. Now, they are carving a path forward to pursue net-zero emissions across their operations and value chain by 2030, supported by an ambitious goal to decarbonize their electricity supply completely and run all offices and data centres on 24/7 carbon-free energy.



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 Kempinski’s 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 centres to business intelligence to smart utility grids. We are proud to use Oracle technology across our hotels and corporate headquarters.



SABRE

As Kempinski’s partner in hotel booking technology and as the leading technology provider to the global travel industry, Sabre’s mission is to drive positive social and environmental change together with their employees and customers. Their corporate responsibility goals are to increase their employee volunteer participation; provide training and awareness on human trafficking issues; collaborate with stakeholders; and leverage their travel technology leadership to strengthen the industry’s collective impact on society. Examples of their efforts include their signature Passport to Freedom programme, their Give Time Together and Give Together global employee programme, and environmental sustainability. We look forward to continued collaboration with SABRE.



AYDEN

Building an ethical business isn’t optional. Adyen, our payment gateway provider, focused on building a robust sustainability framework to grow from. In 2019, they compensated for all greenhouse gases emitted in their

operations since starting Adyen in 2006. They did this by purchasing credits from third-party verified emissions reduction projects - also known as "carbon offsets". These projects focus on reforestation, generating solar energy and the capturing of methane gases from landfills so they don't enter the atmosphere. We look forward to a successful collaboration



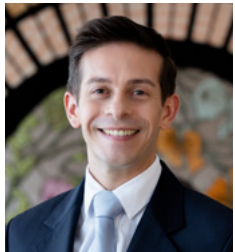
VIRTUOSO – SUSTAINABILITY COMMUNITY

In 2020, Kempinski was invited to join Virtuoso’s Sustainability Community. Virtuoso is committed to protecting natural and cultural heritage for future generations. Their three intentions are to highlight partners who 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 us to exchange sustainability initiatives and ideas among Virtuoso’s partners and advisors. Kempinski are looking forward to the many new opportunities which will arise as a result of this collaboration.

3.4 Sustainability Committee

At Kempinski, we understand that sustainability cannot be achieved without transparency and accountability. We have dedicated a multi-talented team to serve on our Sustainability Committee. The committee is made up of three sub-committees: Corporate, Social and Environment. Each sub-committee member is tasked with a vital role to manage the performance of Kempinski’s material ESG impacts.



HADRIAN BELTRAMETTI WALKER
EXECUTIVE VICE-PRESIDENT & GENERAL COUNSEL, 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



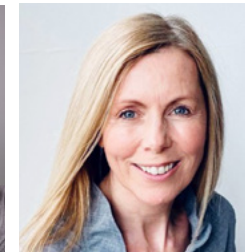
SERGE KOSTRZEWSKI
CORPORATE CHIEF ENGINEER
SUBCOMMITTEE: ENVIRONMENT



JULIANE SCHULZ
VICE PRESIDENT INTERNAL AUDIT,
SUBCOMMITTEE: GOVERNANCE



MARC FELLER
SENIOR DIRECTOR CUSTOMER EXPERIENCE
SUBCOMMITTEE: ENVIRONMENT

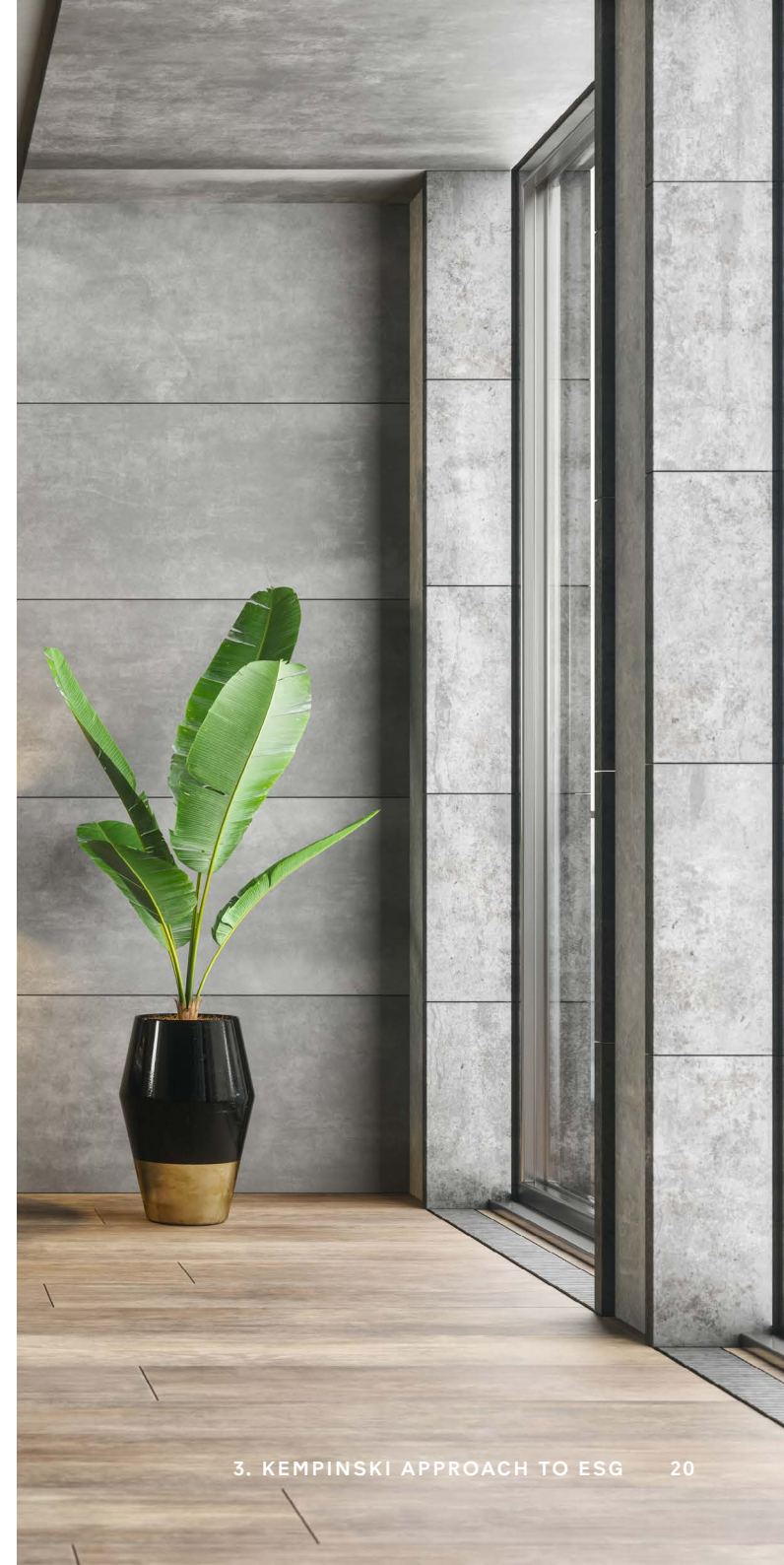


SARAH WATERTSON
GLOBAL OPERATIONS MANAGER, RESENSE SPA
SUBCOMMITTEE: ENVIRONMENT

3.5 Our Stakeholders

An important lesson learned throughout Kempinski's long history is that success is achieved by taking care of those most important to you. This spirit carries over to our sustainability management through the special role of our stakeholders. The very first step Kempinski took to modernise our approach to sustainability involved identifying our stakeholders and understanding our relationship. These relationships and shared priorities are the foundation for all of Kempinski's material impacts, sustainability management and long-term goals.

To ensure that we are always improving our stakeholder engagement and incorporating all critical perspectives, Kempinski has updated our stakeholder map in 2022 to best reflect the current snapshot of our unique operating environment. Stakeholders are classified as belonging to one of three categories: External, Internal and Responsible.



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 | ♦ Local Communities | ♦ Future Employees | ♦ EarthCheck |
| ♦ Guests | ♦ Contractors/Agents/OTAs | ♦ Media | ♦ Farnek |
| ♦ Suppliers | ♦ Governments/Regulators/
External Auditors | ♦ Local energy
and water providers | |
| ♦ Manufacturers | ♦ Non-government Organisations | ♦ Future Investors | |

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.

- | | | | |
|--------------------------------------|--------------------|------------------------------|--|
| ♦ General Managers | ♦ Employees | ♦ Internal Audit | ♦ Food & Beverage |
| ♦ Regional & Area Teams | ♦ Operations | ♦ Finance | ♦ Housekeeping |
| ♦ ESG Hotel Coordinator/
Champion | ♦ Trading | ♦ Human Resources | ♦ Engineering |
| ♦ ESG Committee | ♦ Guest Experience | ♦ Legal | ♦ Site Management/
Asset Management |
| ♦ Heads of Departments | ♦ Training | ♦ Communications & Marketing | |
| | ♦ Sales/GSO | ♦ Purchasing | |

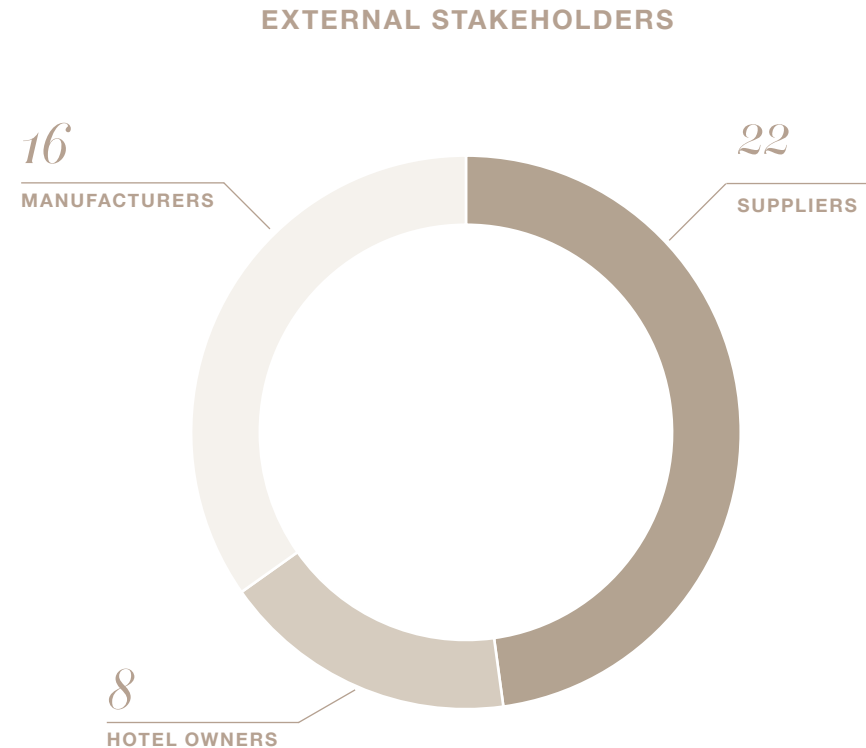
Responsible Stakeholders

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 [insert page number(s)].

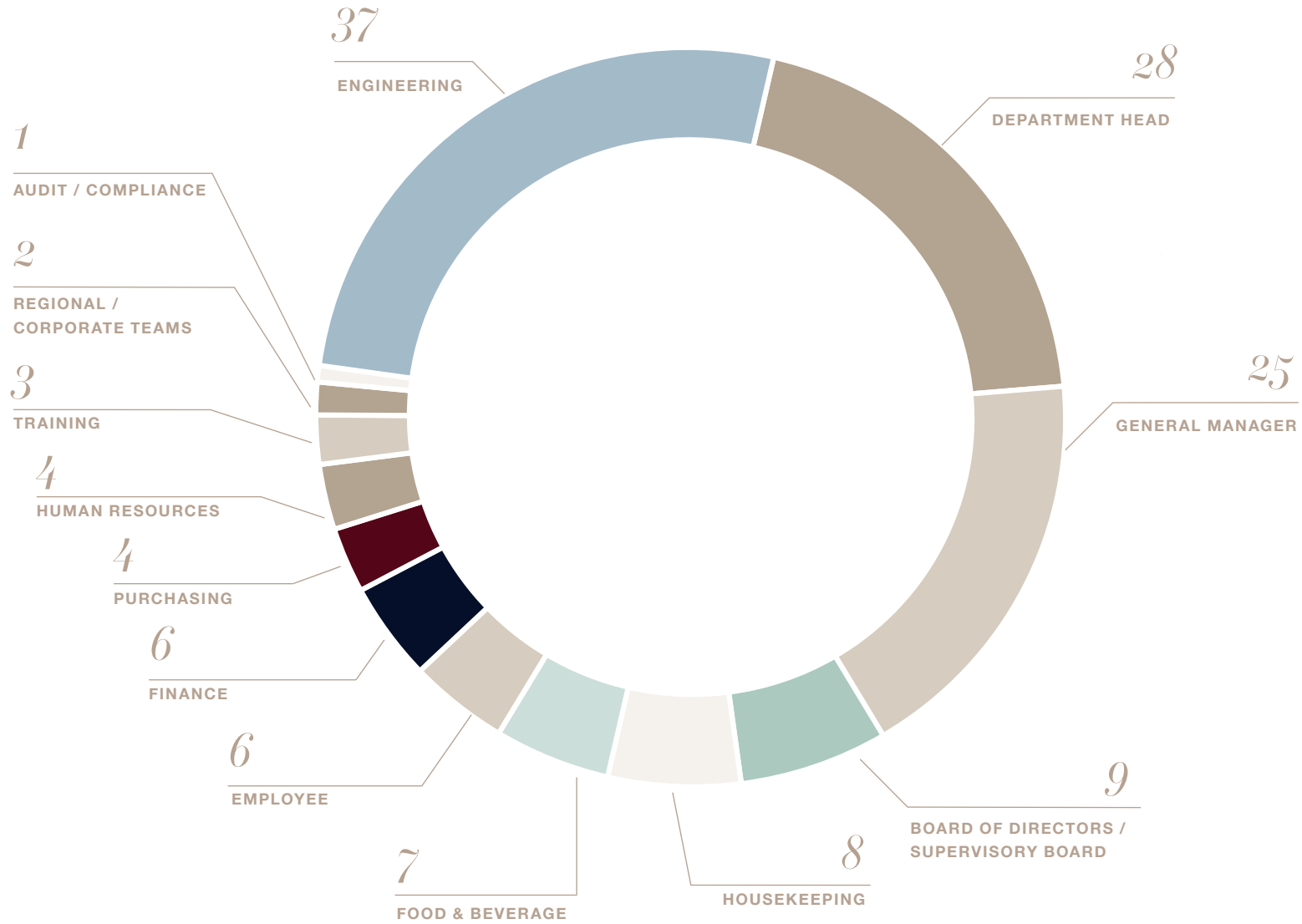
3.6 Stakeholder Engagement

A corporate stakeholder engagement system typically involves a structured approach to identifying and engaging with stakeholders. This can include a range of activities, such as conducting surveys and focus groups, holding stakeholder consultations and meetings, and providing regular updates and feedback on company performance. An effective stakeholder engagement system also involves clear communication channels and mechanisms for stakeholder feedback and input. By implementing a robust stakeholder engagement system, companies can build stronger relationships with their stakeholders, enhance their social license to operate, and ultimately achieve long-term business success.

A critical target for Kempinski’s sustainability management this year has been to open the lines of communication with various stakeholder groups to solicit their feedback on the material ESG impacts of Kempinski. A systematic approach was taken to identify key stakeholder groups likely to engage on sustainability topics, determine the best channel for engagement and create an effective survey to collect useful input. In total, Kempinski received 164 responses from 16 stakeholder categories. Three external stakeholder groups were targeted for an initial engagement survey due to the clearly established relationships and direct points of contact: Suppliers, Hotel Owners and Manufacturers. All Kempinski employees with company emails were invited to provide a response to the survey. 13 internal stakeholder groups provided input. The distribution of responses can be seen below:



INTERNAL STAKEHOLDERS



With the intention of continuing to improve and expand stakeholder engagement over the coming years, Kempinski sought to establish a system to build strong, lasting relationships with its stakeholders. The system asks stakeholder to evaluate all material ESG impacts previously identified by Kempinski. There are 43 material impacts in total [see METRICS & TARGETS DETAIL]. To evaluate stakeholder considerations for ESG impacts, the survey asked respondents to rate each impact independently on a four-part scale: “High Concern,” “Moderate Concern,” “Low Concern” or “No Concern.” Additionally, there were four opportunities for open-ended responses; one for each of the impact categories environment, social and governance as well as an overall response.

OVERALL		INTERNAL		EXTERNAL	
Impact	Score	Impact	Score	Impact	Score
Energy management	3.24	Protected ethics reporting	3.54	Energy management	3.19
Waste	3.16	Health & safety	3.54	Waste	3.09
Water consumption	3.07	Child, forced or compulsory labour	3.52	Water consumption	3.03
Impact of water consumption	3.06	Anti-corruption	3.50	Impact of freshwater consumption	3.00
GHG emissions	2.96	Purpose-led management	3.48	Impact of land use conversion	2.86
Health & safety	2.96	ESG purpose	3.46	GHG emissions	2.86
TCFD implementation	2.93	EES topics in capital allocation	3.37	TCFD implementation	2.84
Impact of GHG emissions	2.91	Employee wellbeing	3.37	Impact of GHG emissions	2.80
Protected ethics reporting	2.89	Energy management	3.37	Supply chain land use	2.80
ESG purpose	2.87	Material issues for stakeholders	3.33	Land use	2.79
Anti-corruption	2.87	Pay equality	3.33	Health & safety	2.73
Employee wellbeing	2.87	Waste	3.33	Employee wellbeing	2.67
Impact of land use conversion	2.87	Losses from unethical behaviour	3.30	Pay equality	2.65
Land use	2.87	Integrated risks	3.28	ESG purpose	2.64
Purpose-led management	2.85	Human rights	3.28	Protected ethics reporting	2.64
Pay equality	2.84	Milestone progress	3.26	Anti-corruption	2.63
Supply chain land use	2.82	Impact of water consumption	3.22	Wage level	2.63
Integrated risks	2.79	Total R&D	3.22	Integrated risks	2.60

Milestone progress	2.79
Wage level	2.79
Losses from unethical behaviour	2.78
Training provided	2.76
Discrimination & harassment	2.76
EES topics in capital allocation	2.75
Child, forced or compulsory labour	2.75
Material issues for stakeholders	2.73
Unfilled skill positions	2.71
Social value	2.70
Pay gap	2.70
Diversity & inclusion	2.69
Infrastructure investment	2.68
Impacts of training	2.68
Human rights	2.68
Financial investment contribution	2.66
Total R&D	2.66
Remuneration	2.65
Governance body	2.65
Number and rate of employment	2.65
Work incidents	2.63
Collective bargaining	2.60
Vitality Index	2.59
Facilities in flood zone	2.59
Total social investment	2.57
Average Score	2.79

GHG emissions	3.22
Impact of GHG emissions	3.22
Social value	3.20
Wage level	3.20
Governance body	3.17
Infrastructure investment	3.17
Discrimination & harassment	3.17
Water consumption	3.17
Diversity & inclusion	3.17
Training provided	3.17
TCFD implementation	3.15
Impact of work-related accidents	3.09
Remuneration	3.09
Unfilled skill positions	3.07
Land use	3.07
Collective bargaining	3.04
Pay gap	3.00
Impacts of training	2.98
Total social investment	2.98
Vitality Index	2.91
Financial investment contribution	2.89
Supply chain land use	2.89
Number and rate of employment	2.89
Impact of land use conversion	2.87
Facilities in flood zone	2.59
Average Score	3.19

Purpose-led management	2.60
Milestone progress	2.60
Training provided	2.60
Discrimination & harassment	2.59
Pay gap	2.58
Facilities in flood zone	2.58
Losses from unethical behaviour	2.58
Financial investment contribution	2.58
Unfilled skill positions	2.58
Impacts of training	2.57
Number and rate of employment	2.55
EES topics in capital allocation	2.51
Social value	2.51
Material issues for stakeholders	2.50
Diversity & inclusion	2.50
Infrastructure investment	2.49
Remuneration	2.47
Vitality Index	2.47
Impact of work-related accidents	2.46
Child, forced or compulsory labour	2.45
Governance body	2.44
Total R&D costs	2.44
Human rights	2.44
Collective bargaining	2.42
Total social investment	2.42
Average Score	2.64

To quantitatively interpret the survey responses, each response was converted into a numeric value from 1 for “No Concern” to 4 for “High Concern.” Overall, the average score for all impacts was 2.79. This indicates that stakeholders are more likely to consider Kempinski’s material ESG impacts as “High Concern” or “Moderate Concern” than “Low Concern” or “No Concern.” This reaffirms stakeholder support for the overall materiality assessment of ESG impacts as determined in 2021-2022.

Overall, environmental impacts had the highest average response score. The top four concerns were all environmental and the only responses to score above the 3.0 threshold: Energy Management, Waste, Water Consumption and Impact of Water Consumption. Scores above 3.0 are the result of a majority of respondents choosing “High Concern”. Conversely, total social investment yielded the lowest average score. This indicates that our stakeholders do not share the same level of concern for this impact as was originally determined in 2021-2022.

When viewing responses separately between internal and external stakeholders, there are important distinctions. The high average scores for environmental impacts correspond directly to the internal stakeholder responses. External stakeholders, however, have greater concern regarding governance and social impacts. There is also a stark contrast in the overall levels of concern for ESG impacts between internal and external stakeholders. Internal stakeholders mirror the overall response scores with only four environmental impacts with an average score of 3.0 or higher.

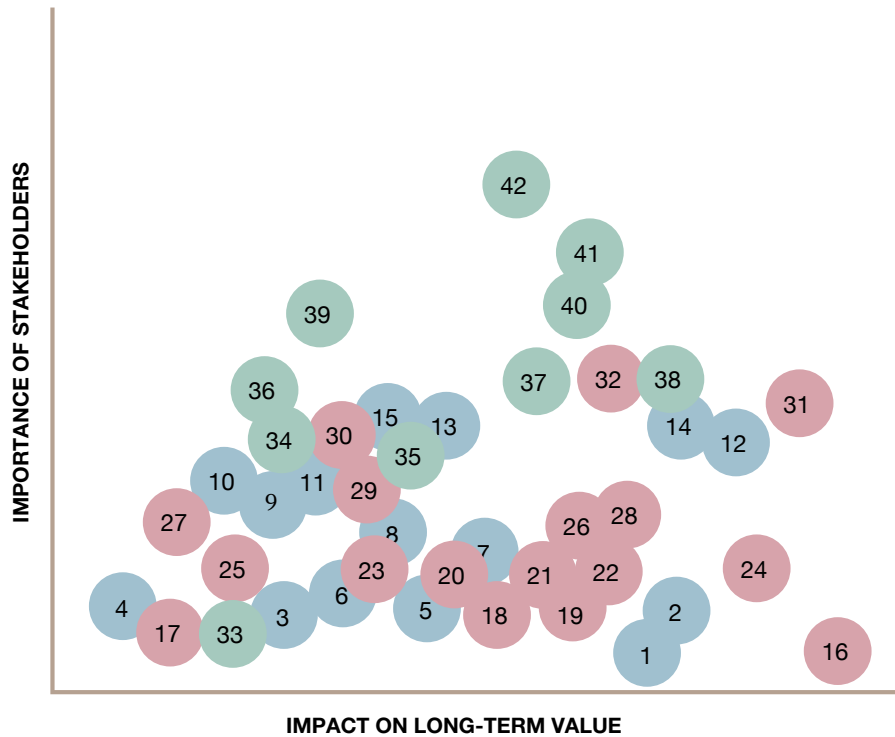
On the other hand, external stakeholders have 35 impacts from all three impact categories with an average score above 3.0. This disparity informs our strategy for the future of stakeholder engagement.

The relatively high concern of external stakeholders for ESG impacts may indicate a form of selection bias given the limited number of responses. In this way, those external stakeholders which took time to respond to the survey are more likely to be engaged with ESG issues and be predisposed to higher levels of concern. From this interpretation, Kempinski will strive to expand the reach of external stakeholder engagement in the future to incorporate input from a broader selection of stakeholder groups. The goal of this expansion is to improve the inclusivity and accuracy of representativeness for all external stakeholder groups.

On the opposing side, the relatively low concern of internal stakeholders for ESG impacts may indicate a lack of understanding regarding the connection between ESG principles and the unique operating environment of Kempinski. As a global company with properties in diverse locations, there may be differing perspectives on the impacts of ESG on delivering world-class hospitality to Kempinski’s guests. In reaction to the responses from our internal stakeholders, Kempinski will seek to improve education on the connection between ESG impacts, our corporate purpose and the day-to-day necessity of considering sustainability principles.

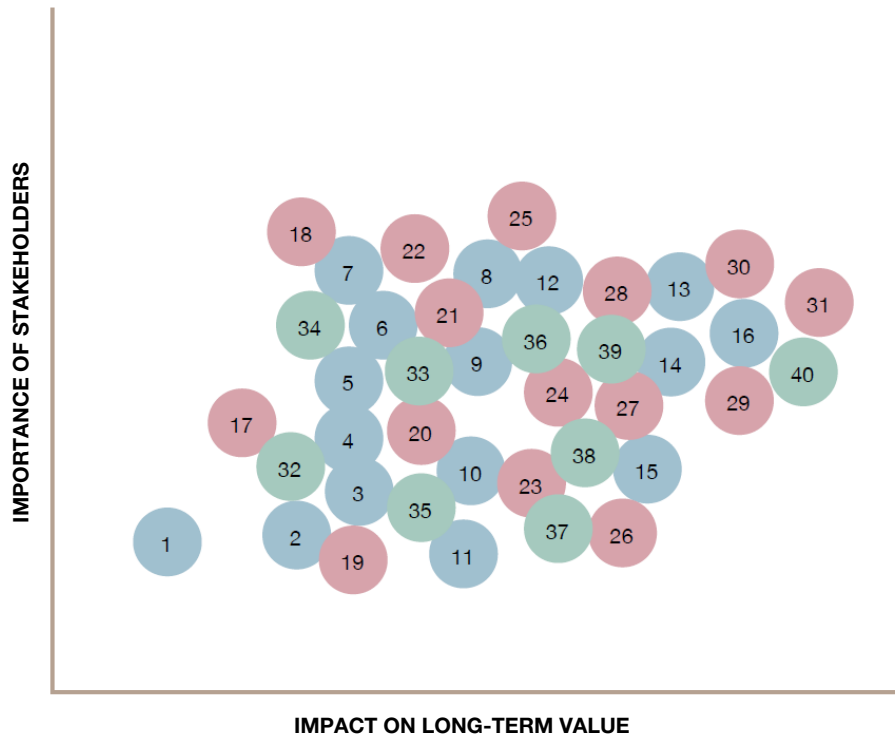
3.6 Materiality Matrix

MATERIALITY MATRIX INTEGRATING STAKEHOLDER FEEDBACK 2022 – 2023



GOVERNANCE	SOCIAL	ENVIRONMENT
1. Vitality index	16. Total social investment	33. Facilities in a flood zone
2. Governance body	17. Collective bargaining	34. Impact of land use
3. Remuneration	18. Work incidents	35. Land use
4. Total R&D	19. Number and rate of employment	36. Impact of GHG emission
5. Financial investment	20. Human Rights	37. TCFD implementation
6. Infrastructure investment	21. Impact of training	38. GHG emissions
7. Material issues for stakeholders	22. Diversity and inclusion	39. Impact of water consumption
8. ESG topics in capital allocation	23. Pay gap	40. Water consumption
9. Losses from unethical behaviour	24. Social value	41. Waste
10. Milestone progress	25. Unfilled skill positions	42. Energy management
11. Integrated risks	26. Child, forced or compulsory labour	
12. Purpose-led management	27. Discrimination and harassment	
13. Anti-corruption	28. Training and education	
14. ESG Purpose	29. Wage level	
15. Ethics and whistleblowing	30. Pay equality	
	31. Employee wellbeing	
	32. Health & safety	

MATERIALITY ASSESSMENT 2021 – 2022



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 risk	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		

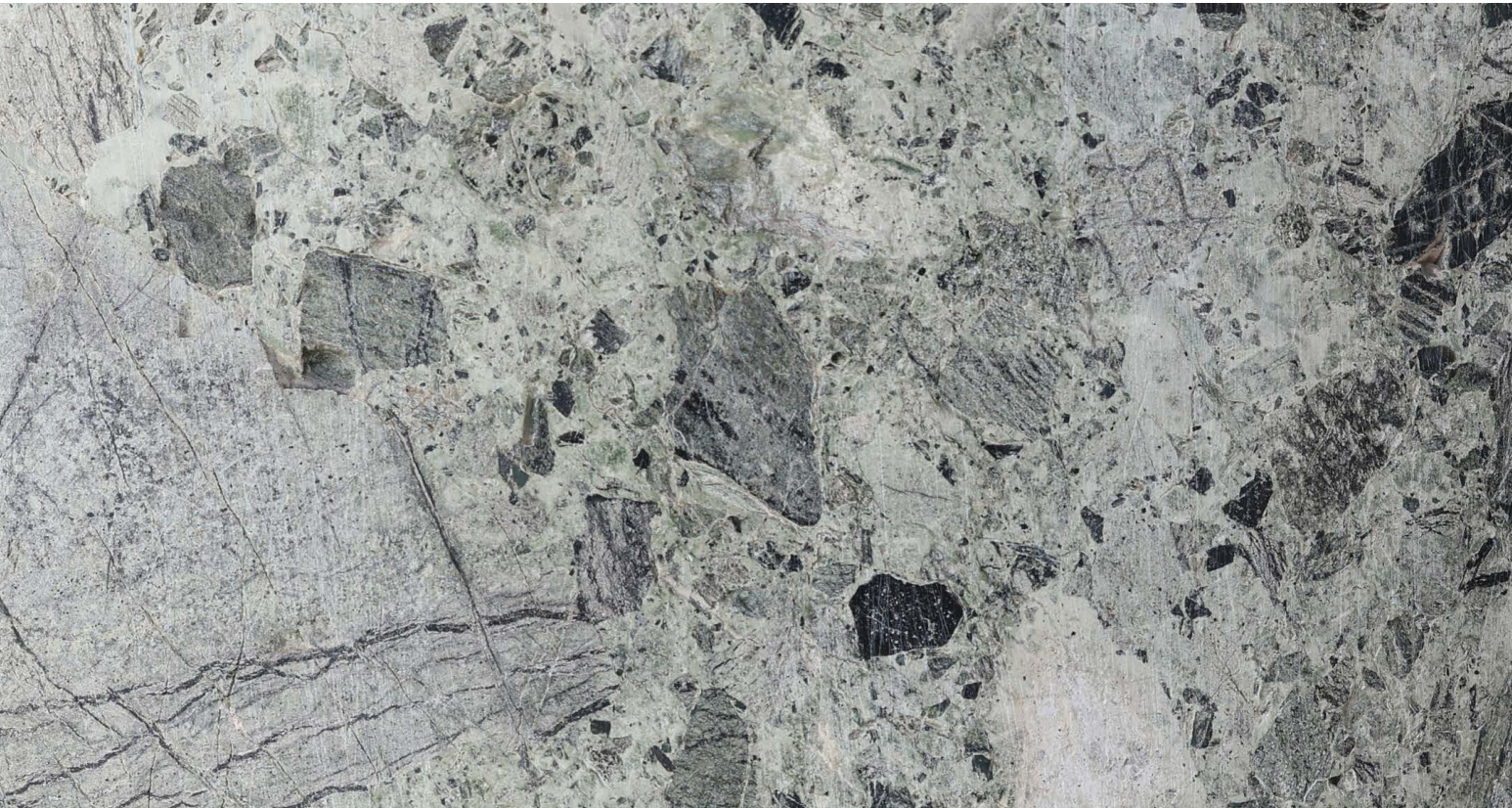


4.
GOVERNANCE

4. GOVERNANCE

Kempinski has responded to the increased accountability and transparency requirements for organisations that claim to be sustainable. This heightened scrutiny is in response to concerns from both internal and external stakeholders. As an eminent luxury hotel brand, Kempinski is expected to uphold high standards of quality, comfort, and service, while also minimizing our environmental impact and contributing to the well-being of the communities in which they operate.

At Kempinski the accountability for material ESG impacts goes to the very top of the organisation. From our Supervisory and Management Boards all the way down to our individual properties, there is a shared responsibility for ensuring that sustainability is more than just words and corresponds to committed and consistent action.

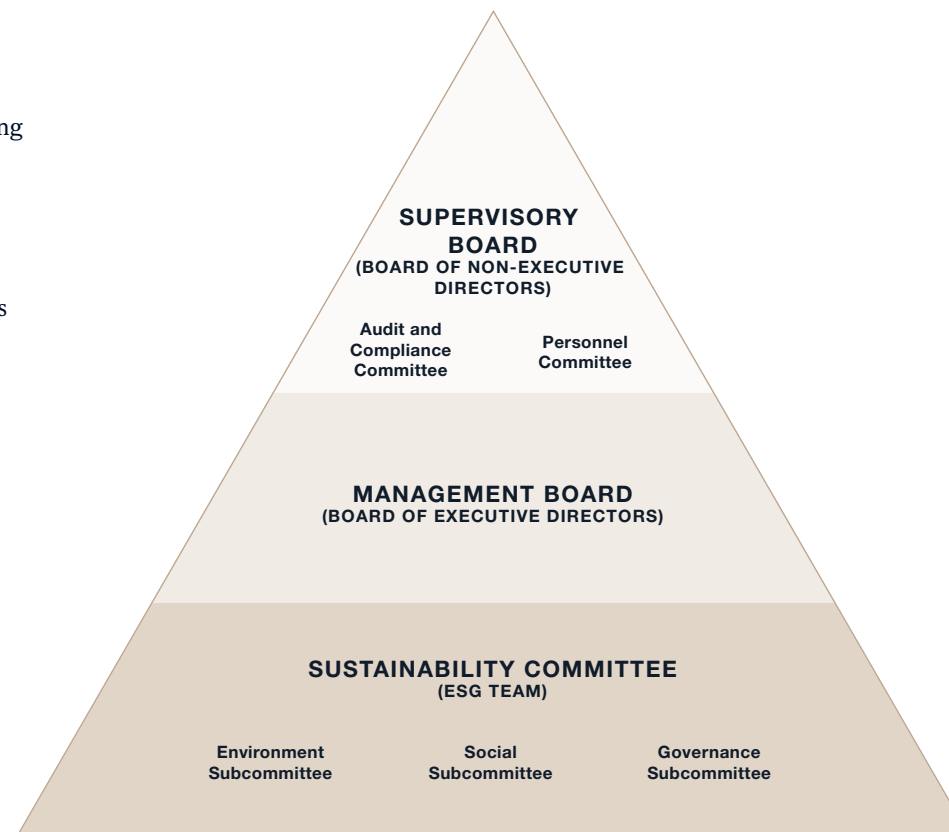


4.1 Board Oversight

For any organisation to succeed in the long-term there must be a strong foundation of leadership to decide the company’s critical direction. Throughout Kempinski’s long history, the Executive Leadership has provided this decisive guidance.

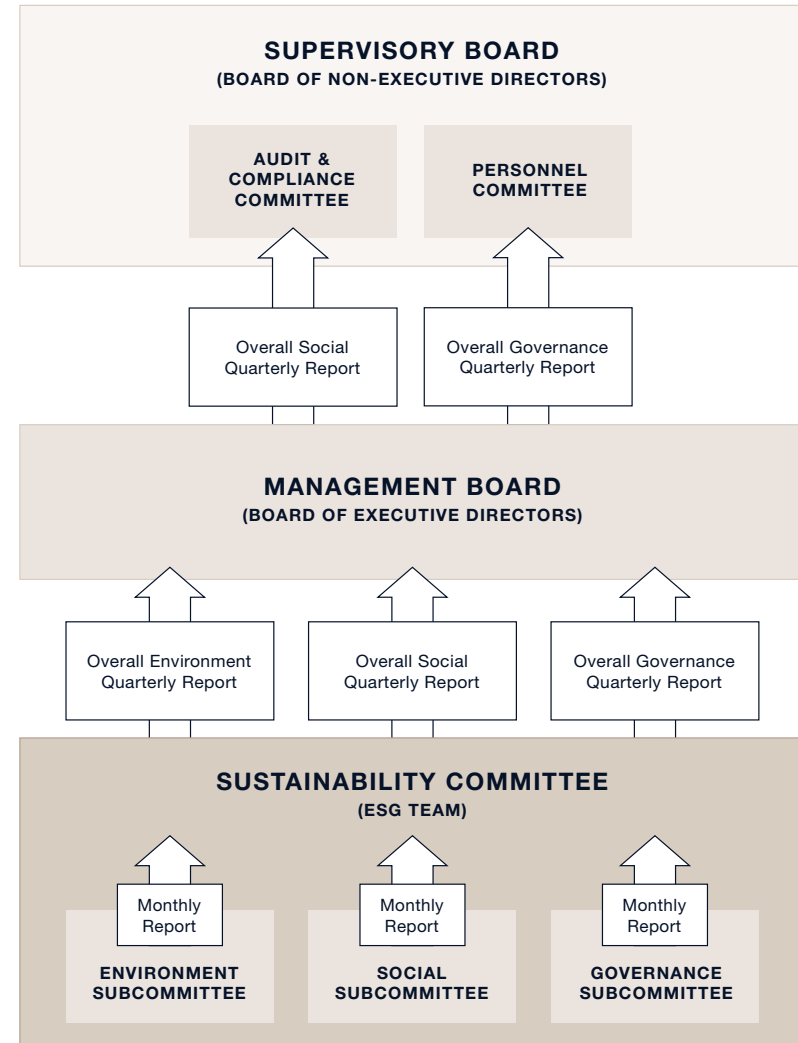
With sustainability firmly established as a core principle of Kempinski Hotels, this leadership structure has evolved to best evaluate the progress of the business.

The Kempinski ESG Governance Structure enumerates the roles and responsibilities of each member. Accountability and transparency are part of our central beliefs regarding corporate sustainability, and thus we have developed a system to ensure it is overseen by the most senior decision makers at Kempinski.



The Sustainability Committee holds the most responsibility for managing sustainability performance and reporting progress to the Executive Leadership. Each Sustainability Committee member is allocated to a relevant sub-committee based on role and expertise. The sub-committees manage, track and report the material ESG impacts as allocated through the materiality matrix. Sub-committees convene on a monthly basis while the broader Sustainability Committee meets quarterly.

The Sustainability Committee reports to the Management Board on a quarterly basis. Members of the ESG sub-committees report on the progress of their allocated material impacts. The Management Board Reports to the Supervisory Board and to its committees quarterly, where progress towards ESG targets is reported.



The background of the page is a textured, marbled paper in shades of beige and light brown. The marbling pattern consists of irregular, swirling, and layered shapes, giving it a natural, organic appearance. The text is centered on this background.

5. STRATEGY

5. STRATEGY

With a clear understanding of the systems in place within Kempinski to manage sustainability, it is important to understand the future planning that informs key decision making. This strategy focuses on how Kempinski is managing climate-related risks and opportunities and positioning the organisation to operate in a low-carbon economy together with a positive social impact.

Over the last 12 months, Kempinski has prioritised the implementation of several management programmes and policies to address the material ESG impacts identified. This extends to those ESG impacts as they relate to both risks and opportunities facing the organisation.

As discussed above, the results of our Stakeholder Engagement have largely affirmed our materiality assessment. This has resulted in our maintaining of a consistent ESG Strategy of identified risks and opportunities from the previous year's report. Kempinski maintains the following time horizons:

**SHORT-TERM
LESS THAN 5 YEARS**

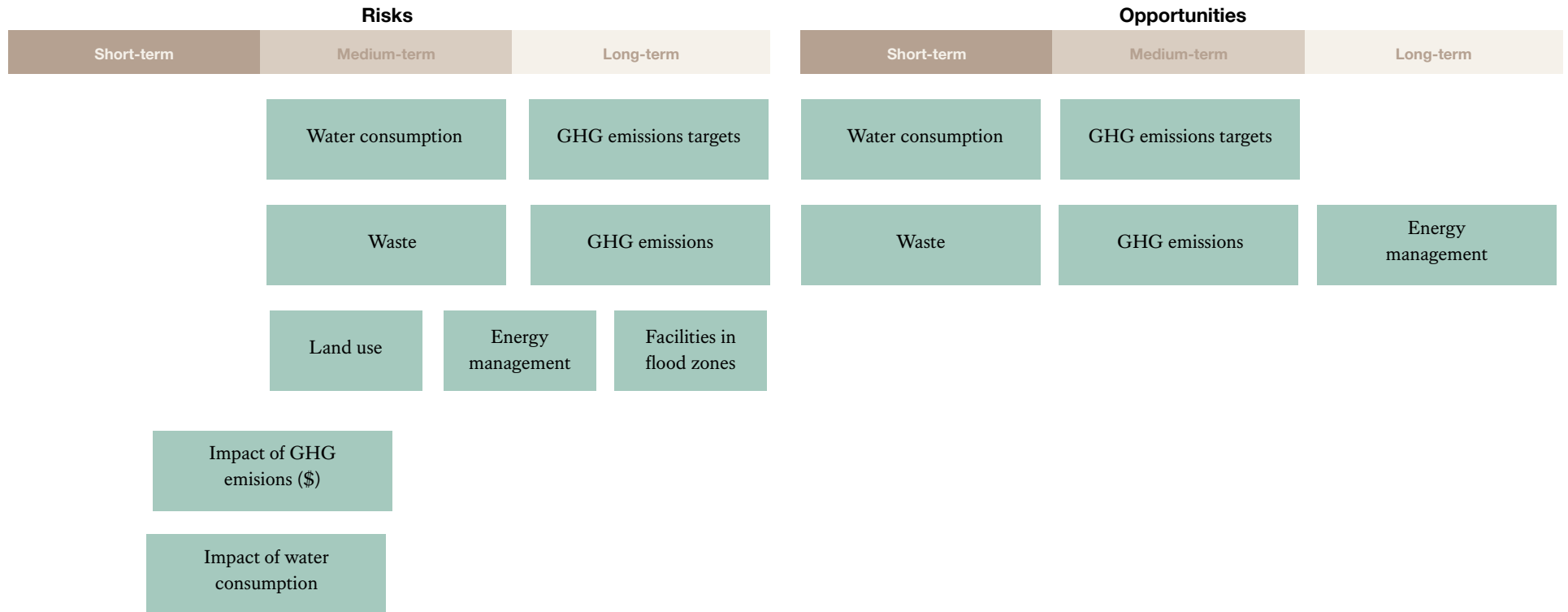
**MEDIUM-TERM
FROM 5 TO 10 YEARS**

**LONG-TERM
MORE THAN 10 YEARS**

GOVERNANCE RISKS AND OPPORTUNITIES

Risks			Opportunities			
Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term	
Financial investment	Milestone progress	Remuneration	Milestone progress	Remuneration	Total R&D	
Losses from unethical behaviour			Integrated risks	Infrastructure investment	ESG topics in capital allocation	
			Ethics & whistleblowing	Anti-corruption	Financial investment	Vitality index
			Conflict management	Governance body	Purpose-led management	Economic contribution
			ESG purpose			

ENVIRONMENTAL RISKS AND OPPORTUNITIES



SOCIAL RISKS & 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		

The background of the slide is a close-up, high-resolution image of a human fingerprint, rendered in a monochromatic teal color. The ridges and valleys of the fingerprint are clearly visible, creating a complex, organic pattern that fills the entire frame. The lighting is slightly darker towards the edges, giving it a sense of depth.

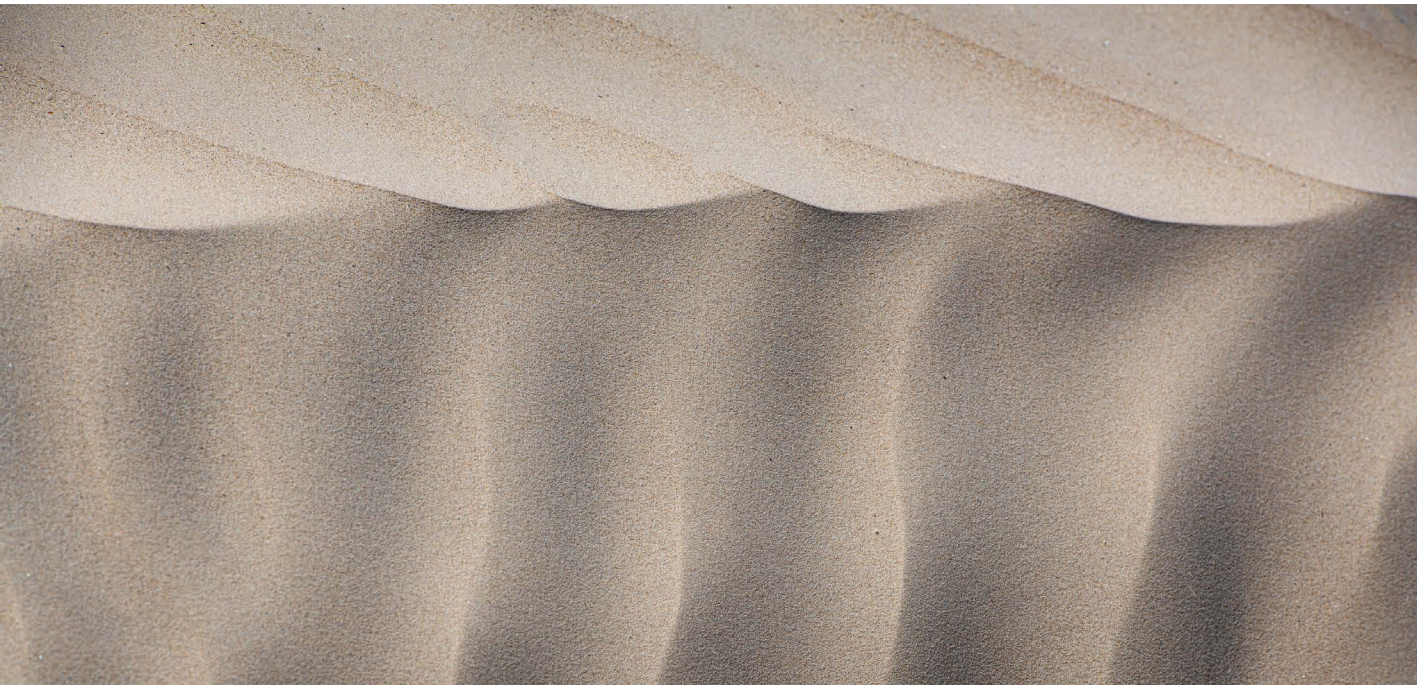
6. RISK MANAGEMENT


6. RISK MANAGEMENT

As part of the strategic management and leadership system within Kempinski, it was decided to update and revitalise risk management for the company. Risk management is an important management tool to identify and anticipate adverse events and trends and to mitigate them in a timely manner to ensure a sustainable company development. A systematic and holistic assessment of relevant company risks from a high-level business perspective was performed and a structured risk portfolio was established.

An evaluation and prioritization of the company risks was built into a risk matrix depicting Kempinski's key risks. Based on the results, a detailed analysis will be done to identify the most important business risks for the company and to mitigate the risk by implementing necessary action measures. The final risk report is scheduled for completion by July 2023.

Moving forward, Kempinski plans to conduct an annual Risk Assessment update to coincide with our reporting schedule.





7.
METRICS &
PERFORMANCE

7. METRICS & PERFORMANCE

Throughout the process of sustainability management, Kempinski strives to achieve world best practice in not only our approach, but also our performance. It is for this reason that we follow the TCFD framework (Task Force on Climate-Related Financial Disclosures) which builds on a foundation of good governance to develop a realistic, achievable strategy. This framework continues to guide the development of performance metrics to inform day-to-day management as well as progress towards long-term targets.

Based on the guidance of the ISSB (International Sustainability Standards Board), Kempinski applies the sector-specific metrics of SASB (Sustainability

Accounting Standards Board) 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. Additionally, Kempinski has developed unique initiatives that meet the needs of our stakeholders which require innovative metrics to evaluate their performance. Each performance metrics is categorised as related to one of Governance, Social or Environmental material impacts.



7.1 Governance

Setting Purpose

As Kempinski continues to develop and venture into new territories and communities, we look to reflect this journey by refining and enhancing sustainable activities in our Environmental, Social and Governance outputs, throughout our constellation of properties.

To reduce, reuse, refine and re-establish. These are our guiding principles that underpin our goal to embody holistic sustainability through engagement, innovation and leadership.

To achieve these objectives, we will continue to work with relevant experts and stakeholders to monitor, measure and mitigate ESG risks and to enhance ESG opportunities. As well as increasing tactical initiatives aligned with specific goals, such as the elimination of all single-use plastics and a reduction in water consumption, we remain fully committed to innovation and further developing our existing programmes globally.

We will ensure that every Kempinski stakeholder is fully engaged on our sustainable journey and that a shared understanding of the importance of these commitments is essential.

Working together, we can have a long-term positive impact, not only on our corporate footprint, but on our constellation of over 82 properties across 34 countries, and the communities in which we operate. We are determined to realise our mission to continue delivering the uncompromising level of luxury for which Kempinski is known, and in preserving this legacy for future generations, through our contribution to ensure minimal environmental and social impact.

Purpose-led Management

Throughout the process of developing our sustainability approach, identifying material ESG impacts and aligning our corporate purpose to the principles of sustainability there has been a central guiding theme: transparency and accountability. It is why the Sustainability Committee has empowered members from diverse aspects of the organisation. It is why there is a direct reporting and management connection between our sustainability performance and the Supervisory and Management Boards. It is why we choose to directly engage with our stakeholders to best inform our management approach with consensus.

From this strong management foundation, the Kempinski corporate purpose maintains the focus of our leaders on the path to industry-leading sustainability. With a holistic understanding of the risks and opportunities facing the organisation, Kempinski has implemented systems to track our performance towards achieving the measures that mitigate the greatest risks and maximise the greatest opportunities. This report serves as a measure of proof that Kempinski has followed our purpose to this present point on our sustainability journey.

Economic, Environmental & Social Topics in Capital Allocation

At Kempinski we understand the need to focus on action over rhetoric when it comes to corporate sustainability. This is perhaps most clearly seen when evaluating the financial support that an organisation commits to achieving improved sustainability performance. We are proud of the commitments that Kempinski has made to our sustainability management programme in the last 12 months.

With the support of the executive management and hotel owners, Kempinski has rapidly expanded our sustainability performance tracking across the portfolio of properties. We have identified measurement as a key priority from which all other components of our strategy will be informed. When considering the challenges that lie ahead, including decarbonisation, a data-driven, systematic approach is the best course of action to achieve successful outcomes.

We are continuing to work with our 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 (page 31) 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

Gender: 80 % Male; 20 % Female

Ethnicity: 40 % European; 20 % Middle East; 20 % Asian; 20% African

Material Issues Impact Stakeholders

Kempinski has taken the first steps to expand beyond our internal evaluation of ESG materiality to include direct input from our stakeholders. The results of our Stakeholder Engagement Survey can be found on pages 22 to 28.

We feel that this is a critical step to ensure that our sustainability management remains vital over time and speaks to the direct importance of our various stakeholder groups. While we have broadened our considerations of stakeholder perspectives, we also acknowledge that this work is not finished. The work of stakeholder engagement is ongoing and must strive to be inclusive. It is our intention to continue to broaden the scope of our engagement to include all stakeholder groups, as well as to provide appropriate channels to receive accurate and useful input.

Anti-corruption

Kempinski has a zero-tolerance policy towards corruption. We take measures to prevent, monitor and report corruption across all operations. Our anti-corruption policy is designed to ensure that internal and external stakeholders adhere to ethical business practices, and that the Kempinski brand maintains a reputation for integrity and transparency.

Our strong approach to anti-corruption is essential to operating in a responsible and sustainable manner. By establishing clear standards of conduct, providing training and monitoring, and enforcing consequences for violations, Kempinski demonstrates our commitment to ethical business practices and help prevent corruption across our properties.

For 2022, no incidents of corruption were reported at any Kempinski property. We have updated 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. With consideration for our external stakeholders, as part of the updates to our Supplier Code of Conduct, anti-corruption training is now required for the renewal or signing of supplier contracts.

Ethics Advice & Reporting

Closely tied to our anti-corruption management approach, Kempinski also employs strong systems to protect the ethical operation and management of our properties. We maintain an equal focus on preventing unethical behaviour and facilitating remedies for any ethical issues that may arise. We have recently updated our Global Whistleblowing Policy to comply with the EU Whistleblowing Directive. This update provides added clarity for internal processes, including the ‘Speak Up’ protected reporting tool, and expanded processes for external whistleblowing.

Supplier Code of Conduct

In 2022, Kempinski issued its Supplier Code of Conduct to include value chain risks. The policy requires 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 Supplier Code of Conduct was rolled-out at the beginning of 2023 to the Kempinski supplier network at a corporate-approved vendor level and is expected to be signed by the large majority of its suppliers. Kempinski is prepared to issue the Supplier Code of Conduct at a hotel level during the course of 2023. The Supplier Code of Conduct is included in Appendix II and can also be found on Kempinski’s website.

Progress Against Milestones

ISSUE CATEGORY	STRATEGIC TARGET	TIMEFRAME	PROGRESS
GOVERNANCE	Purpose-led management	2022	COMPLETED
GOVERNANCE	Evaluate ESG materiality with stakeholder input	2022	COMPLETED
GOVERNANCE	Supervisory Board risk assessments and reviews	2022	Completion expected Q3-2023
GOVERNANCE	Anti-corruption review and update	2023	Review underway
GOVERNANCE	Implement 'Speak Up' protected reporting tool	2022	COMPLETED
GOVERNANCE	Update of Global Whistleblowing Policy	2022	COMPLETED
GOVERNANCE	Issue Supplier Code of Conduct	2022	COMPLETED
GOVERNANCE	Data privacy training	2023	Training being developed for 2023 roll-out
SOCIAL	Update to Child, Forced or Compulsory Labour Policy	2023	Policy in development
SOCIAL	Update to property reporting for work-related ill-health, injuries or fatalities for global collation	2022	COMPLETED
SOCIAL	Ethnic diversity incorporated into HR Scorecards	2023	Methodology in development for incorporation in 2023
SOCIAL	Gender balance in management rolls included in HR Scorecards	2023	Completion expected in 06.2023
SOCIAL	Pay equality on gender/ethnic diversity	2023	Gender: Completion expected in Q2-2023 Ethnicity: Methodology in development

SOCIAL	Injuries/fatalities incorporated into HR Scorecards	2023	Policy in development for tracking in 2023
SOCIAL	Absenteeism incorporated into HR Scorecards	2023	Completion expected in Q2-2023
SOCIAL	Anti-corruption training for employees/managers annually mandatory	2023	Policy in development for roll-out in 2023
SOCIAL	Monetised impact of training tracking	2023	Establishing data collection methodology
SOCIAL	Discrimination and harassment training	2023	Establish data collection methodology
SOCIAL	Human rights policy update	2023	Under development
SOCIAL	BE Health active healthcare projects at Kempinski properties: 58% target	2023	Completion expected in Q2-2023
SOCIAL	BE Health projected healthcare initiatives: 40 targets	2023	Completion expected in Q2-2023
SOCIAL	BE Health number of signed LOI with hotels: 30 hotels	2022	20 hotels in 2022, 100% increase expected in 2023
ENVIRONMENT	Cage-free eggs: 50% of hotels sourcing	2023	35% of hotels are sourcing
ENVIRONMENT	Clean the World: 70% of EU hotels participating	2023	10 EU hotels – in progress
ENVIRONMENT	Wooden key cards: 35% of hotels participating	2023	Target for 2023 completed in 2022
ENVIRONMENT	Soap for Hope: Launch with 4 hotels	2024	In progress
ENVIRONMENT	Linen for Life: 4 hotels participating	2024	In progress

ENVIRONMENT	Green Linen Artefact: 90% of hotels participating	2023	In progress
ENVIRONMENT	Food waste management: 2 pilot hotels	2023	In progress
ENVIRONMENT	Water solution programme for F&B: pilot programme	2023	In progress
ENVIRONMENT	100% Kempinski corporate carbon emissions footprint	2023/2024	[Final number + %]
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	2024	Current measures of area under roof
ENVIRONMENT	Assessment of flood risks for all Kempinski properties	2024	Considering measurement feasibility for each property

7.2 Social

Diversity & Inclusion

Kempinski has a diverse and multicultural workforce, reflecting the global nature of our business and the diverse needs of our guests. We are committed to fostering an inclusive and respectful workplace culture that values and celebrates diversity.

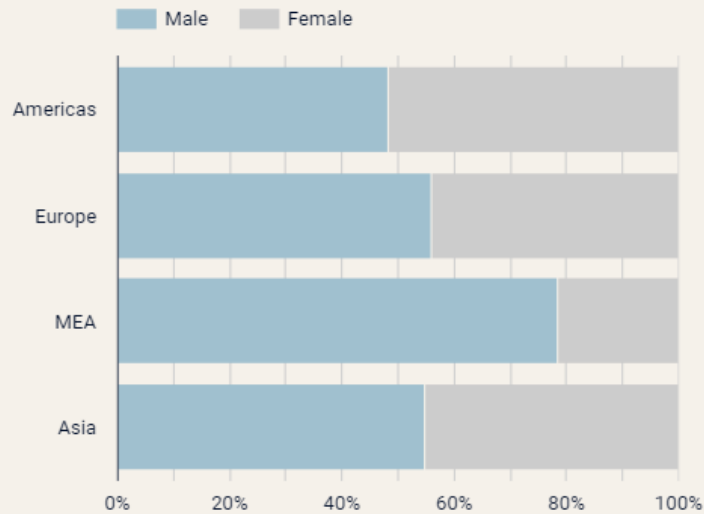
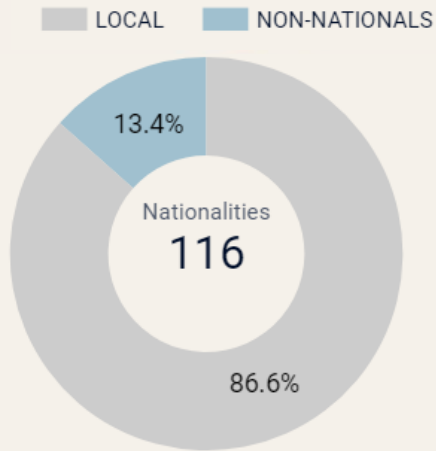
Kempinski operates in many countries worldwide, and as such, welcomes employees from a wide range of backgrounds, including different ethnicities, nationalities, genders and religions. The diversity of its workforce is reflected not only in the hotel's employees but also in its cuisine, decor, and programming. Kempinski Hotels offer guests a range of cultural experiences, such as food and wine tastings, which highlight the unique traditions and customs of different cultures.

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.

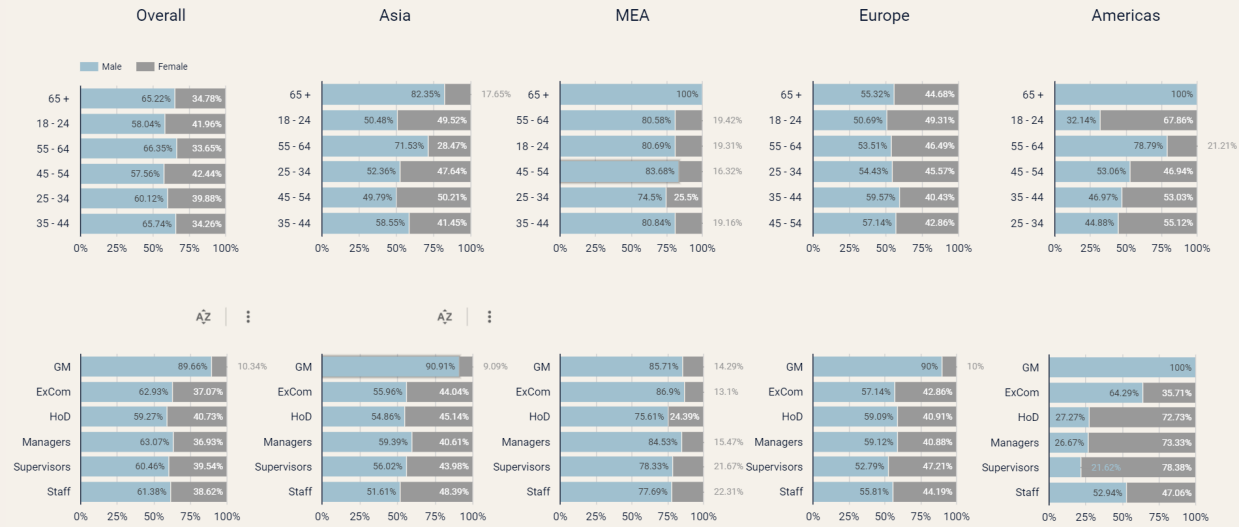
Rather, Kempinski properties measure the percentage of workforce that are either Local Nationals or Non-Nationals. Overall, Kempinski employees are 86.6% Local Nationals and 13.4% Non-Nationals. As this is largely determined by each country of operation's specific demographic composition and national 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 2022 HR scorecard findings can be found in Appendix I.

2022 Diversity Highlights

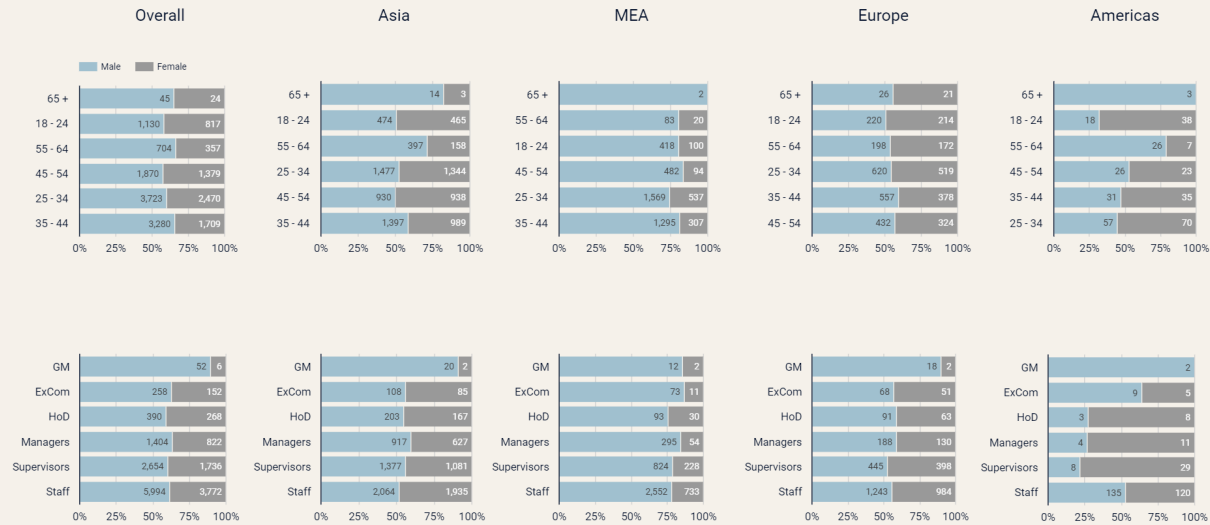


S... Age GROUP	Gender / %	
	Male	Female
2 18 - 24	6.45%	4.67%
3 25 - 34	21.26%	14.11%
4 35 - 44	18.73%	9.76%
5 45 - 54	10.68%	7.88%
6 55 - 64	4.02%	2.04%
7 65 +	0.26%	0.14%
Grand total	61.41%	38.59%

S... Job Level S...	Gender / %	
	Male	Female
1 GM	0.30%	0.03%
2 ExCom	1.47%	0.87%
3 HoD	2.23%	1.53%
4 Managers	8.02%	4.70%
5 Supervisors	15.16%	9.92%
6 Staff	34.24%	21.54%
Grand total	61.41%	38.59%



Gender splits by age/seniority (%)



Gender splits by age/seniority (#)

Pay Equality and Wage Level

Kempinski have prioritised employee retention in the current economic climate and we understand how critical it is to ensure fair and equitable compensation for all employees. Beyond retention, thoughtful remuneration also bridges diversity gaps and drives long-term competitiveness while also mitigating risks of discrimination and legal challenges. Kempinski’s pay decisions are based on objective factors such as job level, skills, experience and market practice.

Kempinski currently measures pay equality with regard to gender for our employees. As each Kempinski-managed property is owned by separate entities, we do not currently evaluate pay equality between hotels with different ownership. Moreover, there are pay differences based on country, city, local legal requirements and market practices. This being said, 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 participates in industry market pay & benefits surveys annually and follows industry standards and local regulations in terms of remuneration of different jobs.

By way of our HR Scorecards, 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.

In 2022, Kempinski achieved to reduce the already tiny difference in pay between women and men to less than 1/10th of 1%.

YEAR	REMUNERATION DISPARITY	GENDER RATIO (F:M)
2021	-1.92%	1:1
2022	-0.07%	1:1

Region	Hotel	\$ Gap %	(?) Femal...
Asia	27	-2.94%	0.97
Europe	23	2.61%	1.03
MEA	16	1.39%	1.01
Americas	3	1.39%	1.01
Grand total	69	-0.07%	1.00

Job Level S...	HIRG	\$ Gap %	(?) Femal...
GM	10	-	-
ExCom	9	-0.77%	0.99
ExCom	8	8.59%	1.09
HoD	7	-4.49%	0.96
Managers	6	0.46%	1.00
Managers	5	-4.14%	0.96
Superviso...	4	-4.57%	0.95
Superviso...	3	-3.76%	0.96
Staff	2	-1.64%	0.98
Staff	1	12.38%	1.12
Grand total		-0.07%	1.00



Risk for Incidents of Child, Forced or Compulsory Labour

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

Kempinski last updated its policy to manage and mitigate the risks for incidents of child, forced or compulsory labour in 2023. It is applied at every property Kempinski manages. The updated Child Labour and Forced Labour Policy is included in Appendix III.

Linens for Life

In November 2020, when Diversey reached out to Hotel Indonesia Kempinski Jakarta to join the Linens For Life Face Masks (L4LFM) programme, the hotel had no hesitation in agreeing. Diversey is Kempinski Hotels' sustainable cleaning and sanitation products provider globally, and Diversey had launched the L4LFM program during the early months of the global pandemic.

Hotel Indonesia Kempinski Jakarta provided 1,625 kg (1.6 tons) of end-of-life linens such as bedsheets, duvet covers and pillow cases - all washed, sanitized, pressed and folded to the standard of deployment in hotel rooms, prior to the donation for the L4LFM program.

Hotel linens are also among the Top 5 Best Fabric 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 1-micron particles i.e. it protects people from bacteria, some viruses and dust.

In 2022, Kempinski did not make any donations of end-of-life linens to the L4LFM programme. However, we recognise the long-term benefits of supporting the multi-faceted benefits of L4LFM. As a result, it is our goal to launch a corporate initiative to continue to support L4LFM by the end of 2024.

Health & Safety

A bedrock principle within Kempinski's world-class hospitality reputation has been to always provide a healthy and hygienic environment for both our employees and guests. The Kempinski White Glove Services guide prescribes both front-of-house and back-of-house hygiene practices and standards. We believe it is only possible to promote a safe and hygienic experience for guests if our internal stakeholders are provided the same level of safety and protection. The Kempinski White Glove Services guide 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. In 2022, the Kempinski White Glove Services were updated to incorporate local health and safety guidelines.

Work-related injuries and fatalities are a material impact for Kempinski-managed properties. The luxury hospitality industry is wholly reliant on skilled and trained employees 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 employee 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.

Employee Wellbeing

Employee wellbeing has reached a crescendo of importance for all stakeholders. It is now universally viewed as the responsibility of all organisations that value their internal stakeholders. Previously, Kempinski-managed properties track work-related ill-health, injuries or fatalities. At the beginning of 2023, absenteeism is tracked globally, to provide a picture across all properties. The data has not been collected for a complete year yet, but initial results are promising with overall absenteeism rates at 1.9%.

Employee Engagement is tracked company wide and by hotel every year. Kempinski had an increasing engagement score over the years and has been recognised by Gallup, our engagement partners, with the GEWS (Gallup Exceptional Workplace Award) in 2022.

Training Provided

In 2022, 10,400 Kempinski employees registered to use the Lobster Ink online training courses. This was 1,000 more than were registered in 2021 (a 10% increase). Additionally, 85% maintained an ‘active learner’ status, meaning that they actively engage on the platform by completing on-line courses or using other available resources, which is an increase of 10% over the 2021 rate. Course completion was approximately 90% for the total number of courses delivered, which maintains the target in line with 2021 results.

Number of Unfilled Skill Positions

Given the commitment Kempinski has made to maximising the skill sets and capabilities of our employees, 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

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.

Discrimination & Harassment Incidents and Total Amount of Monetary Loss

At Kempinski, we feel the momentum of progress towards a global shift to better, more sustainable business practices. We strive to contribute to the rising tide of corporate expectations to do better. In line with this ethos, Kempinski does not condone or tolerate any instances of discrimination or harassment. These are the complete opposite of our stated corporate purpose and the actions we implement across our portfolio of properties. 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.

As of 2022, 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 recognises and values the labour rights of our internal stakeholders in line with our people-centred approach. As of beginning 2023, Kempinski enacts tracking of collective agreement of employees at global level, enabling to collect data regarding the percentage of our workforce that is covered by a labour agreement. Regarding our assessment of our suppliers and their alignment with these principles, Kempinski has updated our Supplier Code of Conduct to reflect our commitment to ensuring our values are reflected across our value chain.

Human Rights Review, Grievance Impact and Modern Slavery

For all the progress that our global society has made to this point in improving the overall quality of life of people, it remains critical to not lose sight of potential backsliding. Kempinski sees ourselves as part of the whole community of humanity and seeks to support and protect everyone with whom we encounter or engage. To ensure that our high standards continually improve, Kempinski has an existing Human Rights policy against which grievances are continuously tracked. Additionally, our suppliers are covered by this policy via our Supplier Code of Conduct. Considering our supply partners' voiced mindset, the threat of human rights and modern slavery violations is not deemed to be material for Kempinski. We will continue to consult with our stakeholders to monitor any change in this materiality assessment. The Kempinski Human Rights policy can be found in Appendix III.

BE Health

BE Health is Kempinski's social model of business engagement in the hotels' local communities. Spreading health from the workplace to the local community is at the heart of the company's ESG programme. From 2013 until the end of 2020 and by means of prevention activities, BE Health contributed to ending tuberculosis and HIV in underprivileged neighbourhoods in Bangkok and Djibouti. In 2021, Kempinski decided to revise BE Health's model so that all 80 Kempinski hotels worldwide could initiate their individual social health programme.

In 2022, 20 hotels started their local healthcare or health prevention initiative in compliance with BE Health's vision and objectives. The number of initiatives was less than the expected target of 30 hotels due to unexpected local political conditions, economic circumstances or hampering governmental regulations, preventing hotels from starting off fundraising efforts. Thirteen out of the recent 20 BE Health initiatives actively support organisations that care for children with life-threatening illness or those who have been diagnosed with autism. The remaining seven hotels chose to support organisations that help the disadvantaged people in their community, fulfil a special wish for seriously ill people in their final phase of life or ensure their guests' safety in the sometimes-perilous mountain conditions by financially supporting their local voluntary mountain rescuers.

The 20 hotels collected a total of €170,683 for their healthcare partners by either asking their guests to donate EURO 1 (or local equivalency) per room per night

or by organising special fundraising events. Only one hotel provided in-kind resources to their healthcare partner in 2022. The initiatives' evaluation outcomes showed a significant difference of fundraising results between the 20 hotels. The Çiragan Palace Kempinski Istanbul successfully encouraged 75% of their guests to support opening special classrooms for autistic children in public schools. The guest participation of other hotels ranged from 61% to 8% of their guests. Depending on the size of the hotel and different forms of fundraising and activities (special events such as a gala, concert or marathon, various communication tools or community activities), the same difference was identified in the number of employees involved in the implementation and development of the initiative.

Due to the small sample of participating hotels and varied distribution of initiative results in 2022, BE Health was unable to identify the specific components required to deliver sustainable and successful initiatives. However, the following four examples of successful BE Health initiatives show a possible association between a strong hotel management commitment, employees' involvement and the meaningfulness of the initiative's purpose in a local context. A clearly defined purpose that simultaneously drives concrete objectives and activities in which employees and external partners can deliver tangible results.

<p>ÇIRAGAN PALACE KEMPINSKI ISTANBUL</p>	<p>TOHUM AUTISM FOUNDATION Care of and education for children with autism</p>
<ul style="list-style-type: none"> • 75% off all guests donated per night per room • 13% of all staff, of which all front office employees, are involved to implement and develop BE Health <ul style="list-style-type: none"> • 100% of employees have been trained about the activities of the initiative 	
<p>KEMPINSKI HOTEL BERCHTESGADEN</p>	<p>BERCHTESGADEN BERGWACHT Rescue people in extreme mountain conditions</p>
<ul style="list-style-type: none"> • 44% off all guests donated per night per room • 50% of all staff, of which all front office employees, are involved to implement and develop BE Health <ul style="list-style-type: none"> • 100% of employees have been trained about the activities of the initiative 	
<p>KEMPINSKI HOTEL SAN LAWRENZ</p>	<p>INSPIRE FOUNDATION SUPPORTING AUTISM Support for and inclusion of children with autism</p>
<ul style="list-style-type: none"> • 61% off all guests donated per night per room • 14% of all staff, of which all Front office employees, are involved to implement and develop BE Health <ul style="list-style-type: none"> • 100% of employees have been trained about the activities of the initiative 	
<p>KEMPINSKI HOTEL MUSCAT</p>	<p>ASSOCIATION FOR CHILDREN WITH DISABILITY IN OMAN Education and inclusion of children with disabilities</p>
<ul style="list-style-type: none"> • 54% off all guests donated per night per room • 39% of all staff, of which all Front office employees, are involved to implement and develop BE Health <ul style="list-style-type: none"> • 100% of employees have been trained about the activities of the initiative 	



Fully equipped classroom requiring special supplies and therapy tools for successful education.



Berchtesgaden's Bergwacht in full action



Mr. Carsten Wiegandt (General Manager Kempinski Hotel Muscat) and HH. Sayyid Hujaija Jaifer al Said (Chairwoman of the Association for Children with Disability)

BE Health's is tasked with guiding, supporting and evaluating all Kempinski hotels' health initiatives within a specific framework. For the reasons mentioned above, BE Health acknowledges that some hotels will not be able to join in 2023. However, Kempinski Hotels is well integrated in China and BE Health will be rolled out in ten hotels in 2023. To achieve each initiative's objectives and bolstered by common values, BE Health and Sino-Ocean Charity Foundation have signed a cooperation agreement together. Health, education, and care stand at the centre of Sino-Ocean

Charity Foundation's core work, while their specific welfare projects have proven since 2008 to successfully fight against diseases, alleviate targeted poverty and contribute to children's education in various regions of the country.

In addition, BE Health expects another 15 hotels located in Europe, Middle East and Africa, as well as in the Americas to initiate their BE Health project. This forms the basis for a target of 45 hotels with BE Health initiatives for 2023.

7.3 Environmental

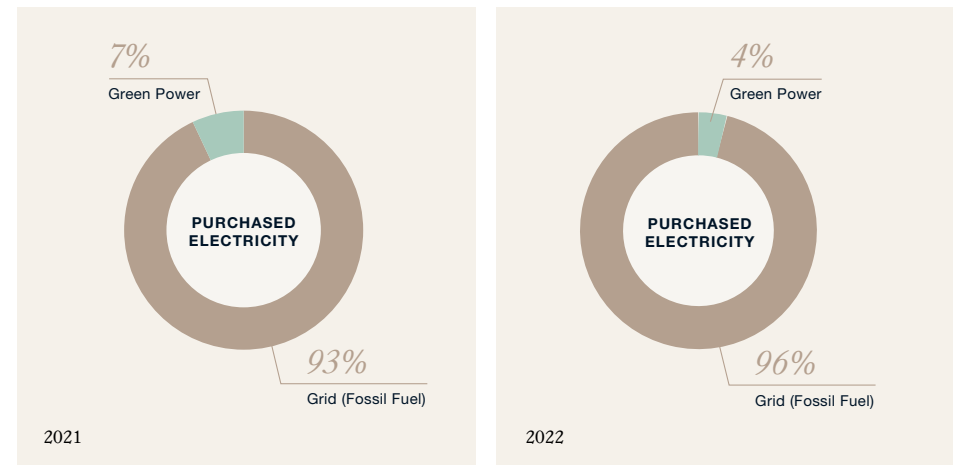
The 2022 report includes data from 65 Kempinski properties compared to 16 properties reported in 2021. This should help to provide a more accurate representation of Kempinski’s sustainability performance.

Energy Management

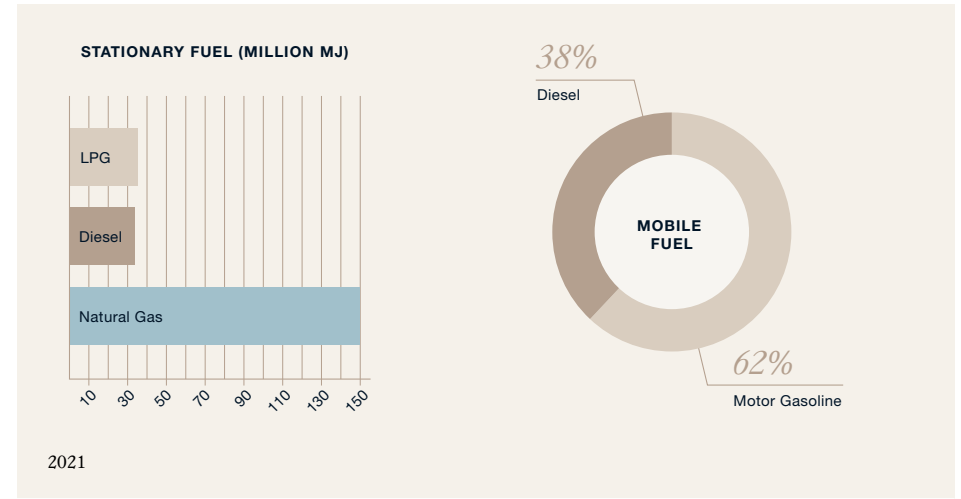
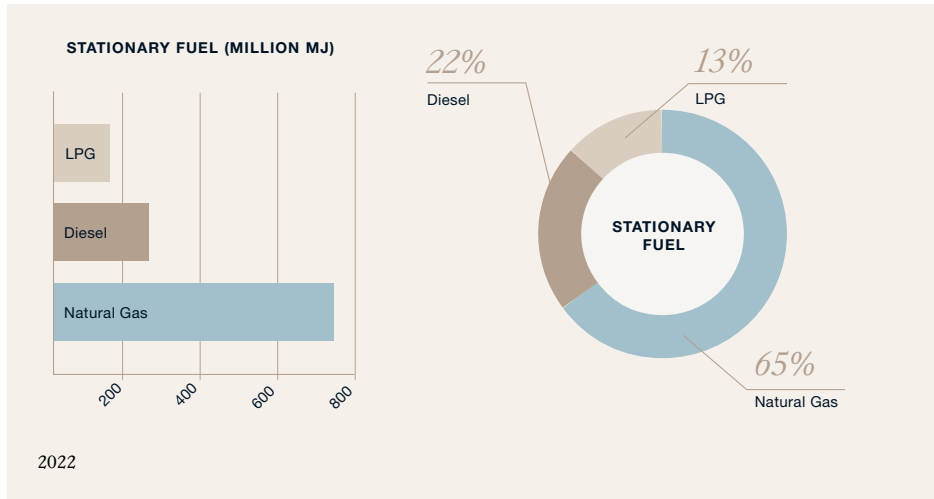
The hospitality industry is heavily reliant upon energy resources, as energy usage is crucial in maintaining the operational effectiveness of the Hotel sector: keeping the lights on, the food refrigerated, and the showers warm. Using fuel or purchasing energy from the grid is often the most significant contributor to greenhouse gas emissions. So, a holistic approach to energy management is needed to monitor and improve the performance of all the forms of energy manifested across Kempinski properties.

Since energy and water usage are so closely related in terms of utility management, they are both regulated by the Energy Management Policy. The policy establishes a uniform standard for management procedures such as lighting, water use, heating, and cooling. This procedure standardises resource efficiency and governs energy-saving measures such as the Guest Room Management System (GRMS) and Building Management System (BMS). All of which optimise energy-saving measures in adherence to the UN Sustainable Development Goals (SDG) #7. Similarly, many Kempinski hotels are taking advantage of the software programme Hotel Optimizer, which has been used since 2016. It allows for monitoring energy and water consumption and waste management to obtain a clear picture of our carbon footprint related to these resources. Based on the data, hotels can establish monthly energy and water consumption targets, considering additional variables such as hotel occupancy and seasonality.

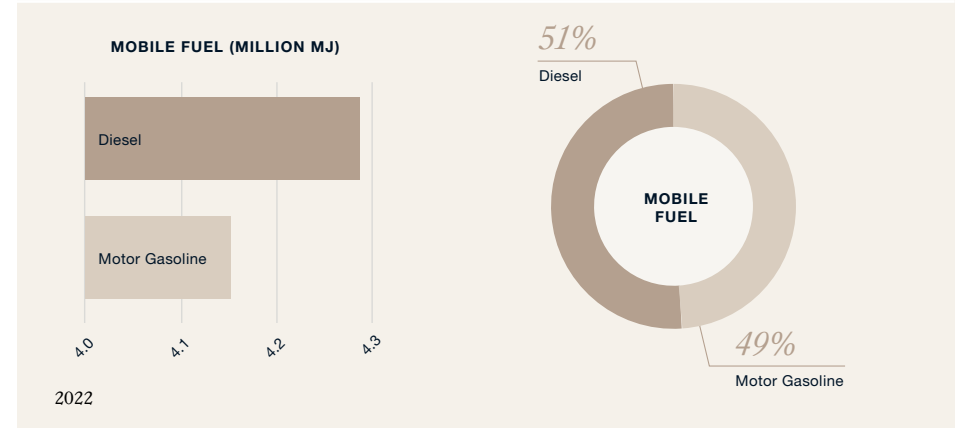
Since 2021, multiple Kempinski properties have lowered their energy consumption per guest night. The 3 greatest improvements were shown by Kempinski Hotel Corvinus Budapest (64% improvement), Palais Hansen Kempinski Vienna (56% improvement), and Sindhorn Kempinski Hotel Bangkok (52% improvement).



In 2022, 9 properties reported entering into a written green power agreement with their electricity provider. The renewable energy purchased through a green power agreement accounted for 4% of the total 1.4 billion megajoules of electricity reported across all properties. The proportion of green-powered electricity has decreased since 2021 (where it was reported at 7% of the total electricity consumption). This decrease voices the considerable change in number of properties and/or shows that the properties newly included in 2022 were less likely to have a green power agreement or may not have reported on their green power agreement.



The proportions of fuel types reported under Stationary Fuel Combustion in 2022 have remained relatively constant comparative to 2021. The proportion of diesel consumed is slightly higher, and therefore the proportion of LPG and Natural Gas is slightly lower. In 2022, the Stationary Fuel Combustion data from 50 properties was used (one property was excluded from these calculations as it was a statistical outlier), with a total of 147 million megajoules generated from LPG, 225 million megajoules from diesel, and 745 million megajoules generated from natural gas.



Regarding Mobile Fuel, the proportion of diesel used increased significantly from 38% to 51%. Inversely, the proportion of motor gasoline decreased from 62% to 49%. In 2022, this data was summarised from the 19 properties utilising mobile fuels with a total of almost 4.3 million megajoules generated from diesel and 4.15 million megajoules generated from motor gasoline.

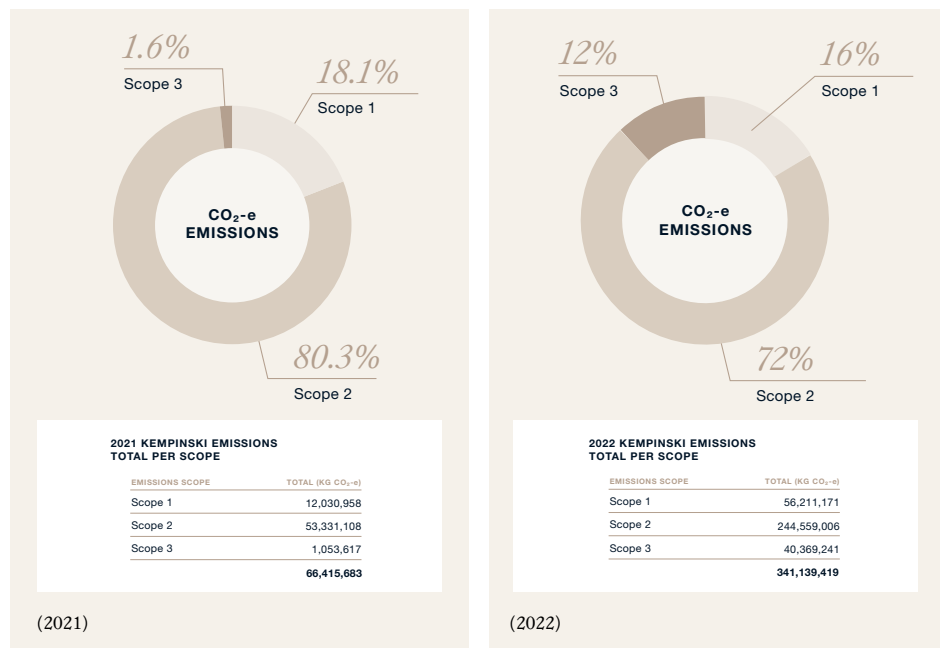
Greenhouse Gas Emissions

At Kempinski, we acknowledge the impact of human activities on the increasing effects of climate change. As an early adopter of the United Nations Global Compact and supporter of SDG #13, Kempinski is committed to urgently combating 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).

Since 2021, multiple Kempinski properties have lowered the amount of scope 1 and 2 emissions generated per guest night. The 3 greatest improvements in this area were shown by Kempinski Hotel Corvinus Budapest (65% improvement), Palais Hansen Kempinski Vienna (59% improvement), and Sindhorn Kempinski Hotel Bangkok (49% improvement).

The data from 60 properties was used to calculate the emissions for Scope 1, 2 and 3; the five remaining properties were removed as outliers. The total combined carbon footprint of these properties was 341.1 million kilograms of carbon dioxide equivalents (CO₂-e), which is a 414% increase compared to the 2021 figure (keeping in mind this includes data from a significant number of additional properties). The proportions of scope 3 emissions increased significantly (from 1.6% to 12%), whereas the proportion of scope 2 emissions decreased significantly (from 80% to 72%). The proportion of scope 1 emissions was quite similar in both 2021 and 2022. The increase in Scope 3 proportion reflects the expansion of ability to measure the scope 3 emissions.



Greenhouse Gas Emission Targets

The target 2021 was to measure 100% of Kempinski corporate and property emissions for 2023. This target is tracking to meet the 2023 endpoint. With 20 % of the target being reached in 2021 and 72.5% of the portfolio being measured in 2022.

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

Water is a precious resource for all our stakeholders (see Stakeholder Engagement Survey). At Kempinski, we understand the essential value of water. Not only to reduce operating costs for our properties but also to reduce water consumption and improve efficiency for the benefit of the environment and the communities in which we operate. We are committed to supporting SDG #6 Clean Water and Sanitation at every Kempinski hotel.

Since 2021, multiple Kempinski properties have lowered the amount of potable water consumed per guest night. The 3 greatest improvements in this area were shown by Sindhorn Kempinski Hotel Bangkok (60% improvement), Kempinski Hotel Corvinus Budapest (47% improvement), and Kempinski Royal Maxim Hotel (46% improvement).

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
Total Hotel Consumption		2,033,975,900

2021

WATER SOURCE	NUMBER OF PROPERTIES (INCLUDES OUTLIERS)	QUANTITY CONSUMED (LITRES)
Municipal Supply	55	3,730,520,680
Wells/borewells/Ground Water	2	714,923,000
Desalinated Water	10	1,027,402,990
Recycled STP water	3	158,002,000
Sea	2	22,263,700
Tankers/Trucks	2	37,077,000
Rain Water Harvested	1	40,000
Municipality Sewers	4	291,598,000
River/Lake water	1	1,000,000
Unknown Water Source	5	271,055,128
Water Recycled/Reused	6	116,280,500
Total Hotel Consumption		6,370,162,999

2022

The total water consumption for 2022 for 61 properties was just under 6 billion litres. The average total water consumption has decreased by 18%. This includes water reported under sources that were not included in 2021, such as 'Unknown Water Source'. Municipal Supply still accounts for the majority of water consumption across all sources.

Waste

Waste has a significant environmental impact; therefore, it is a critical component of our environmental management. Waste not only generates methane, a contributor to greenhouse gas emissions, but it poses a direct threat of pollution if it enters the environment. While waste generation cannot be avoided, Kempinski Hotels has continued prioritising its waste management, mainly to prevent waste generation by optimising input materials. And similarly, increasing the waste diversion rate from landfills through recycling and re-use. Thereby, reducing unsustainable patterns and promoting SDG #12 Responsible Consumption and Production.

Since 2021, multiple Kempinski properties have lowered the amount of landfill generated per guest night. The 3 greatest improvements in this area were shown by Kempinski Hotel Adriatic (100% improvement, no longer reporting landfilled waste), Kempinski Hotel Corvinus Budapest (81% improvement), and Palais Hansen Kempinski Vienna (59% improvement).

In 2022, 14 hotels are reported to have 100% of their waste diverted from landfill, with another 6 hotels diverting 80-99% of their total waste from landfill. From 49 properties who have reported waste, 5 report no waste has been diverted from landfill, and a further 9 report less than 10% of their total waste is diverted from landfill.

Food Waste

The importance of reducing food waste is twofold. It addresses the need for SDG #2 in realising the significance of Zero Hunger, sustainable agriculture, and growing inequalities on a global scale. While similarly highlighting the need for sustainable consumption patterns recognised in SDG #12. One of the critical areas in which Kempinski has sought to reduce waste to landfill is through more active food waste management. Not only does food waste impact the environment by producing greenhouse gases during decomposition at landfills, but chronic food waste has a significant impact on the global food supply chain that has the potential to reduce hunger in our broader communities.

The success of the implementation of two food waste pilot projects in 2023 in two different regions (Europe and Middle East) will result into carrying out additional hotel food waste projects during the course of 2024.



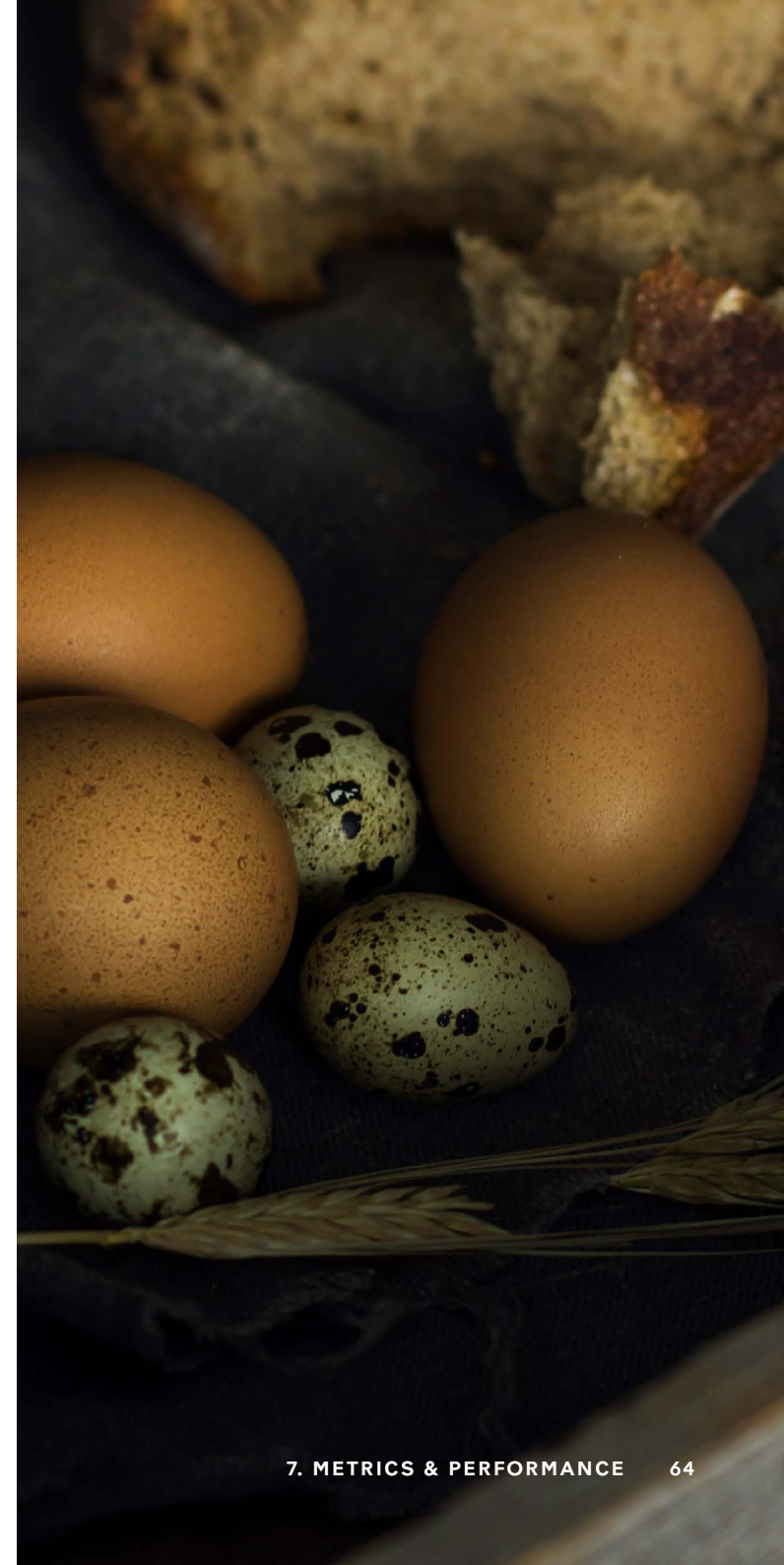
Cage-free Eggs

Kempinski is maintaining its commitment to provide our guests with the most responsible and sustainable offerings. This is perfectly encapsulated in our progress to achieve 100% cage-free eggs sourced for all Kempinski properties.

In 2022, Kempinski achieved 22 hotels (27%) with cage-free programmes. Additionally, another 13 (16%) hotels are in the process of establishing a cage-free egg sourcing programme. Once these hotels are added, the Kempinski portfolio will have greater than half of its properties sourcing cage-free eggs. For properties “managed by Kempinski”, other hotel brands and

“White label hotels,” 33% are complying with the cage-free guidelines.

For Kempinski properties that have not implemented cage-free eggs across the entire hotel, they consistently report that the biggest challenge is that local suppliers are not available and that for some of the hotels, the price offer and its price comparison of cage-free vs. caged eggs is +70% more expensive in terms of costs. Kempinski will continue to work with our stakeholders to improve our performance of responsible and sustainable sourcing of cage-free eggs.



Case Study: Kempinski BEE Suites - Vilnius

The roof of Grand Hotel Kempinski Vilnius is home to the Kempinski Bee Suites - five beehives, where around 150,000 inhabitants busily make honey.

Grand Hotel Kempinski Vilnius in the Vilnius city centre produces more than 130 kg of natural raw honey per year for the hotel and restaurant guests.

The inspiration to install beehives and produce fresh honey came from the idea to offer a safe place and home for bees and at the same time, offer our guests natural

local honey, which can be enjoyed for breakfast. Our hotel chefs also use this honey for pastries, desserts, and cocktails.

In a few suites with windows facing the Old Town, our guests can enjoy the view of tiny red roofs as well as hard-working and happy bees.



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
- Storm water 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

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.

Wooden Key Cards

Given that so many of Kempinski’s properties are surrounded by awe-inspiring natural environments, our desire to keep our ecological footprint at a minimum is a core focus for our sustainable initiatives. Our wooden key card programme began in 2020 to minimise our use of plastics and the participating hotels more than doubled in 2022, resulting in a 105% of increase of savings in plastic by the end of 2022.



WOODEN KEY CARD HIGHLIGHTS	2021	2022
No. of Kempinski hotels	17 hotels (24% of 2022 portfolio)	29 hotels (40% of 2022 portfolio)
Plastic savings in kg	723 kg	1,482 kg (105% increase)

Single-use Plastics

Progressively over the past three years, Kempinski phased out single-use plastics across its properties, such as plastic straws, toothbrushes, combs, shoehorns, cocktail pickers and other plastic packaging with substantial success. From guest rooms, bars to back-of-house areas, these items were substituted by sustainable alternatives including wood, recycled plastic and paper-wrapping. This drastic swap explains why no additional reductions are to be reported in 2022. The removal of plastic and single-use products will continue to be a priority; therefore, we shall keep on consulting with our internal and external stakeholders and actively seek feedback to reduce single-use plastic where applicable.



Clean the World

Clean the World (CTW) provides at-risk people with access to soap, and information about how and when to use it. Their recycling programme significantly reduces waste and promotes a sustainable future. Once collected, Kempinski discarded amenities are sent to the CTW recycling centre. All bottles are recycled in Amsterdam via a state-of-the-art process, obtaining a recycled plastic with a high level of purity. They will be used in new products and liquid will be extracted for reuse. Bar soaps will be sanitised, ground into soap noodles and after testing, cut into new 85gm bars. These new soap bars will be distributed in various communities.

As of 2022, 10 European hotels have signed on to work with Clean the World with soap and/or container collections. For 2022, they have diverted 4,272 kilograms of plastic (+488% over 2021) and 857 kilograms of soap (+314% over 2021) from landfill. From these hotels, Clean the World has been able to distribute 17,286 bars of soap (+317% over 2021) to communities in need.


Additionally, the Capital Kempinski Hotel Singapore participates in the Clean the World programme by collecting soap bars for recycling. In 2022, they collected 23 kilograms of soap (-51% below 2021).


Green Linen Artefacts

Kempinski’s Green Linen Artefact initiative is an innovation for both nature and culture; a blend of local craftsmanship, wildlife education, and resource conservation. 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. This programme takes a routine, potentially forgettable event during their stay and highlights the impact of each guest’s choices and the connection to the natural world which benefits most.



*In Thailand, the **Pla Ta Pian** or woven fish is being crafted in Ayutthaya province from the sustainable Bai Lan or fan palm fronds which symbolises prosperity and abundance in Thai culture*





Doha – Making decorative pattern through plasterwork is an old craft that existed in the Gulf region. Qatar paid great effort to save this practice along with some other craftsmanship from being forgotten. Working with just requires talent, creativity & precision.



Jalak Bali, the Green Linen Artefact in the Apurva Kempinski Bali

*The Bali Starling Songbird (*Leucopsar rothschild*) locally called Jalak Bali is a critically endangered species because it has an extremely small range and population while it is suffering from illegal poaching for the cagebird trade. With no significant difference between the male and the females, these very rare birds can only be found in the West Bali National Park and at Nusa Penida and are easily recognised by their pure-white coat, fringed with black along the tips of the tail and wings and with striking blue skin around the eyes*

Case Study: Sea Turtle Conservation



Kempinski Hotel Cancun

All seven species of sea turtles are endangered worldwide, and six of these arrive to lay eggs on beaches across Mexico. Kempinski Hotel Cancun has joined the conservation fight by undertaking intensive beach management just in front of its doors. Forty Kempinski employees voluntarily received theory and practical training from marine biologists and Testudines experts leading to their certification in safeguarding of nesting turtles and hatchlings. The first responsibility of conservation is to keep the beach clean. Every Friday of the month at sunrise, the beach is combed to remove all harmful inorganic waste to keep a breeding area favourable to growth.

Between May and November, the hotel's turtle conservation team have nightly shifts to look for nesting turtles with a single but crucial goal: egg recovery to minimize predator attacks and protect from poaching. It takes a turtle one to three hours to come to shore, lay her eggs and find its way back to the water. As soon as the turtle is located, the area around her is secured so she can lay her eggs safely. The critical part of the egg recovery process starts when the turtle returns to the ocean, leaving her eggs behind to the power of nature. The hotel volunteers delicately disinter the precious

eggs, rebury them in the sand of a specifically fenced sanctuary which is monitored and safeguarded during the entire incubation. Every protected nest is numbered, dated and timed, and identified by turtle species. When the clutch hatches, all baby turtles are protected from the sun by a crate, waiting to be guided in the middle of the night to the safer waters of the ocean.

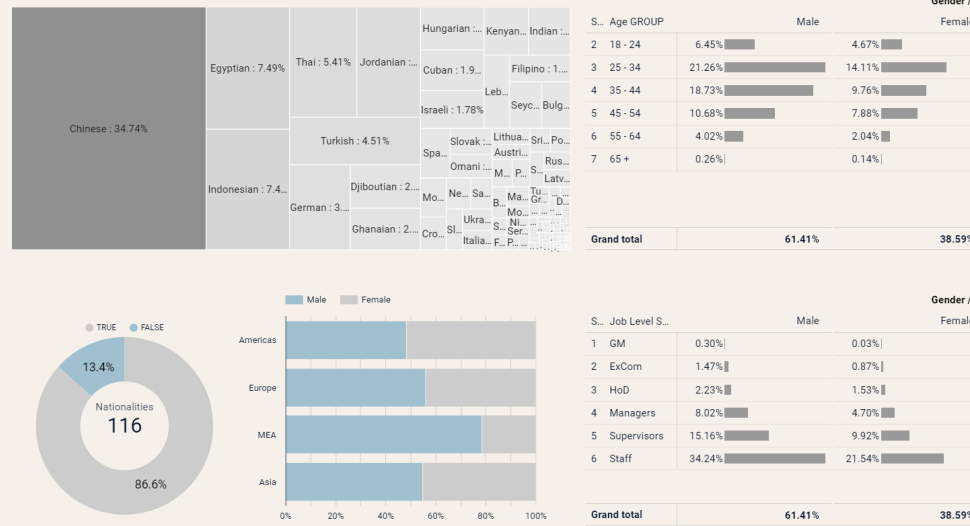
These combined efforts are driven to increase the survival rate of hatchlings and save the future of the turtles. Kempinski Hotel Cancun's team will be ready every year to monitor and work across their beach area, awaiting the turtles' arrival and extending their valuable conservation area throughout the laying season. We are all aware that their ecosystem's health depends on ours, while our livelihood depends on theirs.

A close-up photograph of green pine needles, heavily covered with small, clear water droplets. The background is a soft, out-of-focus green, creating a bokeh effect. The lighting is natural, highlighting the texture of the needles and the glistening surface of the water.

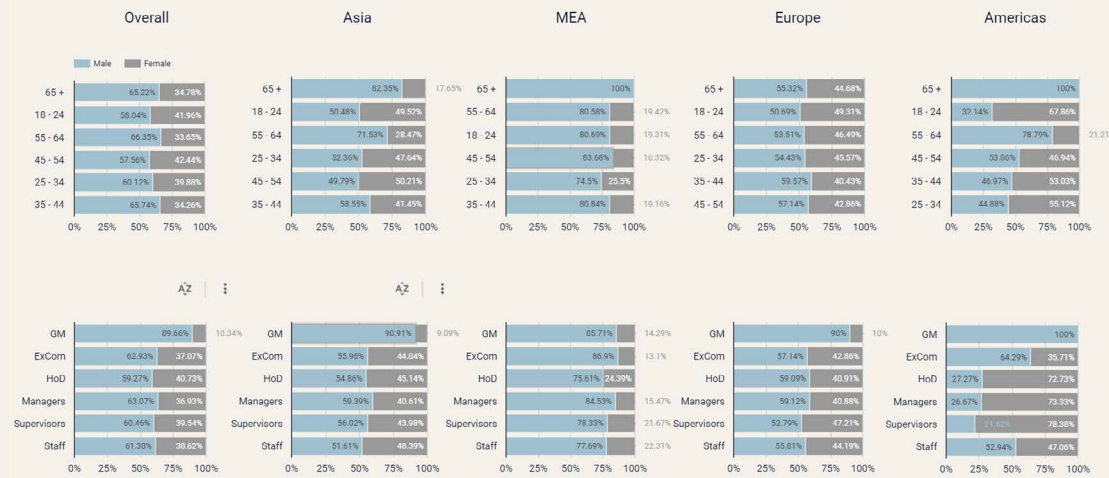
8.

APPENDIX I

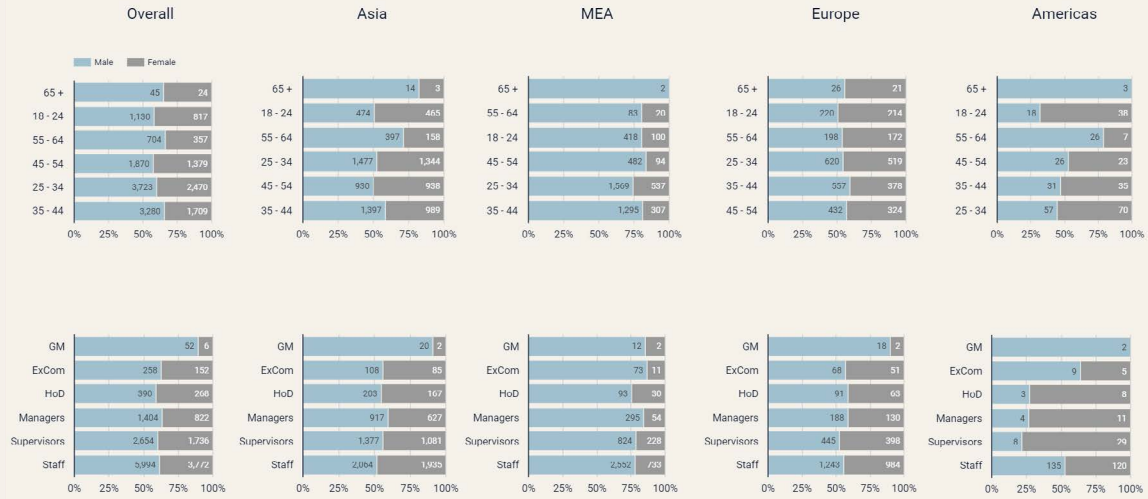
2022 KEMPINSKI HR SCORECARDS



Diversity - Overview



Gender splits by age/seniority (#)



Gender splits by age/seniority - absolute numbers

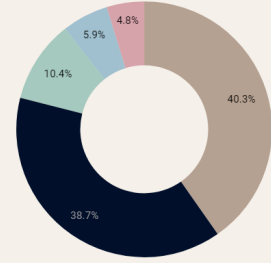


Gender splits by age/seniority - Overview

Contract Type: Local/Expat: Local (1) *

Job Level S...	HIRG	\$ Gap %	(?) Femal...
GM	10	-	-
ExCom	9	-0.77%	0.99
ExCom	8	8.59%	1.09
HoD	7	-4.49%	0.96
Managers	6	0.46%	1.00
Managers	5	-4.14%	0.96
Superviso...	4	-4.57%	0.95
Superviso...	3	-3.76%	0.96
Staff	2	-1.64%	0.98
Staff	1	12.38%	1.12
Grand total		-0.07%	1.00

Region	Hotel	\$ Gap %	(?) Femal...
Asia	27	-2.94%	0.97
Europe	23	2.61%	1.03
MEA	16	1.39%	1.01
Americas	3	1.39%	1.01
Grand total	69	-0.07%	1.00



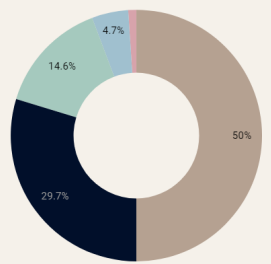
Hotel URL	\$ Gap %	(?) Fema...
1. Qatar - Marra Malaz Kempinski Th...	-	-
2. Kenya - Olare Mara Kempinski Mas...	-	-
3. Germany - Hotel Taaschenbergpalaj...	-	-
4. Jordan - Kempinski Hotel Ishtar De...	-22.75%	0.77
5. Bulgaria - Kempinski Hotel Grand ...	-20.89%	0.79
6. Egypt - Kempinski Hotel Soma Bay...	-15.99%	0.84
7. China - Kempinski Hotel Xiamen C...	-13.17%	0.87
8. Croatia - Kempinski Residences Ad...	-13.14%	0.87
9. Djibouti - Djibouti Palace Kempinsk...	-12.75%	0.87
10. China - Kempinski Hotel Chengdu...	-12.40%	0.88
11. China - Kempinski Hotel Nanjing Q...	-11.62%	0.88
12. China - Kempinski Hotel Fuzhou C...	-11.60%	0.88
13. Indonesia - The Apurva Kempinski ...	-10.80%	0.89
14. Jordan - Kempinski Hotel Anaba R...	-9.30%	0.91
15. China - Kempinski Residences Gua...	-9.02%	0.91
16. Lithuania - Grand Hotel Kempinski...	-8.06%	0.92
17. China - Kempinski Hotel Changsha...	-7.87%	0.92
18. China - Kempinski Hotel Guiyang Q...	-7.84%	0.92
19. China - Sunrise Kempinski Hotel B...	-7.82%	0.92
20. Turkey - Ciragan Palace Kempinski...	-7.77%	0.92
21. China - Kempinski Hotel Chongqin...	-7.71%	0.92
Grand total	-0.07%	1.00

Pay gap analysis - Overview

Asia

Job Level S...	HIRG	\$ Gap %	(?) Femal...
GM	10	-	-
ExCom	9	-3.14%	0.97
ExCom	8	17.42%	1.17
HoD	7	-1.74%	0.98
Managers	6	-4.52%	0.95
Managers	5	-9.94%	0.90
Superviso...	4	-2.96%	0.97
Superviso...	3	-6.47%	0.94
Staff	2	-5.46%	0.95
Staff	1	-7.30%	0.93
Grand total		-2.94%	0.97

Region	Hotel	\$ Gap %	(?) Femal...
Asia	27	-2.94%	0.97
Grand total	27	-2.94%	0.97



Hotel URL	\$ Gap %	(?) Fema...
1. China - Kempinski Hotel Xiamen C...	-13.17%	0.87
2. China - Kempinski Hotel Chengdu...	-12.40%	0.88
3. China - Kempinski Hotel Nanjing Q...	-11.62%	0.88
4. China - Kempinski Hotel Fuzhou C...	-11.60%	0.88
5. Indonesia - The Apurva Kempinski...	-10.80%	0.89
6. China - Kempinski Residences Gua...	-9.02%	0.91
7. China - Kempinski Hotel Changsha...	-7.87%	0.92
8. China - Kempinski Hotel Guiyang Q...	-7.84%	0.92
9. China - Sunrise Kempinski Hotel B...	-7.82%	0.92
10. China - Kempinski Hotel Chongqin...	-7.71%	0.92
11. China - Kempinski Hotel Suzhou C...	-5.14%	0.95
12. China - Kempinski Hotel Jinan Chi...	-5.05%	0.95
13. China - Kempinski Hotel Yinchuan...	-3.96%	0.96
14. China - Kempinski Hotel Taiyuan Q...	-3.79%	0.96
15. China - Kempinski Hotel Shenzhen...	-2.58%	0.97
16. China - THE ONE - Executive Suites...	-1.83%	0.98
17. China - Kempinski Hotel Beijing Lu...	0.20%	1.00
18. China - Kempinski Hotel Dalian Chi...	0.23%	1.00
19. Thailand - Sindhorn Kempinski Hot...	1.17%	1.01
20. Singapore - The Capitol Kempinski...	1.40%	1.01
21. Thailand - Siam Kempinski Hotel B...	1.88%	1.02
Grand total	-2.94%	0.97

Gender composition - Pay gap analysis

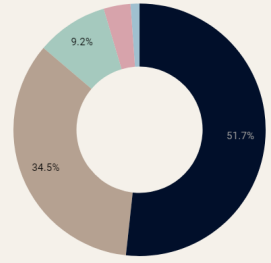
MEA

Job Level S...	HIRG	\$ Gap %	(?) Fema...
GM	10	-	-
ExCom	9	18.50%	1.18
ExCom	8	-3.44%	0.97
HoD	7	-4.20%	0.96
Managers	6	8.63%	1.09
Managers	5	0.60%	1.01
Superviso...	4	0.63%	1.01
Superviso...	3	-3.05%	0.97
Staff	2	5.42%	1.05
Staff	1	0.28%	1.00

Grand total 1.39% 1.01

Region	Hotel	\$ Gap %	(?) Fema...
MEA	16	1.39%	1.01

Grand total 16 1.39% 1.01



Reason	Coun...	%	\$ Gap %	(?) Fem...
Different Departme...	45	51.7%	1.78%	1.02
Seniority / Experi...	30	34.5%	3.02%	1.03
Performance / Care...	8	9.2%	-6.83%	0.93
To be addressed - N...	3	3.4%	5.91%	1.06
N/A	1	1.1%	-12.96%	0.87

Gender composition - Pay gap analysis

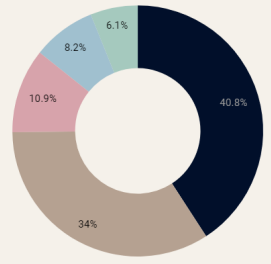
Europe

Job Level S...	HIRG	\$ Gap %	(?) Fema...
GM	10	-	-
ExCom	9	-3.32%	0.97
ExCom	8	-2.03%	0.98
HoD	7	-11.57%	0.88
Managers	6	3.82%	1.04
Managers	5	1.58%	1.02
Superviso...	4	-10.61%	0.89
Superviso...	3	-2.54%	0.97
Staff	2	-4.01%	0.96
Staff	1	40.33%	1.40

Grand total 2.61% 1.03

Region	Hotel	\$ Gap %	(?) Fema...
Europe	23	2.61%	1.03

Grand total 23 2.61% 1.03



Reason	Coun...	%	\$ Gap %	(?) Fem...
Different Departme...	60	40.8%	-4.69%	0.95
Seniority / Experi...	50	34.0%	-3.85%	0.96
Performance / Care...	9	6.1%	1.8%	1.02
To be addressed - N...	16	10.9%	2.72%	1.03
N/A	12	8.2%	66.49%	1.66

Gender composition - Pay gap analysis

Hotel URL	\$ Gap %	(?) Fema...
1. Qatar - Marsa Malaz Kempinski Th...	-	-
2. Kenya - Olare Mara Kempinski Mas...	-	-
3. Jordan - Kempinski Hotel Ishtar De...	-22.75%	0.77
4. Egypt - Kempinski Hotel Soma Bay...	-15.99%	0.84
5. Djibouti - Djibouti Palace Kempinsk...	-12.75%	0.87
6. Jordan - Kempinski Hotel Anapa R...	-9.30%	0.91
7. Jordan - Kempinski Hotel Amman...	-4.64%	0.95
8. Ghana - Kempinski Hotel Gold Coa...	-1.57%	0.98
9. Saudi Arabia - Kempinski Al Othma...	-1.32%	0.99
10. Egypt - Kempinski Nile Hotel Garde...	-0.53%	0.99
11. Seychelles - Kempinski Seychelles...	1.92%	1.02
12. Lebanon - Kempinski Summerland...	2.41%	1.02
13. Egypt - Royal Maxim Palace Kempj...	3.95%	1.04
14. United Arab Emirates - Kempinski...	7.94%	1.08
15. Kenya - Villa Rosa Kempinski Nairo...	18.90%	1.19
16. Oman - Kempinski Hotel Muacat S...	25.09%	1.25

Grand total 1.39% 1.01

Hotel URL	\$ Gap %	(?) Fema...
1. Germany - Hotel Taschenbergpalai...	-	-
2. Bulgaria - Kempinski Hotel Grand...	-20.89%	0.79
3. Croatia - Kempinski Residences Ad...	-13.14%	0.87
4. Lithuania - Grand Hotel Kempinski...	-8.06%	0.92
5. Turkey - Ciragan Palace Kempinski...	-7.77%	0.92
6. Israel - The David Kempinski Tel Av...	-5.41%	0.95
7. Germany - Kempinski Hotel Bercht...	-4.22%	0.96
8. Italy - San Clemente Palace Kempj...	-3.00%	0.97
9. Spain - Kempinski Hotel Bahia Mar...	-2.70%	0.97
10. Germany - Kempinski Hotel Frankf...	-2.43%	0.98
11. Slovenia - Kempinski Palace Portor...	-2.21%	0.98
12. Germany - Hotel Vier Jahreszeiten...	-1.93%	0.98
13. Austria - Palais Hansen Kempinski...	-0.27%	1.00
14. Switzerland - Kempinski Palace Ep...	0.17%	1.00
15. Germany - Hotel Adlon Kempinski...	0.62%	1.01
16. Hungary - Kempinski Hotel Corvinu...	1.50%	1.02
17. Switzerland - Frutt Mountain Resor...	2.11%	1.02
18. Austria - Kempinski Hotel Das Tiroj...	2.99%	1.03
19. Latvia - Grand Hotel Kempinski Rig...	3.31%	1.03
20. Slovakia - Grand Hotel Kempinski...	4.81%	1.05
21. Malta - Kempinski Hotel San Lawre...	5.52%	1.06

Grand total 2.61% 1.03

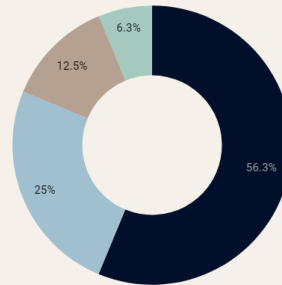
Americas

Job Level S...	HIRG	\$ Gap %	(?) Femal...
GM	10	-	-
ExCom	9	0.00%	1.00
ExCom	8	-4.27%	0.96
HoD	7	11.39%	1.11
Managers	6	-1.82%	0.98
Managers	5	-16.47%	0.84
Superviso...	4	-0.31%	1.00
Superviso...	3	1.54%	1.02
Staff	2	13.99%	1.14
Staff	1	-6.21%	0.94

Grand total 1.39% 1.01

Region	Hotel	\$ Gap %	(?) Femal...
Americas	3	1.39%	1.01

Grand total 3 1.39% 1.01



Reason	Coun...	%	\$ Gap %	(?) Fem...
Different Departme...	9	56.3%	-1.56%	0.98
N/A	4	25.0%	0.27%	1
Seniority / Experien...	2	12.5%	13.28%	1.13
Performance / Care...	1	6.3%	10%	1.1

Hotel URL	\$ Gap %	(?) Fema...
1. Mexico - Grand Hotel Cancún man...	-4.18%	0.96
2. Cuba - Gran Hotel Kempinski La H...	1.51%	1.02
3. Dominica - Cabrits Resort & Spa K...	12.19%	1.12

Grand total 1.39% 1.01

Gender composition - Pay gap analysis



9.

APPENDIX II

SUPPLIER CODE OF CONDUCT

INTRODUCTION

Kempinski AG and its affiliates (referred to hereafter as “Kempinski”) are committed to making a positive contribution to society through our focus on the environment, responsible and ethical business practices, and social and human rights. We can do this by identifying, preventing, mitigating and accounting for potential negative impacts on our own operations and supply chain, and we, therefore, expect the same commitment from our own suppliers.

We are responsible for the economic, environmental, and social impacts our activities have on this world and on future generations. Therefore, Kempinski has developed sustainability targets, a Code of Conduct and Business Ethics, and a Supplier Code of Conduct (hereafter referred to as the “Supplier Code”), which together guide us in this responsibility and help us contribute to sustainable development. The Supplier Code applies to all our suppliers, service providers and manufacturers (hereafter referred to as “Suppliers”).

Our Suppliers play one of the most important roles in upholding Kempinski’s reputation for excellence through our relationships with guests, associates, business partners, investors, contractors and other stakeholders. We want to do business with companies that share similar values and we want to develop relationships with Suppliers that are ready to collaborate with us in order to reach our sustainability targets.

The Supplier Code sets forth the standards and guidelines that we expect our Suppliers to uphold and that are applicable to all Kempinski employees in our global operation. As a Kempinski Supplier, it is expected that you and your employees will strive to follow a comparable Code of Conduct and will respect the obligations of Kempinski partners to adhere to Kempinski policies and applicable standards.

IMPLEMENTATION AND COMPLIANCE

When evaluating a Supplier’s compliance with the Supplier Code, Kempinski will consider the scope and applicability of the requirements in relation to the nature of the business and associated risks.

Additional Supplier-specific sustainability requirements may be defined in commercial agreements since the nature of the business of the Supplier needs to be considered.

Kempinski’s Suppliers are responsible for reading the entire Supplier Code and understanding how it applies to them, as well as how to respond to situations which might not be in conformity with such a Supplier Code.

Kempinski may take steps to assess a Supplier’s compliance with these principles, standards and guidelines.

Failure by the Supplier to allow Kempinski access to verify compliance with the Supplier Code of Conduct, or to remedy any non-compliance within a reasonable time, shall be regarded as a material breach of the Supplier Code. This would entitle Kempinski to terminate the contractual relationship with the Supplier.

MONITORING

All business relationships between Kempinski and Suppliers must be based on integrity, trust, honesty and cooperation. By accepting the Supplier Code, the Supplier commits to meeting these requirements within its own operations and supply chain. This can only be achieved by cooperating in a transparent manner and Suppliers must be able to demonstrate their compliance upon request. Kempinski may verify compliance with the Supplier Code by means of a conversation, self-assessment questionnaire or onsite audits at the Supplier or sub-contractor premises where necessary. This may include permission to conduct interviews with employees and a request to access complete documentation related to the Supplier Code. Compliance verifications are conducted either by Kempinski employees or by an independent third party appointed by Kempinski.

It is the responsibility of the Supplier to ensure that any of its supply chain partners comply with the Supplier Code or equivalent set of requirements.

If the Supplier Code is broken, it is expected that the Supplier shall bring such an instance to the attention of Kempinski so it can be evaluated accordingly and any risk mitigated against.

Violations of the Supplier Code are to be reported to Kempinski either through a Kempinski contact person or through sustainability@kempinski.com.

SOCIAL & HUMAN RIGHTS

Respecting human and labour rights is of great importance to Kempinski. This includes treating employees equally, in an inclusive environment, in a fair manner, with respect and dignity; and avoiding any abuse of human and labour rights. We expect and encourage our Suppliers to uphold the highest standards with regards to recruitment, employment and human rights. Suppliers shall support and respect the protection of human rights, as defined in the United Nations (UN) Universal Declaration on Human Rights. We encourage all Suppliers to be familiar with Kempinski's Policy on Human Rights, which can be found [here](#).

Suppliers must proceed with all their business operations in a non-discriminatory and inclusive way and must not be complicit with any Human Rights abuses, including modern slavery and human trafficking. As such, Suppliers must be compliant with all applicable laws including (but not limited to) those associated with Equal Opportunity, Child Labour, Forced or Compulsory Labour, Working Hours, Compensation, Freedom of Association, Collective Bargaining and Harassment-Free Work Environment.

Discrimination & Harassment

Workplace discrimination is unacceptable. Inclusive and diverse teams contribute to creating a stronger team and can generate enhanced performance and results for the company. Kempinski places great value on the diversity of its suppliers, employees, clients and business partners, and does not condone discriminatory practices of any kind. We are committed to the protection and welfare of our employees, guests and other parties such as Suppliers and contractors.

Kempinski expects Suppliers to provide a fair and safe workplace that is secure, free from any harassment and that creates the right working environment for all employees.

Kempinski expects Suppliers to foster an inclusive environment that promotes mutual respect, inclusion, equal opportunities and diversity with employees, customers and business partners.

Suppliers must respect the personal dignity, privacy and rights of each employee and must not tolerate any kind of abuse, whether physical or mental harassment expressed verbally or non-verbally.

Suppliers must prohibit language, behaviour or physical contact that is abusive, threatening, sexual or exploitative.

Suppliers must also avoid public warnings or punishment systems that might be degrading for any employee or stakeholder.

Suppliers must not discriminate unfairly in recruitment or during the employment period on the grounds of age, nationality, ethnicity, political beliefs, religion, sexual orientation, gender identity or expression, physical ability or any other characteristic that is protected by law or by the UN Bill of Human Rights, or the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

Health & Safety

Kempinski expects Suppliers to provide all their employees with a safe and healthy working environment that meets all applicable requirements, whether local regulations or industry working standards. All necessary steps should be taken to prevent incidents and injuries.

Suppliers must have a suitable risk-assessed approach to safety, which needs to include adequate training and instructions that can be understood by all employees.

The employee must have the right to refuse to enter into a work situation if they reasonably believe that it poses an immediate risk to their health and safety.

All work premises, including in some cases employee canteens or accommodation, need to be inspected regularly to maintain hygiene and fire and safety standards for the well-being of the employees. If accommodation is provided, each employee must have the right to their own bed and separate sleeping areas must be provided for men and women.

Suppliers must ensure that all equipment and machinery is regularly inspected to ensure that it can be safely used by employees. Regular maintenance checks need to be implemented and this needs to be tracked and recorded.

Working Hours & Compensation

Suppliers are expected to offer reasonable working hours and fair remuneration to their employees. At a minimum, employees must be offered compensation and benefits in accordance with local legal requirements, or with applicable collective agreements.

There needs to be sufficient rest and time off from work to prevent injuries and illnesses. Excessive overtime must not be the norm. A rested workforce tends to increase efficiency and productivity.

Freedom of Association & Collective Bargaining

Kempinski encourages Suppliers to respect an employee's freedom of association and right to lawfully and peacefully bargain collectively, shall it be so desired by their employees. We encourage Suppliers to engage in productive talks with their employees to motivate and improve workplace culture.

Prevention of Forced Labour & Human Trafficking

Kempinski expects Suppliers to respect the employee's freedom of movement. Modern slavery including but not limited to forced, bonded or compulsory labour, deceptive recruiting and human trafficking are unacceptable.

Suppliers must also ensure that their recruitment agencies follow their principles against modern slavery. Suppliers including their recruitment agencies must not tolerate restrictions of movement, recruitment fees as part of the application process, confiscation of identity documents, withholding of wages, abusive working conditions or use of fraudulent recruitment processes.

Child Labour

Child Labour is unacceptable. Suppliers must prevent child labour in their operation and in their supply chain.

Kempinski expects Suppliers to adhere to minimum age provisions as applicable by local regulations. Suppliers should only employ workers who are of the applicable age for employment, or above the minimum applicable age for completion of the compulsory education, whichever is the highest.

Young workers (below 18 years old) shall be excluded from any work that is mentally, physically, socially or morally hazardous or that interferes with their compulsory schooling.

ENVIRONMENTAL SUSTAINABILITY

Kempinski is committed to reducing environmental impacts by sourcing responsibly, making better use of its resources, integrating sustainability across our supply value chain, building and operating more sustainable hotels, and mitigating climate-related risks.

Community Engagement & Environmental Laws

Kempinski encourages suppliers to engage with and contribute to the communities in which they operate, as this will be an opportunity to further develop the business economically and sustainably. Furthermore, suppliers should also comply with applicable regulations by ensuring that all environmental permits and registrations required to conduct business are obtained and maintained.

Reducing Greenhouse Gas Emissions

Kempinski encourages its suppliers to transit to a low-carbon business strategy to reduce the ecological impact on Earth. This can be done through policies, incentives and services that seek the mitigation of climate impact.

Waste Management

Kempinski encourages suppliers to reuse and recycle products as much as possible to minimise waste, including single-use plastic, packaging material and hazardous waste, amongst others. We also encourage our suppliers to investigate alternatives to reduce such material from the production cycle by implementing prevention, reuse, recycling or other waste reduction methods that can help reduce environmental impact.

Resource Management

Kempinski encourages suppliers to have efficient and sustainable processes in place with respect to water and energy consumption.

Animal Welfare

Kempinski is committed to the humane treatment of animals. Kempinski encourages its suppliers to implement processes to always prevent the mistreatment of animals when they are raised, cared for, transported and processed.

Sustainable Forestry

Kempinski expects its suppliers of wood and paper products to be compliant with laws and regulations regarding their operations and the products they manufacture. Kempinski will not purchase wood or paper products from illegally harvested or traded wood. We encourage our suppliers to be transparent and engage in responsible sourcing as Kempinski gives preference to recycled and certified products.

ETHICAL & BUSINESS PRACTICES

Kempinski is committed to conducting business respecting high ethical and legal standards. We expect our suppliers to comply with all relevant laws regulating business conduct, but also to conduct business in an ethical manner.

Business Integrity

Kempinski expects suppliers to engage in fair and honest business practices without conspiracy, bribery, corruption, coercion or abuse of economic power. Suppliers, their employees and their sub-suppliers are forbidden from giving or promising anything of value to any person for the purpose of influencing official action or gaining an improper advantage, taking any other action that creates a sense of obligation, or engaging in any unlawful conduct.

Intellectual Property

Kempinski expects suppliers to safeguard Kempinski's resources including assets, information and intellectual property (patents and trademarks), and its reputation by never using such resources for personal gain or in a manner that might create a conflict of interest. Suppliers are obligated to protect such resources by only using them for legitimate business purposes.

Confidentiality

Suppliers often have access to confidential information. We are committed to protecting and upholding the confidentiality of this information. Confidential information may be the subject of local laws and regulations regarding data protection and privacy.

Suppliers must protect Kempinski's confidentiality and must not disclose information, either deliberately or accidentally, obtained during duties without authorisation. For the avoidance of doubt, approval requirements apply to sharing information on industry platforms.

Anti-Corruption

All forms of corruption and bribery are strictly prohibited. The supplier must comply with all anti-corruption laws, rules and regulations applicable in the country in which it operates, and with international anti-corruption conventions.

Gifts & Entertainment

Suppliers must ensure that gifts or entertainment are modest and within Kempinski guidelines when interacting with Kempinski employees. Such offers might create a sense of obligation from Kempinski's side, and since our goal is to maintain optimal commercial terms, we expect suppliers to work with us without interfering in any business decision.

Sustainable Forestry

Kempinski expects its suppliers of wood and paper products to be compliant with laws and regulations regarding their operations and the products they manufacture. Kempinski will not purchase wood or paper products from illegally harvested or traded wood. We encourage our Suppliers to be transparent and engage in responsible sourcing as Kempinski gives preference to recycled and certified products.

Competition

Suppliers must always negotiate agreements with fair competition principles and observe the highest level of professionalism and diligence. Suppliers must not conclude any formal or informal contracts that are intended to or result in the prevention or restriction of competition, or that are in breach of applicable laws in relation to competition or fair trade.

Disclosure of Information

Suppliers are encouraged to maintain consistently truthful, reliable and accurate records. Deliberate falsification of records or misrepresentation of data contained in records is prohibited and is a serious violation of our policies. For the avoidance of doubt, misrepresentation of data includes the recording of any payments made with the intention that part of such payments will be used for an alternative purpose than is described in the documents supporting the payment. Deliberately ignoring or circumventing internal controls designed to ensure the accuracy of records or obstruction of audits intended to monitor compliance with our policies is also a violation of policy.



A modern building interior featuring a curved wall with vertical panels and a ceiling with a grid of recessed lighting. A large, lush green vertical garden wall is visible on the right side of the frame.

10.
APPENDIX III

KEMPINSKI CHILD LABOUR AND FORCED LABOUR POLICY

INTRODUCTION

Kempinski is adopting a Child Labour and Forced Labour policy following the principles of the International Labour Organisation (ILO) and the U.N. Convention on the Rights of the Child, to confirm the Company's continued commitment to stopping the employment of individuals aged 18 or less. This policy delivers a clear interdiction of using forced labour or engaging in exploitative working conditions and practices. At Kempinski, we believe that it is part of our social responsibility to engage in fair, legal and equitable employment practices in all the countries where we operate.

POLICY STATEMENT

Kempinski is fully committed to acting and conducting business within a legal and ethical framework and respecting the guidelines of the International Labour Organization (ILO) and the U.N. Convention on the Rights of the Child.

Kempinski does not condone child labour or forced labour practices in any way, shape or form, and refuses any association with entities that engage in such practices.

SCOPE

This policy is strictly applicable to all Kempinski Hotels and Residences worldwide as well as Corporate and Regional Offices. Moreover, Kempinski expects that its business partners and supply chain (vendors, contractors, etc.) uphold this policy and abide to the practices and laws applicable in the countries where they operate.

DEFINITIONS

Child Labour:

ILO defines "Child Labour" as "work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development.

It refers to work that:

is mentally, physically, socially or morally dangerous and harmful to children; and/or

interferes with their schooling by: depriving them of the opportunity to attend school; obliging them to leave school prematurely; or requiring them to attempt to combine school attendance with excessively long and heavy work."

Forced Labour:

ILO defines "Forced Labour" as "all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily."

Policy Content

Kempinski strongly believes that all children around the world have the right to live a healthy life and receive education, and strictly forbids the employment of juveniles under the age of 18 years, notwithstanding any local laws or regulations in the markets where it operates.

Without prejudice to the rules set in this policy, Kempinski may associate with individuals aged 18 or less to support various educational requirements that these children may have. This will be done via apprenticeships, internships or work-experience schemes, in coordination with the individuals' schools, and all the terms of these programmes, such as number of working hours, days off, working conditions, etc., will follow the legal requirements applicable in the respective country and will be in line with the ILO and UN standards mentioned above.

Moreover, Kempinski strongly believes that any individual working or providing services to the company must do so at their free will, without any type of coercion, and be compensated according to agreed terms that are in line with the local legal regulations. Kempinski is strictly against any form of employment exploitation.

When hiring new employees, all relevant details pertaining to employment, such as age, identity, and social security must be checked via official documentation to ensure that the person considered for hiring is 18 years or older.

In the event of child labour or forced labour occurrence, hired directly by our hotels, residences or legal entities of the Kempinski corporate group, the employment of the child / employee will be terminated with immediate effect.

At the same time, an internal investigation will be conducted to understand the circumstances of the hiring; if there is evidence that the policy has been intentionally breached, adequate disciplinary measures, that could include termination of employment, will be taken against the concerned individual(s).

Kempinski will not associate knowingly, with any entities or organisations using child labour or forced labour. To this extent, Kempinski is communicating the company's policy to all its business partners and supply chain, making it a contractual obligation to not use child or forced labour.

Business partners and supply chain must be audited regularly to ensure they are not using child or forced labour.

In the event of an occurrence of child or forced labour from business partners or supply chain, Kempinski is committed to discontinue the business collaboration with the concerned entity(ies) and may report its findings for further investigation to the local authorities in line with local laws and regulations.

Kempinski has zero tolerance for intentional breach of this policy.

Kempinski is committed to creating awareness regarding child labour and forced labour to its employees by ensuring relevant training takes place.

Kempinski is committed to communicating this policy to its business partners and suppliers and endeavours to ensure the contracts / service agreements with contracting parties and supply chain include provisions allowing Kempinski to enforce this policy.

Responsibility

It is the responsibility of the local management team and Human Resources department to ensure this policy is fully implemented.

It is the responsibility of every employee to report cases of suspected child or forced labour.

11.

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 human rights international 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 Human Rights Office of High Commissioner of the United Nations: “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.”¹

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 Rights²** 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) Core Conventions³**
- ♦ **United Nations Guiding Principles on Business and Human Rights⁴**
- ♦ **OECD Guidelines for Multinational Enterprises⁵**

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.

1. <https://www.ohchr.org/en/issues/pages/whatarehumanrights.aspx>

2. <https://www.un.org/en/universal-declaration-human-rights/>

3. <http://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang--en/index.htm>

4. https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

5. <http://mneguidelines.oecd.org/mneguidelines>

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 Whistle Blowing 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 in 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 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 Ethics⁶

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 judgment. We define success as achieving our goals while conducting our business with the highest moral and ethical standards.

Whistle Blowing Policy⁷

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. This can be found on our public domain at <https://www.kempinski.com/en/hotels/about-us/sustainability/our-sustainability-approach>

Policy Regarding Labour Standards by Third Party Providers⁸

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.

6. [Code of Conduct and Business Ethics](#)

7. [Whistleblowing Policy](#)

8. [Policy Regarding Labour Standards for Third Party Providers](#)

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.

Moreover, 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 Vice President Sustainability.

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.



12.
METRICS &
TARGETS DETAIL

Governance

METRIC	DETAIL	MODIFICATION
SETTING PURPOSE	<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. Included for 2023.</p>
GOVERNANCE BODY COMPOSITION	<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; Audit & Compliance Committee. All non-executive. Four men and one woman. Three European, one Middle East, one Asian.</p>
MATERIAL ISSUES IMPACTING STAKEHOLDERS	<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"> - Internal Audit (ACC) - Bribery & Corruption (ACC) - Diversity and Inclusion (PC)
ANTI-CORRUPTION	<ol style="list-style-type: none"> 1. Total percentage of governance body members, employees & business partners who have received training on anti-corruption policies & procedures, by region; 2. Total number and nature of incidents of corruption confirmed during the current year, a) related to previous years B) related to this year; 3. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption. <p>Additional: compatibility assessment with local laws</p>	<ol style="list-style-type: none"> 2. No incidents in 2021/2022 were reported so far. <p>The implementation of the Speak up tool may bring in more information about possible incidents.</p> <ol style="list-style-type: none"> 3. Anti-corruption training to be renewed once a year <ul style="list-style-type: none"> - Extend the audience on to suppliers
PROTECTED ETHICS ADVICE & REPORTING	<ol style="list-style-type: none"> 1. Seeking advice about ethical and lawful behaviour and organizational integrity; 2. Reporting concerns about unethical or unlawful behaviour and lack of organizational integrity 	<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>
INTEGRATED RISK & OPPORTUNITY	<p>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>	<p>Risk Assessment of the Management Board implemented</p> <p>External Risk Assessment will be implemented</p>
PURPOSE-LED MANAGEMENT	<p>How the company’s stated purpose is embedded in company strategies, policies & goals</p>	<p>Vision, mission, values. Review these and list policies and procedures in place that reflect it.</p>

<p>PROGRESS AGAINST STRATEGIC MILESTONES</p>	<p>Disclosure of the material strategic ESG 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.</p>	<p>See table pages 45-47</p>
<p>ECONOMIC, ENVIRONMENT AND SOCIAL (EES) TOPICS IN CAPITAL ALLOCATION FRAMEWORK</p>	<p>How the highest body considers EES issues when overseeing major capital allocation decisions, such as expenditures, acquisitions and divestments</p>	<p>Consider including ESG goals in strategic decision-making process.</p>

Environment

METRIC	DETAIL	MODIFICATION
GHG EMISSIONS	Report tonnes carbon dioxide equivalent (tCO2e) 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
TCFD IMPLEMENTATION	Disclose at most 3-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 (4 core pillars of the TCFD framework)
LAND USE & ECOLOGICAL SENSITIVITY	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 will 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 31.12.2022
IMPACT OF GHG EMISSIONS	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 requires a conversion of carbon footprint into a monetary figure. This data is currently not available and entails research on the economic costs of carbon prior to definition. Technical assistance is required to help finding the right price conversion.
LAND USE & ECOLOGICAL SENSITIVITY	Report operations and full supply chain 1. area of land used for the production of basic plant, animal or mineral commodities; 2. YoY change in area of land used 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 mgmt. programme. Disclose the certification along w/ % of total land area, mass or cost covered by each certification/programme.	At this stage, information of Kempinski’s suppliers that are in farming, animal or husbandry is not available since such data is not kept centrally. Kempinski has no suppliers in mining. We are exploring the best way to collect these data while our target is to acquire satisfactory data collected by 31.12.2023
IMPACT OF LAND USE AND CONVERSION	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
IMPACT OF FRESHWATER CONSUMPTION AND WITHDRAWAL	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

METRIC	DETAIL	MODIFICATION
DIVERSITY & INCLUSION	% of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).	Part of the HR scorecard, collecting data on gender and nationality of Kempinski employees globally.
PAY EQUALITY	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.	Update in 2023 to include gender and nationality statistics globally.
RISK FOR INCIDENTS OF CHILD, FORCED OR COMPULSORY LABOUR	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.
HEALTH AND SAFETY	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 organization 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.
TRAINING PROVIDED	<ol style="list-style-type: none"> 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; 2. Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees). 	Training hours are documented, but not by gender. Expenditure is currently tracked but not reported globally, this can be adjusted.
PAY GAP	<ol style="list-style-type: none"> 1. Mean pay gap of basic salary and remuneration of full-time relevant employees based on gender (women to men) and indicators of at a company level or by significant location of operation; 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 	Tracked and reported Globally. Scope to be adjusted as per details.

<p>DISCRIMINATION & HARASSMENT INCIDENTS AND THE TOTAL AMOUNT OF MONETARY LOSSES</p>	<ol style="list-style-type: none"> 1. Average hours of training per person that the organisation’s employees have undertaken during the reporting period, by gender and employee category; 2. Average training and development expenditure per full time employee. 	<p>Training conducted and reported, however should be updated as per scope.</p>
<p>FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING AT RISK</p>	<ol style="list-style-type: none"> 1. Percentage of active workforce covered under collective bargaining agreements; 2. An explanation of the assessment performed on suppliers for which the freedom of association and bargaining is at risk, including measures taken by the organisation to address these risks. 	<p>Collective agreements are documented. No assessment is done on the corporate vendors. The Supplier Code of Conduct has been issued and all vendors will need to sign it by the end of 2023. 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</p>
<p>HUMAN RIGHTS REVIEW, GRIEVANCE IMPACT AND MODERN SLAVERY</p>	<ol style="list-style-type: none"> 1. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country; 2. Number and type of grievances reported with associated impacts related to a salient human rights issue 3. Number and percentage of operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. 	<p>Human Rights policy will be updated in 2023. Grievances are tracked and reported. Suppliers are tracked via Trading. It is estimated that less than 10% of all corporate vendors may be at risk, representing though only 15% of all vendors used by the hotels, due to their European origins and therefore more compliant to human rights regulations. However, such an estimation remains precarious since these companies may outsource the manufacturing of their products in other parties of the world such as Asia.</p>
<p>MONETISED IMPACTS OF WORK-RELATED INCIDENTS ON ORGANISATION</p>	<p>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).</p>	<p>Incidents tracked locally, but not on a global level. To be updated and tracked.</p>
<p>EMPLOYEE WELL-BEING</p>	<ol style="list-style-type: none"> 1. 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; 2. A) Percentage of employees participating in “best practice” health and well-being programmes. B) absentee rate (AR) of all employees. 	<p>Not currently tracked. To be updated. Tracking engagement yearly with global action plans. Measuring absenteeism globally beginning in 2023.</p>
<p>NUMBER OF UNFILLED SKILLED POSITIONS</p>	<ol style="list-style-type: none"> 1. Number of unfilled skilled positions; 2. Percentage of unfilled skilled positions for which the company will hire unskilled candidates and train them. 	<p>Tracking vacancies, but to be updated.</p>
<p>MONETISED IMPACTS OF TRAINING</p>	<ol style="list-style-type: none"> 1. Investment in training as a percentage (%) of payroll; 2. Effectiveness of the training and development through increased revenue, productivity gains, employee engagement and/or internal hire rates. 	<p>Tracked.</p>

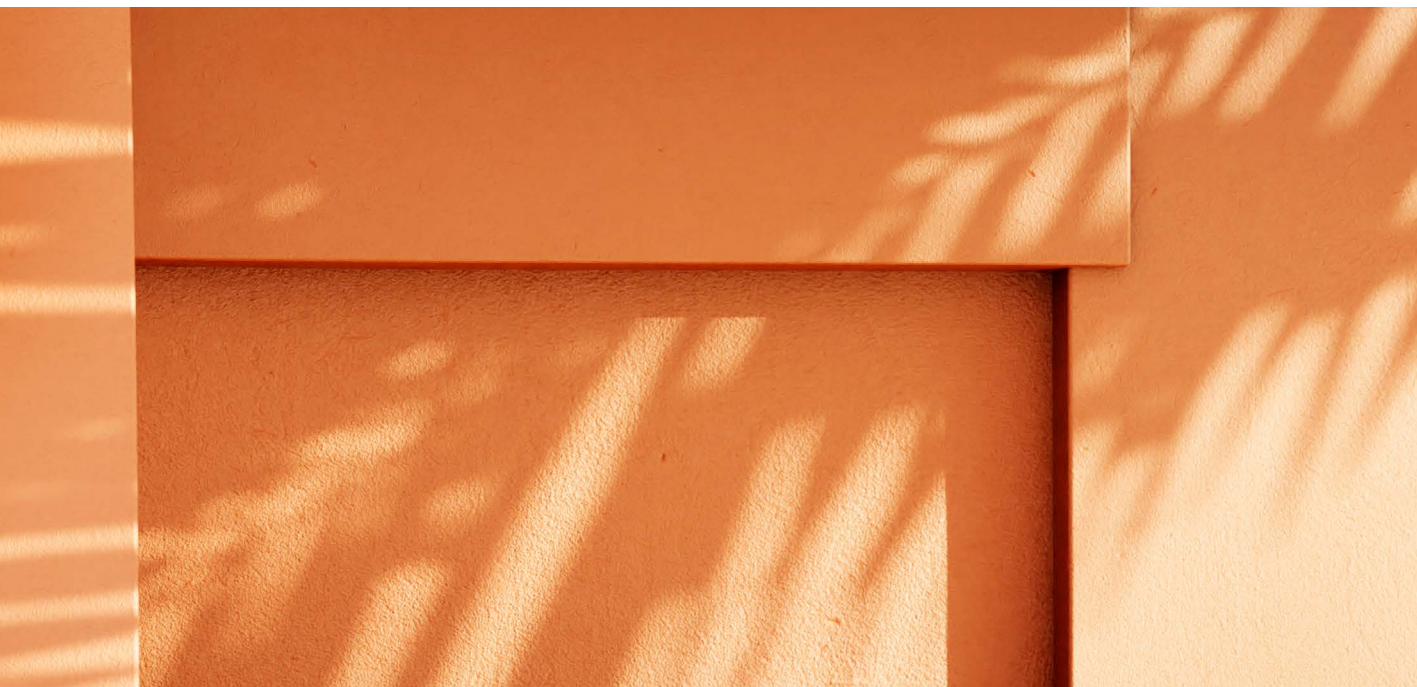
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