

SUSTAINABILITY UPDATE 2012 - 2014



MESSAGE FROM THE BRAND

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MESSAGE FROM THE BRAND

Swissôtel welcomes over 4.7 million guests each year, and as a global hotel operator we naturally consider ourselves a guest of the world. Sustainability is integrated into everything we do - it truly is the mind behind our brand. This is a critical statement, since a hotel structure usually requires a large quantity of resources, and is always strongly rooted in the community where it operates. That's why our sustainability approach takes not only guests and the environment into consideration, but also local communities and our colleagues.

We believe that successful business management and corporate responsibility go hand in hand, so we integrate environmental, social and economic factors into all our decisions with regard to brand development, operations and management. While this report presents the brand strategy and focuses on its overall achievements, it shouldn't hide the energy deployed by some of our 7400 colleagues, along with the multiple initiatives we have implemented. We will therefore also present in this document a large number of local stories – which may serve as good practices for the entire industry.

Our hotels are proudly applying sustainable practices to all their efforts, demonstrating transparency and accountability. Since 2009, all Swissôtel properties, including its corporate office and regional offices, have been ISO-certified in Quality, Environmental, Health & Safety Management and Food Safety. In addition, Swissôtel is recognised for business excellence by the European Foundation for Quality Management - which goes beyond processes and standards and looks closely at innovation and leadership. This set of certifications makes up the backbone of our sustainability strategy, enabling us to run efficient and effective operations worldwide.

Our ultimate goal is to enable quality time for people who appreciate comfort, joy, and a connection to things that represent quality in their life. So we invite you to stay with us and discover something truly Swiss: peace of mind.

Thank you for taking the time to read up on our best practices and do share your feedback with us.

Lilian Roten

Vice-President Swissôtel Brand

AT SWISSÔTEL, WE BELIEVE IN QUALITY IN LIFE AND WE BELIEVE IN SUSTAINABLE EXCELLENCE.



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2 ABOUT THE REPORT

This update on sustainability at Swissôtel Hotels & Resorts covers the years 2012, 2013 and 2014. It is an update of the full Sustainability Report published in 2012 and highlights key focus areas of the brand. It is based on a materiality assessment conducted in 2015 in line with GRI reporting standards, industry best practices and emerging trends. Updated performance data from previous years is included to provide greater historical context. Several case studies and highlights are here to reflect the engagement of our local teams.

Performance data and KPIs are collected monthly and annually in our online performance management tool SERAM and are verified by both internal and external assessors. This update provides a fair and accurate representation of our sustainability performance.

Following corporate restructuring in 2013, Swissôtel Hotels & Resorts' sustainable management practices are now embedded in the overall, companywide FRHI Hotels & Resort Corporate Social Responsibility programme. This parent brand hosts the brands Swissôtel, Fairmont and Raffles. In the future, FRHI will produce a sustainability report that includes activities and key performance indicators of all its brands, including Swissôtel Hotels & Resorts. The next sustainability report by FRHI Hotels & Resorts is scheduled for 2017.





REPORT HIGHLIGHTS

operating hotels

colleagues

million guests per year

donations & sponsors (cash and non-cash 2009 - 2014)

O 3 REPORT HIGHLIGHTS

100% hotels are certified for Quality Management (ISO 9001), Environmental Management (ISO 14001), Health and Safety Management (OHSAS 18001) Food Safety Management (ISO 22000).

100% hotels categorise waste for environmentally friendly disposal.



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04 timeline

(1988)

- Web-based energy management monitor introduced in selected hotels (1999)

- SOS Children's Villages partnership formed

Swissôtel
The Bosphorus,
Istanbul certified
ISO 9001

2000

Opening
Swissôtel house
at SOS Children's
Village in Entebbe,
Uganda

(2002)

- Swissôtel Berlin certified ISO 14001, ISO 9001 (2004)

'We care' initiative started at Swissôtel Merchant Court, Singapore

2008) (20

 Development of sustainability statement and standards 2009

Official enactment of sustainability strategy including definitions of KPIs

- Implementation of global integrated online management system

- Deployment of SERAM tool to collect sustainability ublished on Swissôtel website

- Guest linen-washing/ water-saving programme launched
- Swissôtel Management Llc. certified for
- Environmental Management (ISO 14001)
- Health & Safety
 Management (OHSAS
 18001)

2010

 Eco-footprint assessed for Swissôtel Krasnye Holmy, Moscow
 Swissôtel globally

- certified for
 Quality
 Management (ISO
- 9001)
 Environmental
 Management (ISO)
- 14001)
 Health & Safety
 Management
- (OHSAS 18001)

 Swissôtel Zürich and Swissôtel The Bosphorus, Istanbul certified for
- Food Safety Management (ISO 22000)
- Continual Improvement tool RADAR rolled out globally: Alignment of processes for efficiency and effectiveness

2011

- Global ISO 14001/9001/ OHSAS18001 recertification with audits in China and USA
- Swissôtel Chicago certified for Food Safety Management (ISO 22000)
- All managed & owned hotels comply with Swissôtel sustainability standards

(2012

- First Swissôtel Hotels & Resorts public sustainability report for the
- period 2009-11
 GRI compliant
- Worldwide Vitality program launched (Vitality in meeting / in cuisine / in fitness)
- Swissôtel globaly certified as IIP

(2013)

- Swissôtel Hotels & Resorts recognised for Business Excellence in accordance with the EFQM Model
- the EFQM Model
 Swissötel globally certified for Food Safety Management (ISO 22000) and process mapped in iOMS

OVER 30 YEARS OF SUSTAINABILITY AT SWISSÔTEL.

TIMELINE:

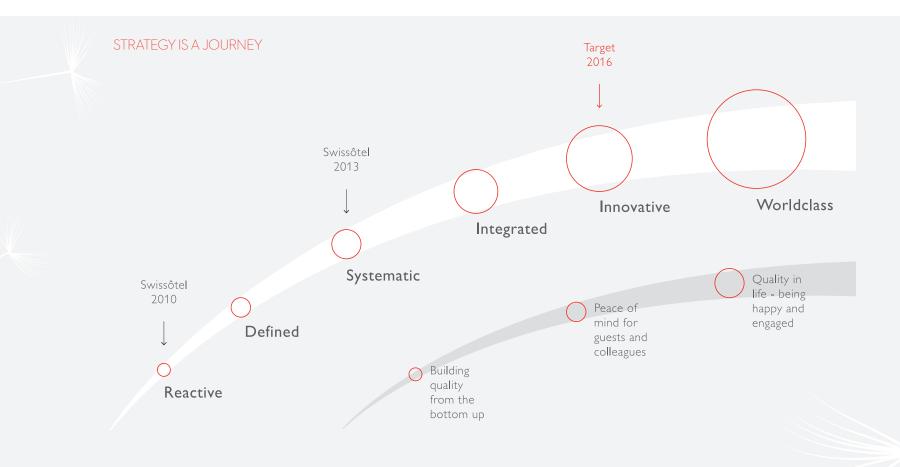
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Strategy, sustainability and innovation go hand in hand. Strategy is a value-based framework, innovating value for all stakeholders. Which is why our Brand Strategy lives by the sustainable way we look after people, planet and profit. We have evolved from reactive behaviour to a systematic approach, going beyond processes and standards towards leading with a vision. This lets us foster and harness creativity and innovation, so we can run effective and efficient hotels.

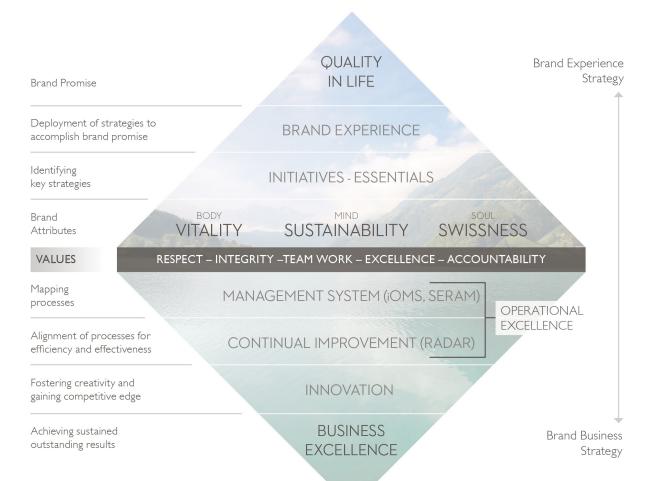


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MANAGING SUSTAINABILITY

This journey manifests itself in the overall holistic brand strategy that was developed from 2012 to 2013. The two parts of the pyramid ("Brand Business Strategy" and "Brand Guest Strategy") complement each other to compose the entire strategy of the Swissôtel brand.

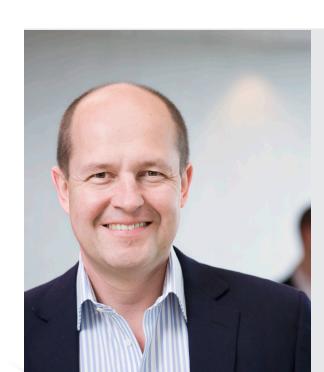


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managing sustainability

) MANAGING SUSTAINABILITY



Gerhard Struger
Regional Vice President Turkey & Eastern Europe
General Manager Swissôtel The Bosphorus, Istanbul

ISO STANDARDS

As an early pioneer of ISO standards at Swissôtel, I have kept a keen interest in their continued evolution across the organisation over the years. Swissôtel's compliance to ISO standards goes back to the late 1990s, when Swissôtel The Bosphorus, Istanbul received the company's first certification. For Swissôtel, ISO certification is more than just a label – it demonstrates that our properties consistently meet the high standards expected by our international clientele and stakeholders by applying a systematic management approach. Swissôtel The Bosphorus, Istanbul is certified in Quality, Health & Safety, Environment and Food Safety and is audited by independent experts. Our ISO certified Management System also supports our drive towards the improved efficiency and effectiveness of all of our processes, which is especially relevant in an ever-changing and fluctuating industry like ours. A critical factor for the success of sustainable management practices is the involvement of all colleagues, from the management team that leads and inspires to the team members who apply and fine-tune processes and standards to ensure not just quality but also relevance in whatever they do, which is perhaps one of the key reasons it works so well.



"SWISSÔTEL'S COMPLIANCE TO ISO STANDARDS GOES BACK TO THE LATE 1990S, WHEN SWISSÔTEL THE BOSPHORUS, ISTANBUL RECEIVED THE COMPANY'S FIRST CERTIFICATION."



MANAGING SUSTAINABILITY



J MANAGING SUSTAINABILITY

CONTINUOUS IMPROVEMENT

Continuously improving our operations and ultimately the guest experience by assessing and refining them is at the heart of each Swissôtel operation. A systematic approach enables properties to improve on a number of KPIs, including financial ones. A few examples show how selected properties improved their top line through continuous improvement:

- Swissôtel Sydney was badly affected by the 2008 economic crisis, so it made a key priority of reviewing its sale processes using the RADAR logic to increase revenue. It has since generated an additional average of USD 2.7 million in room revenue every year since 2010
- Swissôtel Tallinn opened in 2007 and has become one of Estonia's top hotels (Estonia's Best Hotel on TripAdvisor for 2014). Its key priority was improving its ADR (Average Daily Rate), and with the help of a focused RADAR approach, it outperformed the ADR of its comp set, generating an additional USD 183.000 in room revenue in 2013. The strategy included focusing on segments alternative to the usual hotel business mix, as a balanced approach

• Swissôtel Nankai Osaka was affected by a nationwide decrease in wedding business in July 2013. Using the principles of continuous improvement, the MICE department managed to pick up additional wedding business revenue in the remaining three months of the year, 35% above target. Key initiatives included the acquisition of events related to weddings – which had the potential to ultimately link to the acquisition of the actual wedding business (yuino ceremony, smart wedding events, family dinner gatherings, etc.)

Operational Excellence reveals its full potential in maximising cost efficiency for hotel operators and owners.

• Swissôtel Ankara improved overall F&B profitability through a systematic review of its entire production: contract negotiation with suppliers, delivery, inventory, recipes, production methods and team training. This department has kept its overall profitability over 30%, while maintaining the same team headcount, with F&B guest satisfaction at 85%, even though F&B revenue decreased by more than 15% due to low hotel occupancy



- What you want to achieve
- How you are going to achieve it
- How and where in the organisation it needs to be implemented
- How you measure the effectiveness and efficiency of the approach and its deployment in delivering the results you expect
- Improve your strategy and your processes based on your learnings to further drive your performance



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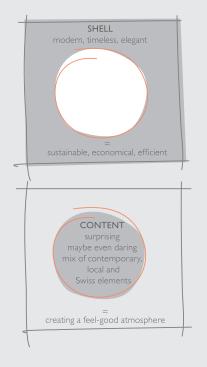


O DESIGNING THE FUTURE

Since 2008, Swissôtel Hotels & Resorts has invested significant resources into its design approach. Unlike in furniture manufacturing – where design is a pre-requisite considered early on in the value chain – at Swissôtel, design is complimentary to its sustainable business strategy:

- On the one hand, design is about look and feel but it also has to follow function. To offer its guests "Quality in Life", Swissôtel's design needs to provide them with modern, clean, reliable and practical solutions that fit their habits and expectations. Ultimately, in-house research¹ has shown that up to 50% of guest satisfaction could be based on the physical appearance of a hotel (a number that actually varies according to the geographical origin of the guest)
- On the other hand, an enormous amount of energy, materials and resources is required for building, operating or renovating large properties like hotels.
 This can be reduced effectively by the intelligent and sustainable design of the structure and its interior, including appliances and fixtures

SWISSÔTEL ADVOCATES THAT THE DESIGN OF A BUILDING'S SHELL AND ITS CONTENT BE COMPLEMENTARY.





Content: the overall look remains fresh and cutting-edge. While the shell must have longevity, the content can be refreshed every three to five years.

This principle lets Swissôtel ensure that the lifecycle of the hotel is more sustainable, with clear added value for the guest and a sensible investment strategy for its owner. A long-term strategy is therefore implemented for each hotel project (new construction or renovation) using a set of tools (enablers):

- Solid processes with clear approval steps, backed by a strong library of documents and templates (iOMS)
- Concept Papers and Design Briefs completed by our management teams, defining the vision, positioning, USPs, key operational aspects and functionalities of each project to create a common understanding among all stakeholders of the objectives to be achieved
- A Concept & Design Manual describing Swissôtel's operating philosophy and design approach to specific signature outlets
- Regionalised Concept & Design Manuals to make certain products, services and design are relevant for the location and embraced by the guests

¹ Led by the research firm JD Powers and Associates

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A set of key objectives – the "proof of value" – tracked by performance indicators are defined for each project (new build or renovated):

- Business Results: increase in revenue and profit, visibility (media awareness, engagement on social media, word of mouth), brand standard compliance
- Guest Results: guest satisfaction, quality of guest experience (meaningful environment, rich in stories, innovation that adds value, functionality)
- Colleague Results: meaningful, safe and comfortable environment for team members to work efficiently and effectively; a culture that lets them act entrepreneurially and be happy
- Society Results: sustainability (e.g. reduced ecological footprint) measured to monitor long-term results for a committed and visionary approach

Sustainable design is therefore not only an intelligent approach in times that challenge the earth's environment; it is also a smart business concept that substantially reduces operational costs. In the spirit of continuous improvement, it is our duty to work towards the long-term improvement of those indicators — a responsibility that we have towards our guests, our teams and our owners.

SWISSÔTEL MÉTROPOLE GENEVA

At Swissôtel Métropole Geneva, the objective of the newly renovated Signature Rooms was to drive ADR, attract a different clientele, and reposition the hotel as the place to be in Geneva; as a hotel famous for its location and heritage, and chosen for its style and feel. The goal was and still is to offer an experience that is different from the competition, which still focuses mainly on classic luxury inspired by 18th and 19th century interior design. Swissôtel's new rooms have a distinctive look that has been designed down to the details, including bedding, bathrooms with steam showers or hot tubs, room & media control panels, a Swiss Bar concept, a built-in TV in the floor-to-ceiling mirror, and a full range of data and charging ports at the workstation desk — all within 24 square metres.

Quick facts

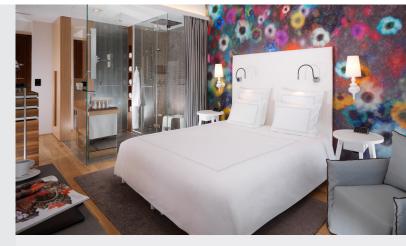
Date of renovations: November 2011 (11 units)

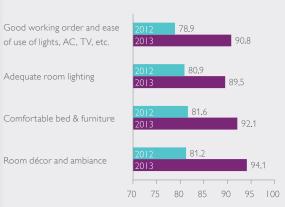
September 2012 (7 units)
September 2013 (12 units)

IRR: 11.9% (based on 10-year depreciation)

Guest satisfaction: +12.9% ("Decor and Ambiance" for

renovated rooms from 2012 to 2013)





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ENVIRONMENTAL RESPONSIBILITY

WE CONSIDER THE ENVIRONMENT TO BE ONE OF THE MOST SIGNIFICANT AND CHALLENGING COMPONENTS OF SUSTAINABLE DEVELOPMENT.



Human activity impacts the environment in various ways, including climate change, water scarcity, deforestation and land overuse. At Swissôtel, we are committed to improving and reducing our impact on the environment by:

- monitoring emissions, identifying and acting upon trends or issues
- promoting energy efficiency
- reducing waste and recycling all materials possible
- offering guests the opportunity to participate in programmes to reduce their environmental impact
- investigating all complaints and non-compliances and acting on our findings
- reporting monthly and annually on environmental performance
- ensuring that environmental training is provided to team members
- joining appropriate environmental initiatives and groups





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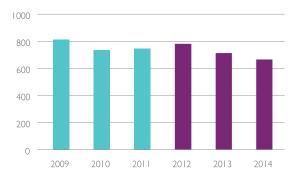
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ENVIRONMENTAL RESPONSIBILITY

WATER CONSUMPTION

WATER CONSUMPTION PER GUEST NIGHT DECREASED BY 18% BETWEEN 2009 AND 2014.

Water consumption per guest night (I)



PROGRESS: 78% of all Swissôtel properties have reduced their water consumption per guest night over the past three years, thanks to a range of measures such as engineering enhancements, laundry reduction, watersaving programmes, consumption monitoring and guest participation schemes.

Globally, water scarcity affects over one fifth of the world's population and the United Nations estimates that by 2030, almost half of the world's population will be living in areas with a high level of water stress. Hotels are large consumers of water, which makes the monitoring and reduction of water consumption a top priority for Swissôtel.





SWISSÔTEL CHICAGO

Wastewater from laundry machines is collected and filtered; suspended solids, oil and grease, soaps and organics are removed. A UV and ozone disinfection system provides a dual assault on bacteria and viruses before the recycled water goes back into the washing process. This enables the hotel to recycle 60% to 65% of its laundry water.

SWISSÔTEL THE BOSPHORUS, ISTANBUI

A grey water project ionises waste water from the hotel's pools, kitchens, baths and showers, which is then used to irrigate the grounds' gardens. Recycling grey water not only saves a great deal on costs. The scheme also keeps grey water out of the sewer system, where grease, dirt, soaps and other chemicals could pollute local bodies of water. The project instead diverts grey water to plants, which thrive on this kind of waste even as they clean the water before it goes back into the earth.

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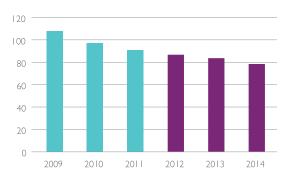


ENVIRONMENTAL RESPONSIBILITY

FNFRGY

ENERGY CONSUMPTION PER GUEST NIGHT DECREASED BY 27% FROM 2009 TO 2014.

Energy per guest night (kWh)



PROGRESS: Since 2012, 74% of Swissôtel properties have launched energy consumption reduction programmes, including low-energy lighting, laundry reduction, teammember awareness training and purchasing green energy.

Consuming energy in the form of fossil fuels such as oil, gas and coal poses a significant threat to the planet. The carbon emissions generated by burning fossil fuels are understood to be a main cause of global warming. Current consumption levels associated with the growth of the middle-class in emerging countries will increase the demand for energy even further in the coming years. This calls for immediate action to reduce current energy consumption levels.

SWISSÔTEL SINGAPORE MERCHANT COURT

In 2012, Swissôtel Merchant Court launched a major review of its technological infrastructure, with the aim of achieving the best possible energy efficiency. The hotel managed to reduce its electricity consumption per guest night by 9% from 2013 to 2014 – with an expected total annual electricity reduction of 2.066.400 kWh. The hotel was given the Green Mark Platinum award – the highest recognition level given by the Building and Construction Authority of Singapore, which went to only 23 buildings in Singapore.



SWISSÔTEL BÜYÜK EFES, IZMIR

This top-rated property in sustainable management practices began producing its own electricity using natural gas in 2012, which resulted in savings of 32%. At the same time, the hotel used the exhaust from its own waste treatment to heat and cool the building. Swissôtel Büyük Efes, Izmir was subsequently certified as an Environmentally Sensitive Accommodation Facility (Green Star) from the Ministry of Culture and Tourism of Turkey in 2014.



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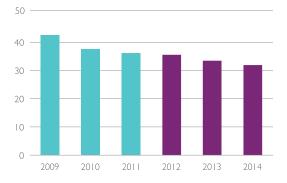
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ENVIRONMENTAL RESPONSIBILITY

CO_2

CO₂ EMISSIONS PER GUEST NIGHT DECREASED BY 25% FROM 2009 TO 2014.

CO₂ emissions per guest night (kg)



PROGRESS: Swissôtel is committed to either reducing fossil fuel consumption or replacing high-carbon fuels with cleaner alternatives, wherever this is viable. Swissôtel also encourages all properties to purchase electricity from green suppliers whenever an option exists for them to do so.

CO₂ accounts for over 99% of Swissôtel's air pollution. Nearly all CO₂ emissions produced by our hotels are due to energy production, either through fuel combustion at the property, in vehicles or indirectly through the purchase of electricity and other supplied energy sources.

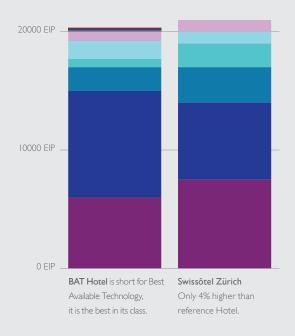
SWISSÔTEL ZÜRICH

Swissôtel Zürich began extensive renovations in 2011, starting with the refurbishment of the main restaurant Le Muh, followed by the lobby (2013-2014) and the guest rooms (starting in 2016). At the same time, the hotel went through an entire back-of-house overhaul to reduce its environmental impact. Lifecycle assessment methodology used in conjunction with environmental key performance indicators enabled the hotel to benchmark against other properties and best available technologies (BAT). The chart below shows Swissôtel Zürich's 2012 ecological footprint (listed in the chart as "Swissôtel Oerlikon") compared to BAT, reflecting the sustainable business concept implemented during the renovation phase of the entire hotel.

ENVIRONMENTAL IMPACT PER GUEST NIGHT

The normalisation factor (weighted guest night) also includes spa guests and the number of meals served. External conference guests are not included.

- Chemicals, Detergents and Paints Textiles and Amenities
- Business Travel Water Building and Maintenance
- Waste disposal Fuels Electricity Food, Beverages and Flowers



To illustrate: Swissôtel Zürich has implemented a heat recovery system with air handling units for guest rooms, and has substituted oil with district heating, a system that takes heat generated by the local waste treatment plant and feeds it to the hotel. This is the most cost-effective method for properties to cut carbon emissions, resulting in both a reduction in operating costs on behalf of the owner of the hotel, and safeguarding the environment through increased energy efficiency and lower CO₂ emissions.

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ENVIRONMENTAL RESPONSIBILITY

WASTF

REDUCE, REUSE, RECYCLE

Waste disposal has a strong negative impact on the environment – through the release of CO₂, methane or particulates, the contamination of groundwater, noise and visual pollution, and energy consumption for waste treatment. Swissôtel prioritises waste disposal methods wherever possible, and each hotel has its own waste management system in accordance with ISO 14001 (Environmental Management).

PROGRESS: Since 2013, all hotels categorise waste and properties have developed various waste treatment initiatives.

SWISSÔTEL THE STAMFORD, SINGAPORE

From 2013 to 2014, Swissôtel The Stamford, Singapore increased the amount of recycled food waste by 22.7% to 48 tons, turning scraps into organic fertiliser for the hotel's herb garden, which in turn supplies organically grown herbs, vegetables, fruit and edible flowers to all of the hotel's F&B outlets.



SWISSÔTEL SYDNEY

In 2012, Swissôtel Sydney introduced a waste improvement programme, a full supply chain to reduce waste and drive recycling. This resulted in a 21% decrease in waste production and a 22% increase in recycling.

Total waste (tons)



SWISSÔTEL MERCHANT COURT, SINGAPORE

Food & beverage is one of the key departments of this hotel – which houses some of the city's highly popular venues – generating about 350 tons of food waste per year. In order to best dispose of this organic waste, an eco-digester system transforms solid food waste into water, which is then used for washing floors and plant irrigation, or it is safely discharged into the sewer system.

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OASE STUDY: SWISSÔTEL NANKAI OSAKA sees quality management as key in standing out from the competition and the guest experience as essential. It considers the "voice of customer" (VOC) a powerful tool for making continuous improvements and pro-actively shares feedback with all colleagues. The hotel takes action on the resulting insight by making operational changes, using best practices to train team members, recognising best employees or planning renovation projects for sustainable business results.

Swissôtel Nankai Osaka is ISO 9001:2008 certified; its implemented quality systems and strategic approaches were recognised by Swissôtel Corporate Office and Swissôtel Nankai Osaka was awarded with the Swissôtel Sustainability trophy in 2014.

GUESTS

GUEST SATISFACTION

Guest satisfaction is essential to any industry, but it really lays the foundation of the hotel business, which is all about people and emotions. Swissôtel has over 10 years of experience in the professional gauging of guest satisfaction. Customer feedback is consistently analysed by management and team members to implement corrective and preventive action accordingly.

Guest satisfaction questionnaires are sent to all guests within 30 days of their stay. In the past six years, Swissôtel has maintained a level of "very satisfied guests" of well over 80%.



SHR MARKET METRIX
SERVICE AND EMOTIONS SCORE



SHR SERVICE & SHR OV

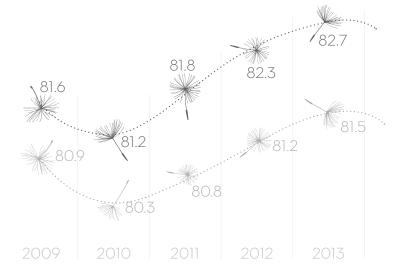


SHR OVERALL GUEST SATISFACTION SCORE / GSI

ON THE ROAD

TO SERVICE

EXCELLENCE



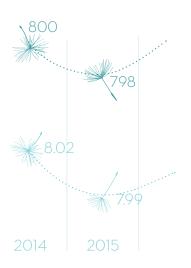
SHR JD POWERS SERVICE AND EMOTIONS SCORE



SHR JD POWERS GUEST SATISFACTION INDEX (GSI) SCORE



GUEST SERVICES AND EMOTIONS (GSE) SCORE



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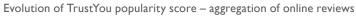


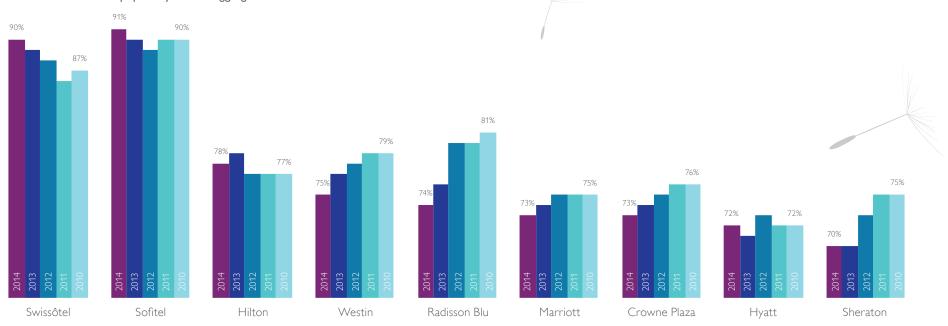
COMMUNITY AND PARTNERS

Externally: using TrustYou, an aggregator of online reviews about multiple properties, Swissôtel is also able to benchmark the evolution of its reputation against its competition.

PROGRESS: while seven brands out of nine struggle with a reputation level below 80%, Swissôtel has enjoyed a steady increase in its reputation from 2011 to 2014, up to 90%.

WITH 90% POSITIVE REVIEWS, SWISSÔTEL HAS ONE OF THE BEST ONLINE REPUTATIONS.





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GUESTS AND COLLEAGUES

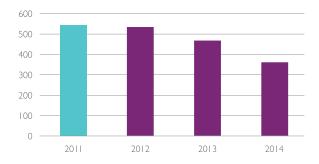
GUESTS AND COLLEAGUES HEALTH, SAFETY AND SECURITY

The health, safety and security of our guests are our top priorities. All Swissôtel properties systematically identify, assess and minimise risks according to the OHSAS 18001 – Health and Safety Management scheme. Colleagues receive regular training in first aid and fire safety upon joining the company, and Swissôtel investigates and records all incidents using a central tool, sharing the lessons learned with other hotels where appropriate.

PROGRESS: Group and property initiatives over the last three years have led to a significant reduction in security incidents.

THE NUMBER OF SECURITY INCIDENTS HAS DECREASED BY 32% IN THE PAST THREE YEARS.

Number of health, safety and security incidents were not monitored before 2011





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OB COMMUNITY AND PARTNERS



GUESTS AND COLLEAGUES

VITALITY

At Swissôtel, Vitality is both a philosophy and a programme that focuses on well-being and quality of life. Vitality lets us help guests stimulate their physical and mental fitness in their own time and in their chosen comfort zone. To complement the programme, Swissôtel's F&B offering includes fresh and healthy drinks, snacks and dishes, and we provide meetings participants with Vitality Breaks between sessions to remain productive and focused throughout the day.





SWISSÔTEL CHICAGO

At Swissôtel Chicago, team members and guests are engaged in weekly calendars with daily activities: Vitality run, boot camp and power breaks. These are hosted either by the hotel's general manager or head of departments. Some activities are also offered at times convenient for team members (e.g. 3 pm for Housekeeping) and exercises are tailored to the age of the participants. This promotes a higher level of colleague engagement and overall physical health. Vitality for team members also includes tailored menus at the colleague canteen and a step away from traditional colleague uniforms. A recent competition to create an in-house rallying cry for Vitality collected 148 submissions – the final option chosen by team members was: "Be Bold. Be Inspired. Be You."



COMMUNITY AND PARTNERS

08 COMMUNITY AND PARTNERS

GUESTS AND COLLEAGUES

FOOD SAFETY

Swissôtel takes full responsibility for food safety and has taken every possible measure by introducing ISO 22000 Food Safety standards worldwide in 2011. The ISO 22000 certification scheme compiles the highest existing standards in the service industry, with specific risk assessments at each location followed by control measures and strict reporting.

Food safety is a very challenging and sensitive issue for a hotel company - especially when it operates on a global scale. To ensure food safety standards are continuously met, the group maintains a centrally managed management system (the iOMS – our integrated online management system) and conducts regular internal and annual external audits.

PROGRESS: In 2013. Swissôtel Hotels & Resorts achieved group-wide certification for Food Safety with TÜV Nord.





PHILOSOPHY: WE CREATE PLACES OF ENTERTAINMENT THAT BECOME DESTINATIONS WITHIN THE COMMUNITY. OFFERING SUSTAINABLE

CREDO: EMOTIONS PER SQUARE METRE!

PRODUCTS OF

EXCELLENT QUALITY.

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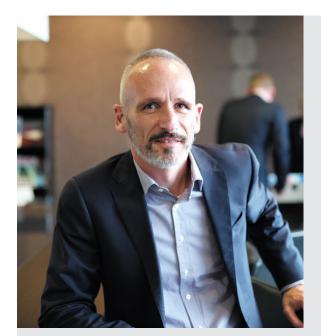
COMMUNITY AND PARTNERS

COLLEAGUES

The hotel business is a people's business, and the success of our business is directly linked to the commitment, attitude and passion of our colleagues. At Swissôtel, sustainability means we engage with our team members and refine our leadership capabilities, to inspire and create a dynamic, high-spirited and fun work environment.

In 2007, Swissôtel decided to undergo the Investors in People (IIP) assessment to evaluate its management strategy. The IIP accreditation programme helps companies meet and exceed their goals. Swissôtel Europe was successfully assessed and recognised as an Investor in People in 2011, and all properties were certified as Investors in People in 2012. In 2014, the Swissôtel brand received the certification Investors in People Silver.





Pierre Botteron
Vice President Human Resources, FRHI Europe

"PUTTING THE ACCENT
ON OUR PEOPLE" AND
"HIRE FOR TALENT AND
TRAIN THE SKILLS" IS
THE CORE OF OUR
HUMAN RESOURCES AND
TRAINING PHILOSOPHY.

The Investors in People framework is very challenging and requires a broad range of detailed criteria to be fulfilled. It also means we live what we preach, since the auditors conduct live interviews on site. We aim to ensure our colleagues enjoy a good work-life balance, and being authentic, creative and asking "Why?" is something we value. Every team member is an ambassador of the brand and investing in them means investing in our company and its continuous success.

Learn more at: http://www.investorsinpeople.co.uk



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COMMUNITY AND PARTNERS

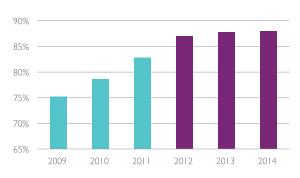




Colleague engagement has been a focus of the Swissôtel brand since 2009. Please note that data from 2010 to 2013 where measured by Gallup (scale on 5) while 2014 data were measured by Kenexa Surveys (% scale).

PROGRESS: Colleague engagement has continued to increase since 2010, reaching 88% in 2014.

Colleague engagement



COLLEAGUE HEALTH AND SAFETY

At Swissôtel, we believe that all team members and partners should have the right to a safe and healthy work environment, free from injury and illness. To make certain this is the case we:

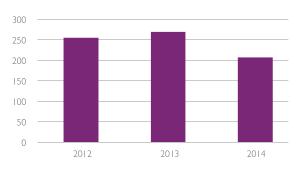
- ensure that health and safety is a core objective of hotel managers
- promote the well-being of guests and team members
- assess health and safety risks at each location
- operate a health and safety audit programme
- join appropriate health and safety initiatives and groups, including corporate-wide OHSAS 18001 certification (ISO certification on Food Safety)
- investigate all complaints and noncompliance and act on our findings
- provide team members with the necessary training and personal protective equipment to safely do their job



Feedback from our colleagues on this issue is also monitored through our yearly colleague engagement survey. In addition, we operate a global, 24-hour hotline for colleagues to report non-compliance.

PROGRESS: The number of work-related injury cases has decreased by 19% in the past three years.

Number of work-related injury cases



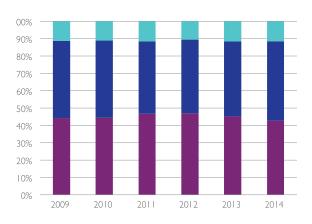
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COLLEAGUE DIVERSITY

A global employer, Swissôtel counted 7,419 colleagues in 2014. Of those colleagues, 42.80% were under 30 years old and 11.60% were over 50 – which is a great sign of generational diversity.

Generational diversity



- Team members over 50 Team members 30-50
- Team members under 30

Despite that strength, Swissôtel is still struggling to significantly improve in other key areas of team member development:

- turnover lies at 37.66% (0.9% lower than in 2011)
- internal promotion has risen slightly to 11.66% (2.5% higher than in 2012)
- the proportion of female team members is 35.51%
- and the rate of female managers is 36.73%

Such average performance is structurally linked to the nature of the hotel industry. Although we perform better than our competition, it is still much lower than in other industries and therefore requires our attention.



COMMUNITY AND PARTNERS

O COMMUNITY AND PARTNERS

COMMUNITY SUPPORT

As "citizens of the world", all Swissôtel properties are encouraged to donate to and work with local organisations and community groups. Examples may include financial contributions to charities, sponsorships, free or discounted use of facilities, awareness campaigns, government support, or contributions to or participation in local community projects.

SWISSÔTEL BANGKOK NAI LERT PARK

Swissôtel Nai Lert Park is celebrating its Annual International Flower Show with the 28th edition in 2014. It has donated 3.5million Thai Baht to charitable organisation within the Thai community.



SWISSÔTEL TALLINN

A landmark in the local community, the property supports a number of local charities and events:

- Estonian Cancer Society (Eesti Vähiliit), by hosting the annual charity event (300 guests)
- Chef's Cup, a tournament that funds better equipment for local school cafeterias
- SOS Children's Villages "Dream Day" football tournament
- Annual cleaning of Tallinna Pelgulinna hospital surroundings
- Charity lunch for the homeless at Christmas



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SWISSÔTEL HOTELS & RESORTS

Swissôtel has been supporting SOS Children's Villages since 1999 an international non-governmental social development organisation, which has welcomed and supported orphans around the world since 1949. To celebrate the 15th anniversary of the partnership, a social media campaign was carried out from November 2014 to January 2015 on Swissôtel's corporate Facebook and Twitter accounts, totalling 6.1 million impressions and enabling a donation of CHF 10,000 to the charity. To date, this has been one of the Swissôtel brand's most successful social media campaigns. SOS Children's Villages operates in 133 countries, and Swissôtel properties are encouraged to support local chapters whenever possible.



SWISSÔTEL CHICAGO

Swissôtel Chicago is committed to Vitality and organises Vitality activities for its guests and team members on a regular basis. On 22nd March 2015, a large Vitality event was held for the hotels' neighbours and key accounts, providing it with the opportunity to promote SOS Children's Villages Illinois and make a direct donation of USD 1,500.



It is Swissôtel's wish to see orphans become independent adults and grow successfully throughout life. Since 2013, this property has supported a young adult from the local SOS Children's Village in their education at the State Hotel Management Institute. Tuition fees paid by the hotel total INR 123,500 per year (approx. USD 1,900 per year). The candidate also receives hands-on experience at Swissôtel Kolkata during a short-term internship.





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ACHIEVEMENTS

Our team members and stakeholders contribute their time and effort towards ensuring that Swissôtel remains and becomes ever-more sustainable. We therefore believe the external recognition of our projects and achievements is an important part of our journey towards sustainability excellence and are proud to share what others say or think about us, both internally and publicly. Below are only a few of the many awards and recognitions given to our hotels across the world.



PROPERTY AWARDS

TripAdvisor Travelers' Choice Awards - 2015

Eight Swissôtel properties have been named winners of the 2015 TripAdvisor Travelers' Choice Awards, a prestigious ranking of the world's top properties based on millions of travel reviews. Among those honoured was Swissôtel Tallinn, which ranked third in the Best Service category. Additionally, Swissôtel Quito and Swissôtel Dresden ranked among the top 10 hotels in the Luxury and Best Service categories respectively.

TripAdvisor Travelers' Choice Awards – 2014

Swissôtel Krasnye Holmy was recognised as both the Top Hotel and the Top Luxury Hotel in Russia. Swissôtel Dresden was rated both the Top Hotel in Germany and the Top Luxury Hotel in Germany. The hotel was also ranked as the second most Romantic Hotel in Germany.

World Luxury Hotel Awards – 2013

Swissôtel Grand Shanghai was honoured as China's Luxury Business Hotel, Swissôtel The Stamford, Singapore was praised as Singapore's Luxury Business Hotel and Swissôtel The Bosphorus, Istanbul was named Europe's Best Luxury Hotel. Swissôtel Nankai Osaka was deemed Japan's Luxury City Hotel, Swissôtel Tallinn was Estonia's Luxury City Hotel and Swissôtel Lima was Peru's Luxury Hotel.

Condé Nast Traveler - Readers' Choice List - 2013

Four hotels were recognised among the world's best, including Swissôtel Tallinn, Swissôtel Berlin, Swissôtel Chicago and Swissôtel The Bosphorus, Istanbul.

Hospitality Asia Platinum Awards – 2013

Swissôtel The Stamford, Singapore received praise in numerous categories as "Best in Asia" for Service Excellence, Hotel of the Year, Signature Business Hotel, Most Exquisite Dining Experience – Western Cuisine (Jaan) and Best Housekeeping.



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EXTERNAL
RECOGNITION OF
OUR ACHIEVEMENTS
HELPS TO ENSURE WE
ARE FOCUSING ON
THE RIGHT AREAS.

PROPERTY AWARDS

World Travel Awards – 2012 and 2013

Swissôtel properties are consistently noted as best in class. Swissôtel Grand Shanghai was named China's Leading Business Hotel (2012 and 2013) and Swissôtel The Stamford, Singapore was honoured as Asia's Leading Luxury City Hotel and Singapore's Leading Business Hotel (2012 and 2013). Other properties to be singled out by this group include Swissôtel Amsterdam, Swissôtel Tallinn, Swissôtel Lima, Swissôtel Nankai Osaka, Swissôtel Nai Lert Park, Bangkok, Swissôtel Zurich, Swissôtel Krasnye Holmy, Moscow, and Swissôtel The Bosphorus, Istanbul.

Condé Nast Traveler - Gold List - 2012

This prestigious list recognised several Swissôtel properties, including Swissôtel Ankara, Swissôtel Tallinn and Swissôtel Grand Efes, Izmir.

Travel + Leisure China – 2012

Swissôtel Beijing and Swissôtel Kunshan were recognised in the Best Business Hotel category, and Swissôtel Nankai Osaka was chosen as the Top Overseas Hotel in this influential listing.

World Luxury Hotel Awards – 2012

Swissôtel Krasnye Holmy, Moscow was honoured as Russia's Luxury Hotel & Conference Centre, Swissôtel The Stamford, Singapore was praised as Singapore's Luxury City Hotel and Swissôtel The Bosphorus, Istanbul was named Turkey's Luxury Hotel. Swissôtel Bremen was deemed Europe's Luxury City Hotel.

TripAdvisor Travelers' Choice Awards – 2012

The Certificate of Excellence awards businesses that consistently earn top ratings from TripAdvisor travellers. Swissôtel recipients included Swissôtel Kunshan and Swissôtel Foshan. The Travelers' Choice Awards placed Swissôtel Lima at #18 among the top 25 luxury hotels in South America.

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IIP: it's not a job, it's a relationship

Investors in People is the standard for people management. With a community across 75 countries worldwide, successful accreditation against the Investors in People Standard is the sign of a great employer, an outperforming place to work and a clear commitment to sustainability. At the heart of Investors in People is a simple assessment on property to benchmark with best practices being applied worldwide.



SQS: helping us build quality hotels from the ground up

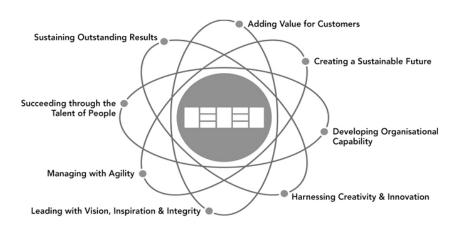
The Swiss Association for Quality and Management Systems (SQS) is Switzerland's leading organisation for certification and assessment services. It was founded in 1983 as one of the world's first companies in this industry. Today, SQS operates internationally and has over 150 permanent employees in Switzerland, France and Italy and more than 250 freelancers around the world.



Recognised for excellence

EFQM: moving beyond standards towards creativity and innovation

The European Foundation for Quality Management, EFQM, was founded in October 1989 when the CEOs and Presidents of 67 European companies subscribed to their eight Fundamental Concepts and declared their commitment to achieving the EFQM mission and vision. The Foundation set up a team of experts, from industry and academia, to develop the EFQM Excellence Model, a holistic framework that can be applied to any organisation, regardless of size or sector. This was first used to support the assessment of organisations in the European Quality Award in 1992.



GLOSSARY LIST

ADR	Average Daily Rate
BAT	Best Available Technology
CES	Colleagues Engagement Survey
CFC	Chlorofluorocarbon
CO ₂	Carbon Dioxide
CSR	Corporate Social Responsibility
EIP	Environmental Impact Point
Euror€	Euros
GHG	Greenhouse Gases
GRI	Global Reporting initiative
GSI	Guest Satisfacton Index
Guest night	Person staying at hotel for one night

GWh	Gigawatt hours
IIP	Investors in People
iOMS	Integrated Online Management System
ISO	International Standards Organisation
k	Thousand units
kWh	Kilowatt hours
KPI	Key Performance Indicator
LED	Light Emitting Diod
LEED	Leadership in Energy and Environmental Design
Occupancy rate	% of rooms available that are occupied
OHSAS	Occupational Health & Safety Assessment Series
SERAM	Social Environmental Reporting and Management tool