



CORPORATE SOCIAL RESPONSIBILITY

We recognise that high levels of corporate social responsibility (CSR) will create long-term shareholder and customer value. Therefore, we pursue this business approach by embracing opportunities and managing risks derived from economic, environmental and social developments, and making informed decisions by engaging with our stakeholders.

Our high standard of performance in CSR is reflected in being selected as a constituent member of Hang Seng Corporate Sustainability Benchmark Index this year.

CSR Steering Committee and Strategy

To enable our Group to take responsibility for CSR impacts of our decisions and activities and to integrate CSR throughout the organisation, we established the CSR Steering Committee in 2011. The Committee comprises of member from the Board and management from key areas of the Group, serving as a high profile working group which is responsible for setting CSR policy and strategy.

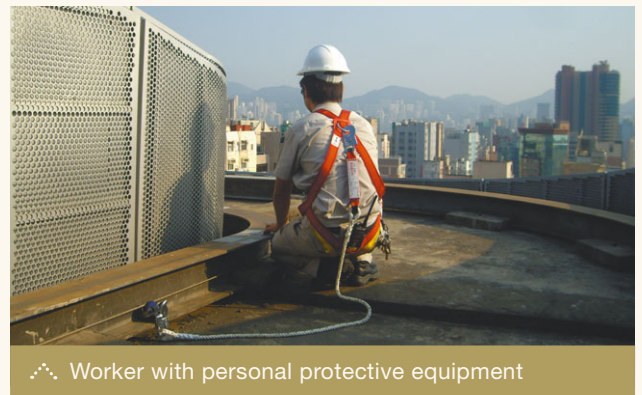
The Committee has built a Group CSR Policy which provides a robust framework and direction to implement CSR and embed CSR into our organisational culture. As CSR encompasses a wide array of subjects, the Committee has identified all those issues that are relevant or significant for our decisions and activities and set the priorities by risk assessment. Prevention of Pollution and Supply Chain Influence have been determined as the CSR issues with the highest risk level, which require managing actions. Subsequent to the risk assessment, we developed a CSR strategy which enables us to focus our efforts on these issues by, for example, conducting carbon audits for our owned and/or managed major properties, implementing green office practices and establishing Supplier Code of Conduct. Upon completing implementation of the strategy, the extent of achievement will be assessed by the CSR Steering Committee.

Workplace Quality

We respect generally recognised human rights and are dedicated to adhering to all anti-discrimination

laws and encouraging diverse workforce. Our Equal Opportunity Policy ensures that no job applicant or employee receives less favourable treatment or is disadvantaged by sex, pregnancy, disability, marital status or family status when applying a position with the Group or during employment.

In addition to create a fair workspace, we view health and safety beyond a moral and legal responsibility. We are committed to ensuring that risks to employees' health and safety at work are properly controlled. To meet this end, our Property Management Division has established a health and safety management system and obtained OHSAS 18001 Occupational Health and Safety Management System certification. The management system identifies health and safety hazards which are in turn controlled by our operating procedures for employee to follow. Our Hotel Division also places emphasis on employees' health and safety by establishing the hotel health and safety policy. To implement the policy, each hotel has formed a Safety Committee which comprises representatives from various departments. The Safety Committees meet monthly to promote and reinforce safety practices throughout the hotels.



Worker with personal protective equipment

Provision of opportunities to develop has become an important component to attract and retain staff. Besides offering a competitive compensation and benefits package, we provide corporate and vocational trainings to staff of all levels. We also recognise team work is vital in our business success and in 2011, we

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organised multi-day team building retreats to the staff to enhance self development, positive communication, leadership skills and the ability to work closely together as a team to problem solving.



Multi-day team building retreat

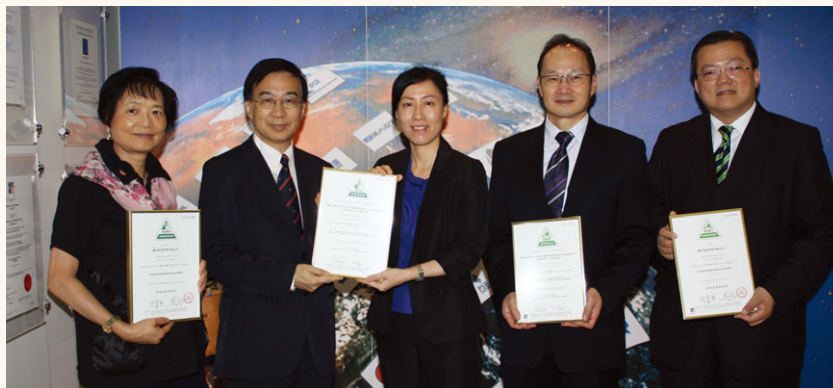
Environmental Protection

We are committed to ensuring that all significant environmental impacts of our operations on the environment are identified and appropriately managed. Our Property Development Division's efforts in managing the impacts have been recognised by being accredited with ISO 14001 Environmental Management System Standard, which provides a management framework to minimise our environmental impacts and continually improve the performance. Langham Place and Citibank Plaza, which are managed by the Division, have also received the Green Management Award (Corporation), Silver and Bronze, respectively. The award demonstrates our environment consciousness and excellent operational environmental management. Our concern for the environment extends into our Hotel Division. The EC3

Global EarthCheck Programme – an independent auditing and monitoring service for the travel and tourism industry – has awarded The Langham, Auckland “Certified Gold” status and other seven hotels “Certified Silver” status.

Climate change continues to be one of the top global challenges that require concerted international efforts. In response to the detrimental environmental problem, Langham Place - Office Tower has commenced conducting energy-cum-carbon audits to review its energy consumption and associated carbon emissions. As required by the EC3 Global EarthCheck Programme, our hotels regularly quantify the carbon emissions and seek opportunities to improve the operations so as to mitigate the impact on climate change.

As a Patron Gold Member of the Hong Kong Green Building Council, we have long committed to keeping the environmental footprint of our owned and/or managed properties to a minimum, both during the initial design and construction phases, as well as throughout the life of the building. At the design stage of the joint venture development project in Dalian, green building initiatives were integrated into our planning. The building maximises natural ventilation and lighting, recycles wastewater, implements renewable energy technologies, selects low thermal conductivity building material and among others in order to mitigate the environmental impacts. Similarly, The Langham Chicago, scheduled to open in 2013, has targeted to qualify for LEED certification. Environmentally responsible design alternatives such as material choices were considered in design stage.



Certificates awarded for environmental management



Rechargeable Battery Collection Bin at Langham Place Shopping Mall

Operating Practices

The Group is committed to adhering to the highest ethical standards. All employees are given a Code of Conduct to which they are required to adhere. The Code explicitly prohibits employees from soliciting, accepting, or offering bribes or any other form of advantage. The Code also outlines the Group's expectations on staff with regard to conflicts of interest.

We further recognise through leadership and monitoring along the supply chain, our Group can promote adoption and support of fair operating practices. To guide this CSR aspect in our supply chain more systematically and how such aspect accords with our Group CSR Policy, the Supplier Code of Conduct is under development and will be adopted stepwise.

We are committed to offering superior quality products and services to our customers by satisfying their expectations and needs – whether they are tenants or shoppers at properties under our management or guests at our hotels. Questionnaires are regularly sent to tenants of properties under our management and hotel guests in order to obtain their feedback. Complaints are recorded and reviewed for determining preventive actions.

Community Involvement

In 2011, the Group decided to focus our community involvement and development activities on three thematic areas: Arts, Children, and Environmental Protection. We believe that by strategically designing a few deserving projects in those three areas and focusing all of our philanthropic resources – financial, volunteer, and in-kind – on such projects, we can engender greater social impact. In order to further this goal, we have identified partnerships with three non-profit organisations and established three major community involvement projects: Hong Kong Youth Arts Foundation – Dear Mother of the Earth, Playright Children's Play Association – Parent-Child Creative Paper-Roll-Play Contest and Summerbridge Hong Kong – Summer Program, Langham Hospitality Group Hotel Visits.

To further instil arts into the community, we sponsored Hong Kong Arts Festival Society - Young Friends Arts Diary Cover Design Competition, Hong Kong Philharmonic Orchestra - Harry and the Wolf Family Concerts, City Chamber Orchestra of Hong Kong -



••• Sponsorship to Playright Children's Play Association



••• Sponsorship to Hong Kong Youth Arts Foundation

The Snowman and The Bear Concert. We are also the Council Member of Business Environment Council, Gold Member of Climate Change Business Forum and Gold Member of World Wildlife Fund Hong Kong, which actively arouse environmental awareness of the society.

In recognition of the Group's community involvement and development efforts, nine of our subsidiaries were awarded as a "Caring Company", under the scheme administered by the Hong Kong Council of Social Service.

Looking Forward

While we are making significant progress to integrate CSR into our business, much remains to be done. Other than ensuring the existing CSR initiatives are implemented continuously, we aim to engage more closely with our key stakeholders so as to obtain their feedback on our CSR policy and strategy. In addition, we shall incorporate performance indicators in the future report for our stakeholders to benchmark and compare.

Further details of our Hotel Division's CSR performance will be covered in their first GRI (Global Reporting Initiative) CSR report to be issued in the beginning of 2012.