

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Great Eagle Music Children Ensemble Ceremony





Great Eagle Water for Free Ceremony



Langham Hospitality Group –
“Taking Initiative” Workshop

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At Great Eagle, Corporate Social Responsibility (CSR) is a concept whereby we would integrate social and environmental concerns in our business operations. Our commitment to this concept is long-standing as we believe that CSR could:

- create long-term value for our stakeholders; and
- improve the quality of life in our workplace, the local community as well as the world at large.

The above belief is harnessed into our CSR Vision – “Create Value, Improve Quality of Life”.

Our CSR commitment extends to support the UN Global Compact which encourages business worldwide to adopt CSR policies. It also drives business awareness and action in support of achieving the Sustainable Development Goals (SDGs) by 2030. Based on our business focus, we have identified the relevant SDGs that we believe are most closely related to us. They are:



REPORTING APPROACH

This report focuses on the Group’s environmental and social performance of our major businesses which include development, investment and management of hotels and properties. It makes reference to the Environmental, Social and Governance (“ESG”) Reporting Guide which is issued by the HKEX and satisfies the “comply or explain” provisions of the Guide. The report is structured according to the four ESG subject areas as stipulated in the Guide:

- Employment and Labour Practices
- Environmental
- Operating Practices
- Community

In addition to reporting on these four ESG subject areas, we have documented on how we make and implement decision in pursuit of our CSR objectives in section “CSR Management”. Selected key performance indicators are also supplemented to illustrate our CSR performance.

Our Hotels Division, Langham Hospitality Group, annually issues their sustainability report which reviews their current systems and performance, as well as sets out their environmental and social objectives for the coming years.

CSR MANAGEMENT

Management Framework

Supporting our CSR vision is a strong CSR Management framework which encompasses the following elements:

- The CSR Steering Committee: the Committee is responsible for enabling our Group to take responsibility for CSR impacts of our decisions and activities, and for integrating CSR throughout the organisation. The Committee comprises members from the Board and management from key areas of the Group, serving as a senior level working group for determining the Group’s CSR direction;
- The Group CSR Policy: the Policy provides a robust framework and direction to implement CSR and embed CSR into our organisational culture; and
- Risk Assessment & Strategy: the Committee regularly conducts risk assessment in order to sort out priorities of our material CSR issues. A CSR strategy is developed to enable the Group to focus our efforts on managing these issues.

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Stakeholder Engagement and Materiality Assessment

We recognise that engaging our stakeholders is vital for understanding the impact of our operations on different groups, as well as material issues that may impact us or them. Therefore, we periodically conduct stakeholder engagement with our key stakeholders such as employees, tenants, suppliers, investors and media. The engagement provide insights for us to conduct a materiality assessment based on “Stakeholder Interest” and “Potential Impact to Business”, and the result is taken into consideration when review our existing CSR strategy at the CSR Steering Committee Meeting.

A new round of stakeholder engagement was conducted in 2018. The materiality assessment identified “Employee Satisfaction”, “Health & Safety at Work” and “Communication” as our three CSR material issues which require a strategy to manage them.

In Employee Satisfaction:

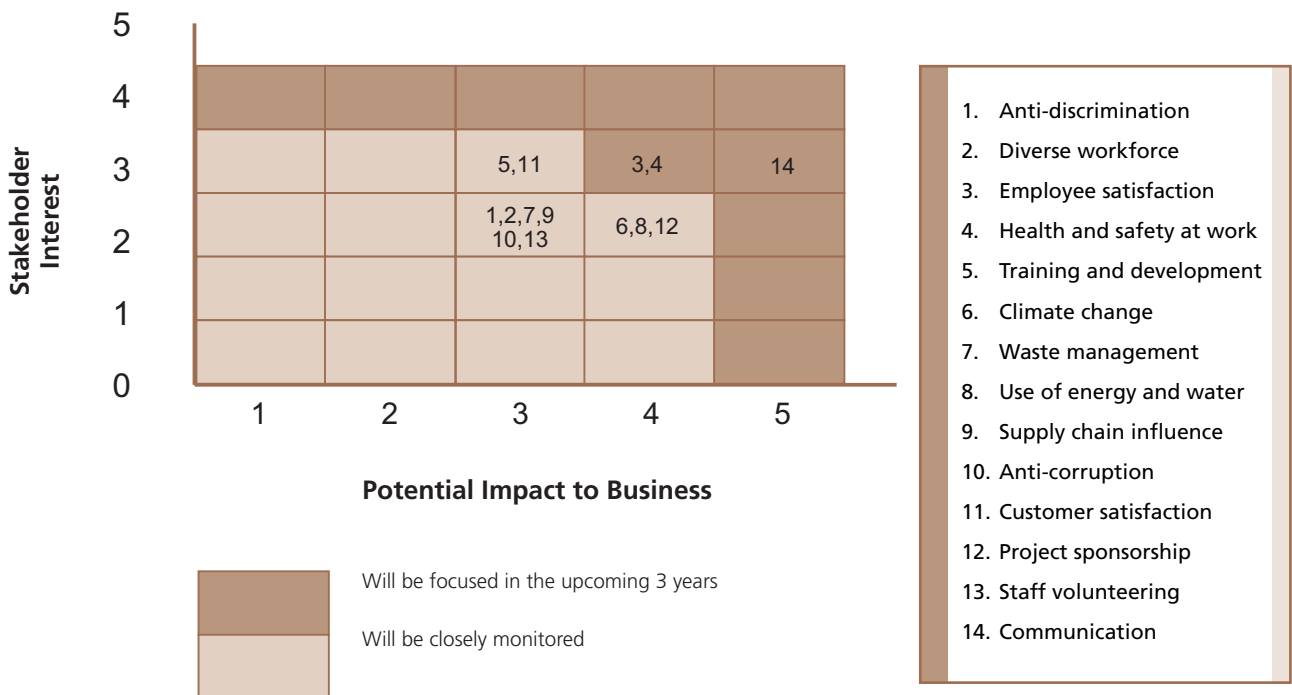
- review to enhance staff benefits; and
- organise CSR activities, interest classes, sports clubs and recreational events.

In Health & Safety at Work:

- launch health & safety campaign such as wellness and exercise month; and
- promulgate the importance of physical and mental wellness and share healthy tips in our workplace.

In Communication:

- communicate with colleagues through social media platform; and
- timely update media of our CSR news.



Materiality Assessment

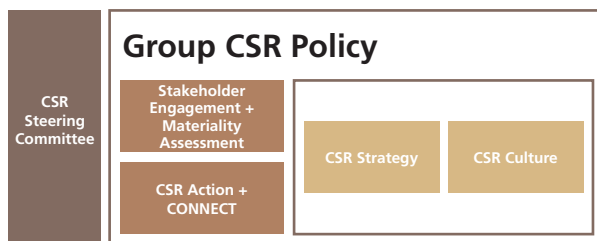
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CSR Culture

To achieve our CSR vision, we believe nurturing a CSR culture in our Group is a crucial factor. To this end:

- we convey CSR in a friendly and funny way by branding our CSR approach as “CSR Action”, which consists of seven “Great Action” icons to represent our CSR commitments in human rights, labour practices, the environment and so forth;
- this year, we developed “CSR 2018+3 Strategy & Application Workshop” which aimed to properly and effectively communicate the latest CSR strategy with the managerial staff so as to integrate the strategy across the Group;
- “CONNECT” is the corporate social responsibility programme of our Hotel Division. The programme implies the connection between the Division’s initiatives, the environment and society, enabling the Division collectively act responsibly every day and contribute to the sustainable development of the neighbourhoods where they operate.; and
- based on the four focus areas of “CONNECT”, namely Governance, Environment, Community and Colleagues, the Division could prioritise the CSR efforts they would take and the resources they invest in so as to amplify the impact of the collective actions.

CSR Vision



CSR Management Structure

EMPLOYMENT AND LABOUR PRACTICES

Employment

The Group is committed to providing lawful and proper employment that signifies human development. As such, we have established the Employee Handbook which sets out our policies relating to recruitment, promotion, working hours, rest periods, welfare as well as grievance mechanism. The Handbook, which was drafted with reference to related labour standards, ensures our employment and labour practices comply with relevant employment laws and regulations. As we reckon that child and forced labour likely occur in developing countries where our suppliers are based, we have stipulated prevention of such practices in the Supplier Code of Conduct (please see Operating Practices).

We are committed to providing a fair working space by adhering to UN International Bill of Rights and relevant anti-discrimination laws. A diverse workforce is also encouraged to increase our creativity and competitive advantages. 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 for a position with the Group or during employment. During the year, neither did we receive any human rights violations nor labour standard non-compliance.

Supporting employment of persons with disabilities, we have participated in Labour and Welfare Bureau’s Talent-Wise Employment Charter & Inclusive Organisations Recognition Scheme. One of our practices is the partnership of our Hotels Division with Hong Chi Association whose trainees work in hotels’ back of house areas and support day-to-day operations (e.g. housekeeping, cleaning and laundry services). The teamwork between the trainees and the colleagues has successfully built a culture of respecting people differences in the workplace.

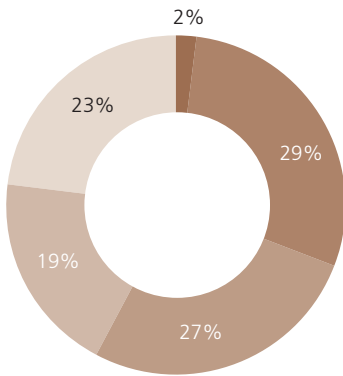
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In 2018, our hotels in Shanghai hired colleagues with disability through Disable Persons Federation, school of deaf-mutes and internal referral. The hotels have been providing on-going support to the colleagues with disabilities in order to ensure they receive the same level of attention and training as of other colleagues in their daily work.

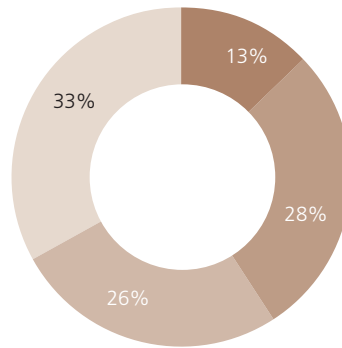


Total Workforce by Age Group

Hotel



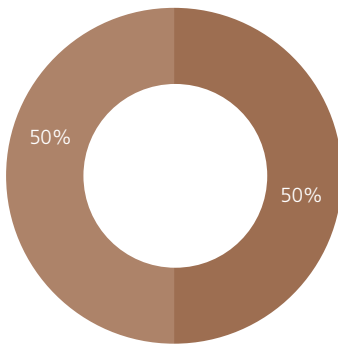
Property & Others¹



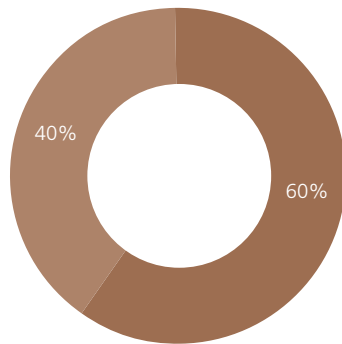
- Under 20 years old
- 20 and under 30 years old
- 30 and under 40 years old
- 40 and under 50 years old
- 50 years old and over

Total Workforce by Gender

Hotel



Property & Others¹

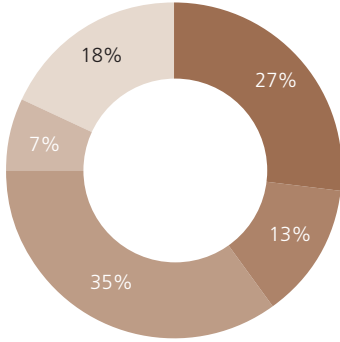


- Male
- Female

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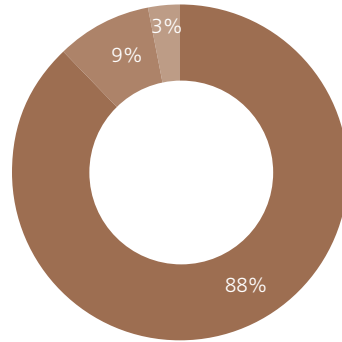
Total Workforce by Geographical Region

Hotel



- Hong Kong
- China
- North America
- Europe
- Oceania

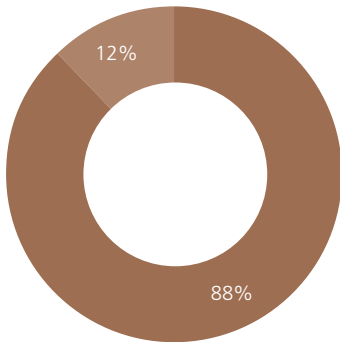
Property & Others¹



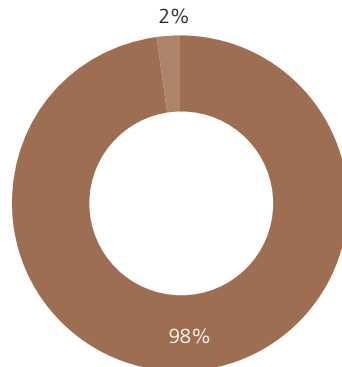
- Hong Kong
- China
- North America

Total Workforce by Employment Type

Hotel



Property & Others¹



- Full-time
- Part-time

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Total Workforce by Employment Contract



Note:

1. Property & Others include businesses such as property development, property management, maintenance and property agency services, sales of building materials, restaurant operation and investment in securities.

Health and Safety

Aside from creating a fair workspace, we strive to provide a safe working environment and protect colleagues from occupational hazards. All risks to colleagues' health and safety at work are properly controlled whilst relevant laws and regulations are fully complied.

Our Hotels Division has implemented the following health and safety measures:

- the group-wide Occupational Health and Safety Policy stipulates all hotels to maintain an effective and efficient health and safety management system with policies, committees, training and incident reporting mechanism;
- the senior management, human resources directors and security departments of hotels are responsible for implementing and monitoring the system;
- the effectiveness of the system is monitored in conjunction with the Key Performance Indicators (KPI) System which allows the improvement teams analyse the data, find the root causes of the problems, run improvement action plans and follow up on the results; and
- colleagues' wellness is promoted globally through the annual Global CONNECT event - Colleague Wellness Week, which is dedicated to enhancing awareness of colleagues on their wellbeing and supporting them in developing a healthy lifestyle. Health promotion programmes include yoga classes, wellness fairs, mental health and so forth.

The highlighted programme of this year was inter-hotel Vistance Health Challenge in which the hotels competed with each other through mobile technology, gaming and social media. The winning team was Chelsea, Toronto, which generously contributed the prize money to a charity.

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Safety Squad



Vistance Health Challenge

Our Property Management Division manages the health and safety risks to the colleagues, tenants and shoppers through the establishment of an occupational health and safety management system, which is set up in accordance with the OHSAS 18001 standard. Following the management system, the Division:

- identifies health and safety hazards which are in turn managed by the operating procedures and safety devices;
- establishes Safety Committees to implement action plans and review effectiveness of the management system in order to achieve zero accident;
- uses checklists to monitor high risk activities such as working in confined space, installing electrical systems and manual handling; and

- provides training courses such as monthly safety induction training, first aid and AED certification training, and field demonstration to the frontline staff.

This year, to further enhance health and safety at the properties, the Division implemented the following measures:

- installing protective barrier on the roof floor to provide a safe working environment to workers;
- installing additional safety monitoring devices in the long escalators for enhancing public safety at Langham Place Shopping Mall; and
- participating in Joyful@Healthy Workplace Charter, pledging to promote physical and mental well-being among colleagues.



Safety Induction Training



Protective Barrier on the Roof

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Work Related Fatalities & Lost Working Days Due To Injuries



| Business | Total workforce hours (in thousands) | Number of fatalities | Lost working days due to injuries |
|--------------------------------|--------------------------------------|----------------------|-----------------------------------|
| Hotel | 15,683 | 0 | 4,594 |
| Property & Others ¹ | 1,982 | 0 | 641 |

Note:

1. Property & Others include businesses such as property development, property management, maintenance and property agency services, sales of building materials, restaurant operation and investment in securities

Development and Training

Provision of opportunities for training and development has become a key factor to attract and retain staff. Apart from offering a competitive compensation and benefits package, we provide corporate and vocational training to the colleagues according to the Training and Development Policy. Core training such as “The 7 Habits of Highly Effective People” and “Business Innovation” are held regularly for colleagues to attend. Other learning and development workshops such as Management Development Program, Supervisor Development Program, Effective Communication Skills, Introduction of Fintech and Team Building have been arranged.



Team Building

Our Hotels Division also aims to create an environment for the colleagues to achieve their career aspiration and at the same time, nurture a team of competent and motivated colleagues. To this end:

- the Division has developed a learning and development pathway which is made up of the First60 Certification Programme, Langham Curriculum Certification (LCC), and Advanced Programme for Executives (APEX). These programmes enable the colleagues to gain new skills and experiences which could help them to advance in their current and future jobs;
- in 2018, the Hotel Division continued to advocate the “Taking Initiatives” culture with the purpose of inspiring the colleagues to create guest memories and enhance guest experiences. All hotel leaders were engaged at the global launch of “Taking Initiative” workshops which were delivered by the Steering Committee Members; and
- the major rebranding and refurbishment of Eaton Hotels in 2018 require colleagues’ new skills and knowledge about the Eaton brand. To this end, a learning and development programme was designed to equip the colleagues with new concept of service culture, health & safety, security, as well as art & culture awareness. For example, Eaton, Hong Kong has organised workshops for the colleagues with topic in upcycling coffee ground into body scrubs using fair-trade coconut oil, watching a comedy + dance performance by local artist, drawing a beloved anime and visiting a local craft beer factory in Wong Chuk Han.

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Upcycling Coffee Ground Workshop

Performance Review assists our colleagues to keep track of their performance and determine development needs. Our Performance Appraisal System provides a mechanism for the colleagues to review together with their superior about their performance, key objectives as well as training and development needs.

Percentage of Employees Receiving Regular Performance and Career Development Reviews



| Business | Employee receiving performance reviews |
|----------------------------------|--|
| Hotel ¹ | 97% |
| Property & Others ^{2,3} | 99% |

Notes:

- Hong Kong and China employees who are eligible to receive performance review during the reporting year.
- Property & Others include businesses such as property development, property management, maintenance and property agency services, sales of building materials, restaurant operation and investment in securities.
- Employees joined from 1 August to 31 December are not subject to review for the year as per policy.

Work-life Balance

We recognise that productive employees are those who maintain a healthy work-life balance. To achieve work-life balance, we have organised various interest classes and recreational events for colleagues to participate in such as DIY Mini Aquarium Workshop, Yoga Class, Tree Top Cottage Trip and Hotelier Olympics. Sports teams such as basketball and running have also been established in order to encourage colleagues to exercise regularly and stay healthy.



DIY Mini Aquarium Workshop

Recognition

In recognition of our efforts in people strategies and practices, we were granted the following prestigious awards in 2018:

- Langham Hospitality Group
 - The award of “Manpower Developer” by the Employees Retraining Board (ERB) Hong Kong
- Cordis, Auckland:
 - 2018 New Zealand Hotel Industry Awards – Hotel Industry Administration Employee of the Year by New Zealand Hotel Industry Conference
- Cordis, Hong Kong:
 - 2017/18 Family-Friendly Employers Award
 - Signatory of Good Employer Charter 2018 by Labour Department

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- Chelsea Hotel, Toronto:
 - o Aspiring Hotelier Award of the Year 2017 by the Hotel Association of Canada
 - o 2018 Spirit Awards – Reservations Ambassador of the Year by Greater Toronto Hotel Association
 - o 2018 Pinnacle Awards - Hotelier of the Year by Hotelier Magazine of Kostuch Media
- The Langham, Huntington, Pasadena:
 - o The Civitan Employer Awards (for employing individuals with disabilities in the community) by the Civitan Club of Pasadena
- The Langham, Sydney:
 - o Awards for Excellence 2018 – Sales Talent of the Year by Tourism Accommodation Australia (NSW)



Pinnacle Awards – Hotelier of the Year

ENVIRONMENTAL

Environmental Policy and Impact Assessment

Minimising the significant impacts of our operations on the environment is a key component of our Group CSR Policy. We regularly conduct environmental impact assessment which evaluates our environmental aspects together with relevant laws and regulations. Through the assessment, we have determined energy consumption, carbon emission and water consumption as our significant aspects which require managing actions (hazardous & non-hazardous waste produced and packaging material used for finished products are less significant/not applicable due to the nature of our businesses). Managing actions such as establishing an environmental policy and management system at each division enable us to communicate our environmental commitment to the colleagues and determine environmental measures to mitigate our adverse impacts.

Green Champion Working Group

To cultivate a green culture within the Group, we have established the Green Champion Working Group. The Working Group is formed by the nominated Green Champions from all divisions, acting as a platform to share and learn green practices from each other and in turn spread the best green practices to the colleagues. In 2018, several green awareness campaigns were launched by the Working Group:

- Take a Green Shot Campaign: the campaign invited the colleagues to submit photos with green actions in office or home based on the theme “low carbon living”. Each submitted photo was rewarded with a green gift and the best ten photos were acknowledged on the intranet forum;
- Water for Free: in support of our sponsored project with Water for Free, (please refer to section “Community” for details), we organised various activities for the colleagues to participate in this green movement. Activities included promoting Water for Free Mobile app, holding Bottle Water & Plastic Waste Talk and screening Water Scarcity Documentary Film to the colleagues; and
- Exchange Corner: the campaign aimed to promote the concept of “reuse” by asking the colleagues to exchange their items they no longer needed with the others. The remaining items were donated to The Salvation Army for charity cause.

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Exchange Corner

Environmental Measures

Our Hotel Division has been implementing a systematic approach in managing environmental issues at the hotels through a partnership with EarthCheck, which is the leading international sustainability benchmarking and certification service for the travel and tourism industry. Its standard aligns with international frameworks such as the Sustainable Development Goals (SDGs) and International Organisation for Standardisation (ISO). EarthCheck Certified is also accredited by the Global Sustainable Tourism Council (GSTC).

In 2018, Cordis, Auckland retained its EarthCheck Platinum Certification recognising its sustainability efforts for at least ten years. Eight hotels also received Gold Certified status (with the addition of The Langham, Shanghai, Xintiandi) and four hotels retained Silver Certified.

Nurturing a green corporate culture is vital for moving environmental protection forward. As such, the Division has launched a global environmental event named as "Loving Earth Month". Activities of the event this year included:

- holding the "lights out" campaign at the hotels in support of the Earth Hour movement;
- offering meatless dishes at the restaurants and colleague cafeterias on Monday to promote healthy green diet; and
- organising a Beverage Container Upcycling Competition for the colleagues to design and create their innovative products made from used containers.



Earth Hour at The Langham, New York, Fifth Avenue



Meatless Monday at Colleague Cafeterias

The major rebranded and refurbished Eaton Hotels approached sustainability from three angles: economic, environmental, and cultural. The followings are their measures in environmental:

- the guestrooms feature Plushbed's Luxury Bliss mattress which is 100% natural, Green-Guard Gold Certified, GOTS certified organic, eco-INITIUT certified and so forth;
- the bathrooms are outfitted with organic, environmentally conscious amenities from Australia-based company Grown Alchemist (100% natural ingredients, free of harmful chemicals); and
- guestroom rugs are from Creative Matters, a company which prioritizes ethically produced products.

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Eaton Hotel Rebranding and Refurbishment

Eaton, Washington DC is registered for LEED New Construction and is targeting Gold certification. Key initiatives to achieve the status include the followings:

- reuse of the existing hotel instead of new build (75% re-use of existing walls and roof);
- systems in place to capture rainwater for use in flushing toilets;
- targeting 45% water reduction through the use of low flow faucets, dual flush toilets, and pre-rinse spray valves in the kitchens;
- enhancing commissioning of the building including a re-commissioning one year after the opening;
- targeting air quality standards developed by ASHRAE (American Society of Heating, Refrigerating and Air-Conditioning Engineers);
- composite wood, paint & coatings, adhesives, sealants and flooring all meet low emission standards; and
- all lightings are LED.

Eaton, Washington DC has also partnered with Plan Do See which oversees the menu of Kintsugi Café. The menu focuses on organic, sustainable and fair trade third-wave coffee from Red Rooster Coffee Roaster. Also in the mix is mushroom coffee, raw superfood chocolates, Native American-inspired wellness teas, in house daily made juices, and vegan & gluten-free pastries.



Kintsugi Café

Our Property Management Division also strives to reduce their environmental footprints as well as improve their environmental performance. As such, the Division has:

- implemented ISO 14001 Environmental Management System Standard at the properties they manage;
- formulated a Green Purchasing Policy for the colleagues, tenants, contractors and suppliers as a reference when making green purchasing decisions;
- retrofitted fluorescent luminaries/metal halide lights to LED luminaries fitted with motion sensors at staircases, corridors and lavatories;

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- installed Variable Speed Drive (VSD) for chilled water pumps and air handling units;
- installed vertical gardens and eco farms at rooftop;
- participated in Earth Hour whilst encouraged the retail tenants, office occupiers and shoppers to join the meaningful event;
- installed automatic low flow water faucet for wash basin; and
- drawn underground water for irrigation.

To protect the environment, Property Management Division understands it cannot be done solely by themselves and must seek partnership with the tenants. In view of this, the Division has:

- introduced a few recycling initiatives to collect used paper, glass containers, computers, red packets and mooncake boxes from the tenants;
- collected used books and stationery from the tenants for donation to charities;
- co-organised “Food Waste Recycling Partnership Scheme” with Environmental Protection Department and Green Council for the F&B tenants to participate in; and
- organised green workshops such as Eco-enzyme Making Workshop.



Retrofit of Metal Halide to LED Lights



Used Red Packet Collection



Vertical Garden

Energy Consumption



| Business | Direct energy consumption (GJ) | Indirect energy consumption (GJ) | Total energy consumption (GJ) | Total energy consumption intensity (GJ/sqm) |
|--------------------------------|--------------------------------|----------------------------------|-------------------------------|---|
| Hotel ¹ | 243,753 | 496,426 | 740,180 | 1.25 |
| Property & Others ² | 204 | 180,771 | 180,975 | 0.44 |

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Carbon Emissions



| Business | Direct carbon emission (tonnes CO ₂ -eq) | Indirect carbon emission ³ (tonnes CO ₂ -eq) | Total carbon emission (tonnes CO ₂ -eq) | Total carbon emission intensity (tonnes CO ₂ -eq/sqm) |
|--------------------------------|--|---|---|---|
| Hotel ¹ | 13,658 | 69,556 | 83,214 | 0.14 |
| Property & Others ² | 14 | 37,706 | 37,780 | 0.09 |

Water Consumption



| Business | Total water consumption (m ³) | Total water consumption intensity (m ³ /sqm) |
|--------------------------------|--|--|
| Hotel ¹ | 1,562,752 | 2.64 |
| Property & Others ² | 336,958 | 0.81 |

Notes:

- Hotel includes owned hotels only.
- Property & Others includes communal area of three owned and/or managed major properties: Great Eagle Centre, Langham Place (Office Tower & Shopping Mall) and Three Garden Road only.
- Scope 3 carbon emissions are not reported as the data is not material due to the nature of our businesses.

Our Development and Project Management Division is committed to pursuing environmental initiatives as an integral part of the development and project management process. They consider the environmental impacts throughout the planning, design, construction, and operational phases of the hotel, office, retail and residential assets. The Division researches building rating schemes for each of our projects, which are appropriate for the specific assets. For example:

- in San Francisco, the recently completed Austin Condominium project, on Pine Street, follows both the Title 24 standard as well as Greenpoint certification. Furthermore, our future developments in San Francisco are also being designed to achieve LEED Accreditation – the Langham Hotel San Francisco on Howard Street (Platinum), and the Eaton hotel on Market Street (Gold);
- in Washington DC, The Eaton Hotel has been redeveloped and is in its first year of operation with LEED Gold Accreditation. Sustainable property development, operation and lifestyle, are firmly aligned with the values of The Eaton brand; and
- the Ontolo residential development in Pak Shek Kok, Tai Po, Hong Kong, comprising over 700 luxury residential units, is following the BEAM Plus certification process (Gold) and was designed to comply with the Sustainable Building Design Guidelines.

Implementation of web based management systems is reducing the environmental impact of the Division and its supply partners. Business processes are also being improved with process inefficiencies being designed out as new systems are brought on line.

Looking forward our property developments in the future will continue to seek out new standards, methods and materials to minimise negative impacts and enhance our positive contributions to environmental control and sustaining quality of life.

In our corporate office, Administration Division implements green practices according to the slogan “ER3” (Environmental Protection, Recycle, Reduce and Reuse). The following green actions were taken in 2018:

- organised Green Monday Lunch with its menu mostly homemade and 100% out of additives; the Executive Directors took time out of their busy schedule to design the food recipe;
- in Green Monday Lunch, encouraged the colleagues to bring their own lunch ware so as to reduce disposable containers/utensils;
- installed energy saving fittings such as LED lightings, glass partitions, energy saving timer, motion sensors and large glass white boards in new offices;

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- required the office carpet cleaning tenderers to use chemicals which are harmless to the environment and complied with international standards;
- used FSC certified paper in offices and for business cards printing;
- collected printer cartridges and waste paper for recycling;
- relocated old furniture for new offices to use; and
- participated in Hong Kong Environmental Production Association's Tree Conservation Scheme to recycle Peach Blossom and Chinese New Year plants.



Green Monday Lunch

Recognition and Signatories

In recognition of our efforts in environmental protection, we were honoured by the following green awards this year:

- Great Eagle Holdings Limited:
 - o Best Initiative in Environmental Responsibility Initiative: Free Water Campaign by The Asset Corporate Awards 2018
- Cordis, Auckland:
 - o Qualmark Enviro – Gold by Qualmark New Zealand
- Cordis, Hong Kong:
 - o Certificate of Excellence – Sustainable Product Supplier Award by Business Environment Council
- GreenLeader by TripAdvisor:
 - o The Langham, London – Gold Level
 - o The Langham, Melbourne – Silver Level
 - o Cordis, Auckland – Silver Level
 - o The Langham, Boston – Bronze Level
- Great Eagle Center:
 - o BOCHK Corporate Environmental Leadership Award 2017 – EcoPartner by the Federation of Hong Kong Industries
- Langham Place:
 - o The Hong Kong Awards for Environmental Excellence (Certificate of Merit – Property Management (Commercial & Industrial)) by the Environmental Campaign Committee
- Hong Kong Green Organisations Certificate by the Environmental Campaign Committee:
 - o Cordis, Hong Kong
 - o Eaton, Hong Kong
 - o Great Eagle Centre
 - o Langham Place
 - o Three Garden Road

The awards demonstrate our environment consciousness and excellent operational environmental management.

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The Asset Corporate Award

The Group also supports many of the government's green initiatives. We are the signatories to:

- Energy Saving Charter
- Charter on External Lighting
- Carbon Footprint Repository
- Foodwise Charter



Charter on External Lighting



The Hong Kong Awards for Environmental Excellence

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OPERATING PRACTICES

Anti-corruption and Supply Chain Management

The Group is committed to adhering to the highest ethical standards as well as relevant laws and regulations, both in employee and supplier level. To this end:

- all colleagues are given a Code of Conduct which they are required to adhere to. The Code explicitly prohibits colleagues from soliciting, accepting, or offering bribes or any other form of advantage, extortion, fraud and money laundering. The Code also outlines the Group's expectations on the colleagues with regard to conflicts of interest as well as whistle-blowing procedure. Any colleagues who have engaged or considered engaging in activities that might have conflict with the Group's interests, they are required to make full disclosure. During the year, we did not receive any non-compliance or fines in this regard;
- The Group recognises that through leadership and monitoring along the supply chain, we could promote adoption and support of fair operating practices as well as labour practices (including preventing child and forced labour) and environmental protection. In order to guide these aspects in our supply chain more systematically, the Supplier Code of Conduct has been formulated and communicated through the tendering documents; and
- to ensure further suppliers' commitment to adopt CSR, the Group has enhanced the process by using a checklist. The checklist is transformed from the requirements as stated in the Supplier Code of Conduct to a Q&A format and has been sent to the suppliers along with the tendering documents. Response rate and scoring profile have been analysed for compliance status, monitoring and implementation improvement. The suppliers are required to fill in the checklist every three years, keeping us informed of their CSR performance status.

Superior Quality Services

As our business nature does not involve any manufacturing process, product responsibility issues are not directly related to us. However, we are committed to offering superior quality services to our customers by satisfying their expectations and needs – whether they are guests at our hotels or tenant/shoppers at properties under our management.

The Hotels Division is committed to continuously improving and delivering excellent services to increase guest loyalty. Below are their measures to achieve the commitment:

- "Quality League", a Total Quality Management System, is one of the Division's core management strategies to drive the best performance in the business. This team-oriented system is based on the renowned Malcolm Baldrige Performance Excellence Framework. It focuses on engaging every colleague towards the same goal from a systematic perspective on continuous improvement. The third edition of Quality League Standard was released in 2018;
- the Division utilised a robust voice-of-the-customers (VOC) system to collect the guests' feedback, and tailor services and products. Through an integrated platform to compile the data collected from all VOC channels, the Division could analyse the guests' preferences and enhance the service delivery and business strategy to increase guest loyalty. This year, the VOC system platform was enhanced with a real time translation function on guest written comments that enable the colleagues to comprehend guests' feedback in different languages;
- to ensure the consistency of service delivery and provide every guest with the most professional services and a delightful experience, independent professionals in mystery shopping are invited to conduct a quality assessment at the hotels every year. Through the assessment, professional opinion is provided to the Division to ensure the services and facilities comply with the brand; and

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- to incorporate the “Taking Initiatives” culture at the hotel, Cordis, Auckland launched the “Create Magic Moment Campaign” for all colleagues in 2018. The Campaign aimed to drive the empowerment culture by encouraging the team to make as many genuine connections as possible with the guests during their stay, creating the magic moments for them. These magic moments were shared by the colleagues every week with the best one who could spin the wheel of fortune to win exciting prizes.



Wheel of Fortune for “Create Magic Moment Campaign”

Our Property Management Division implements ISO 9001 Quality Management System which ensures their services meet the needs of customers and enhance customer satisfaction. Requirements of the system include:

- establishing a Customer Feedback System to collect appreciations, complaints and general enquiries from the customers;
- regularly sending questionnaires to the tenants to obtain their feedback; and
- timely giving feedback to the customers and determining improvement actions.

Other than implementing the quality management system, the Division put in place other measures at Langham Place Shopping Mall to strengthen the customer services:

- installed automatic swing doors for barrier free access;
- replaced the conventional directories with e-directories in order to improve convenience for the shoppers;
- installed real time temperature monitoring system for busbar system so as to detect any likelihood of abnormal overheating that may cause electrical system breakdown; and
- installed diaper changing stations in the toilets.



Automatic Swing Doors



Diaper Changing Stations

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Recognition

In recognition of our commitment in providing superior quality services, we have received the following outstanding awards:

- Great Eagle Holdings Limited:
 - Listed Enterprises of the Year 2018 & Outstanding Performance – Best Development Strategy by Bloomberg Businessweek (Chinese edition)
- Langham Hotels and Resorts:
 - Top 10 Best Luxury Hotel Brand by USA Today
- 2018 Reader's Choice Awards by Condé Nast Traveler:
 - The Langham, New York, Fifth Avenue: No. 2 in New York City
 - The Langham, Melbourne: No. 4 in Australia and New Zealand
 - The Langham, Huntington, Pasadena: No. 12 in Los Angeles
 - The Langham, Chicago: No. 15 in Chicago
- Forbes Travel Guide 2018:
 - The Langham, Hong Kong – Five-Star Hotel
 - The Langham, Chicago – Five-Star Hotel
 - Chuan Spa at The Langham, Chicago – Five-Star Spa
- The 2019 Michelin Guide, Hong Kong and Macau:
 - T'ang Court at The Langham, Hong Kong: Three Michelin Stars Rating
 - Ming Court at Cordis, Hong Kong: One Michelin Star Rating
 - Yat Tung Heen at Eaton, Hong Kong: One Michelin Star Rating
- The 2019 Michelin Guide, Shanghai:
 - T'ang Court at The Langham, Shanghai, Xintiandi: Two Michelin Stars Rating
- 2018 Best Hotels by US News & World Report:
 - The Langham, Chicago: No.3 in the USA
 - The Langham, Boston: No.9 in Boston
 - The Langham, Huntington, Pasadena: No.12 in Los Angeles
- Langham Place:
 - Ten awards in 2017 Kowloon West Best Security Services Awards by the Hong Kong Police
- Three Garden Road:
 - Customer Relationship Excellence Awards 2017 – Best Customer Experience Management of the Year 2017 by Asia Pacific Customer Service Consortium



Listed Enterprises of the Year 2018



Kowloon West Best Security Services Awards

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COMMUNITY

Community Involvement Strategy

Our community involvement strategy focuses on three themes – **Art, Children Education, and Environmental Protection**:

- we believe art is important to the community. Art could enrich the daily lives of people and promote social progress and cultural development;
- we believe that the world's future relies heavily on the next generation. Children in preschool education and kindergarten, in particular, are in their prime period to learn and acquire knowledge; and
- environmental protection is a subject which is essential to our organisational culture and it should be extended to the community at large.

Community Engagement

Based on the themes, we partner with non-profit organisations to design a few deserving projects which would benefit the community. We believe by focusing all of our philanthropic resources – financial, volunteer, and in-kind – on these projects, we could engender greater social impact. The following projects were launched by us this year:

- **Art:** riding on the success of Music Children@Sham Shui Po Project, we continued to partner with Music Children Foundation to establish "Great Eagle Music Children Ensemble". The project aimed to provide continuing education and support to the outstanding alumni by offering intensive musical trainings and out-of-classroom exposures to further nurture their musical talents. The alumni would develop music as a skill for life as well as create social impacts by spreading the message of "music changes life";



Great Eagle Music Children Ensemble

- **Children Education:** The recently revised Kindergarten Education Curriculum Guide has adopted a play-based strategy that emphasizes the role of "free play". However, early childhood educators lack the knowledge and skills to implement it. To close this gap, we partnered with Playright to launch "Great Eagle Playful School Project". The project aimed to develop a training model which would help the educators to have the know-how on implementing "free play" in schools. Headmaster seminars, teacher training, demonstration and parent training were held throughout the year; and



Great Eagle Playful School Project

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- Environmental Protection: every day, millions of plastic bottles are being decomposed into the landfill in which a substantial amount being bottled water. In order to reduce consumption of bottled drink, we partnered with Water for Free and Healthy Seed to launch “Great Eagle Water for Free Project”, which provided free water dispensers and education talks to schools and community centers, encouraging the general public to bring their own bottle. Our Property Management Division and Marketing Division offered in-kind support to the campaign by inviting their food & beverages tenants to join the campaign, organising green workshops for them as well as providing a venue at Langham Place Shopping Mall for the kick-off ceremony.



Great Eagle Water for Free Workshop

Corporate volunteering forms another vital element of our community involvement. We encourage the colleagues to explore the community and help people in need by joining volunteering services. One of the volunteering services in 2018 was beach clean-up as organised by Water for Free. The volunteers went to a beach to collect wastes which included plastic bottles, plastic straws, foam and so forth. Other than joining the beach clean-up, the colleagues also participated in “Life Buddies – Group Mentoring Scheme” as organised by the Commission on Poverty. The scheme aims to promote youth upward mobility by offering career-focused activities to disadvantaged young students.

Overseas, The Langham, Huntington, Pasadena prepared dinner for the families at Ronald McDonald House and held a surprised BBQ meal for them on another day. Chelsea Hotel, Toronto volunteers cycled on a Big Bike around downtown Toronto, raising research fund for the Heart and Stroke Foundation. The fund ensures that critical research in hospitals and universities across Canada could continue.



Beach Clean-up Volunteering



Life Buddies – Group Mentoring Scheme

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Ronald McDonald House Volunteering



Big BIKE Event Volunteering

Aside from designing a few deserving projects with non-profit organisations, we strive to contribute to the development of art and local talents in Hong Kong. As such, our Marketing Division has introduced Musica del Cuore (an Italian term for “Music of the Heart”) at Three Garden Road. Musica del Cuore is a free weekly concert series which transforms the upper ground floor of Three Garden Road into a “community concert stage”, presenting some of the finest Classical repertoires to the general public. The concert series has provided a platform for local talents, well-established artists and chamber groups to showcase their artistry whilst visiting guests from other parts of the world could inspire music lovers through cultural exchange.



Musica del Cuore

Memberships and Recognition

Besides organising Musica del Cuore, we support renowned art events held in Hong Kong. For example, we are the Bronze Patron of The Hong Kong Arts Festival and sponsor of Opera Hong Kong and Premiere Performances.

Promoting best practices in environmental excellence and exchange knowledge amongst the top CSR leaders, we are:

- Silver Patron Member of Hong Kong Green Building Council
- Corporate Member of Business Environment Council

Our community involvement efforts have enabled us to be awarded:

- 10 Years Plus Caring Company Logo by The Hong Kong Council of Social Service
- Social Capital Builder Logo Awards by Labour and Welfare Bureau
- Certificate of Participation in Volunteer Movement by Social Welfare Department