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As our business grows and develops, sustainability is vital in the way we manage our properties and key stakeholder relationships.

We continue to pursue high standards of ethical behavior and establish excellence in environmental responsibility as we continue to expand the number of hotels and elevate the Langham and Cordis brands.

Global events and trends may influence our priorities, but at Langham Hospitality Group, we are committed to doing business the right way and will remain focused on achieving longer-term success in sustainability issues.

Although we have made significant strides over the years, we will persevere to improve, and through our CONNECT programme, we are working to streamline processes and set targets for a cleaner, greener and more sustainable future. It is important that we action now with greater urgency.

As a global company, corporate sustainability is a necessary business decision and we will continue to strive for success with the expansion of our sustainability programme that will take us on the right path to creating a more sustainable and responsible future.

Dr. K.S. Lo
Executive Chairman
MESSAGE FROM CEO

At Langham Hospitality Group, we made a steadfast commitment to adhere to the strictest ethical and governance standards.

In 2018, our group continued to make significant progress to benefit our long-term sustainability and the communities in which we operate. There were substantial achievements in our three pillars of sustainability – environment, community and colleagues. Our three Chinese restaurants in Hong Kong and Shanghai were bestowed a total of six Michelin stars – we opened new hotels that showcased environmentally friendly facilities, landscapes and organic gardens which provided vegetables and herbs to our restaurants; and as the safety and security of our guests and colleagues continues to be our highest mission, our corporate and hotels leaders completed extensive crisis management training sessions to better prepare them as eloquent protectors of our assets.

We are also continuously reinforcing our commitment and ownership of corporate social responsibility issues by aligning ourselves with international standards of economic, environmental and social governance. Through our partnership with EarthCheck, 15 of our hotels achieved EarthCheck certification last year. Proving that luxury can be sustainable, our hotels created sustainable Christmas trees using recycled materials which generated positive public interest where we received more than 20,000 votes on social media supporting this cause.

As our company grows, we continuously develop leadership to drive success and growth. We hold steadfastly to the Group’s corporate values and our CONNECT programme objectives - to improve our practices, reduce waste, support local communities, educate our colleagues and inspire our guests.

We recognise that there is always room for improvement and that more work needs to be done in this area. Langham Hospitality Group will continue to balance our commercial responsibilities with our goals for sustainable development, and I look forward to working closely with our team to ensure a successful CONNECT journey in the future.

Stefan Lesser
Chief Executive Officer
INTRODUCTION

Serving approximately 5 million guest nights (3.1 million in 2011)

Operate 22 Hotels in Australia, Canada, China, Hong Kong, New Zealand, Thailand, United States and United Kingdom with over 1 million sq m in floor area

Asia
1. Cordis, Beijing Capital Airport
2. Cordis, Hong Kong
3. Cordis, Shanghai, Hongqiao
4. The Langham, Haikou
5. The Langham, Hefei (new)
6. The Langham, Hong Kong
7. The Langham, Shanghai, Xintiandi
8. The Langham, Shenzhen
9. Langham Place, Guangzhou
10. Langham Place, Haining
11. Langham Place, Ningbo Culture Plaza
12. Langham Place, Xiamen
13. Splash Beach Resort, Phuket (new)

Europe and North America
14. The Langham, Boston
15. The Langham, Chicago
16. The Langham, Huntington, Pasadena, Los Angeles
17. The Langham, London
18. The Langham, New York, Fifth Avenue
19. Chelsea Hotel, Toronto

Pacific
20. Cordis, Auckland
21. The Langham, Melbourne
22. The Langham, Sydney
About Langham Hospitality Group

Langham Hospitality Group is a wholly-owned subsidiary of Great Eagle Holdings, (Stock Code: 0041) which was founded in 1963 and listed on the Hong Kong Stock Exchange in 1972. Great Eagle Holdings has been selected as a constituent member of the Hang Seng Corporate Sustainability Benchmark Index for seven consecutive years. The Environment, Social and Governance (ESG) performance rating at “AA” in 2017, making us one of the top thirty performers amongst the Hong Kong listed companies.

Langham Hospitality Group encompasses a family of distinctive hotels under the Langham Hotels and Resorts and Cordis Hotels brands with more than 30 projects currently either confirmed or in a developed stage of negotiation from Asia, Europe, and North America to the Middle East. The Group takes its name from the legendary Langham in London which was widely recognized as Europe’s first Grand Hotel. For over 150 years, this flagship hotel has represented sophisticated and gracious hospitality, a philosophy that reflects elegance in design, innovation in hospitality, genuine service, and captivation of the senses across all properties. For more information, please access the website at www.langhamhospitalitygroup.com.

Our Vision and Commitments

Our Vision provides a clear picture to every colleague about the company direction, i.e., the expansion of the portfolio globally as a hotel management company. To achieve this sustainably, our business strategy embraces stakeholders’ interests, ensuring balanced commitments in the triple bottom line. We believe that an influential culture of driving excellence is the vital factor to move from good to the best. To cascade a consistent message across different brands and hotels, our senior management team delivered multiple sessions of management colleague briefings in the hotels. These sessions explained the overall business model, operations model, leadership model, and brand strategies. Our top management and every manager embrace our Vision and contribute to the success of the Group.
Our Commitment to Guests

We are committed to continuous improvement and excellent service delivery to enhance guest loyalty. “Building Guest Loyalty” is one of the global strategies to realise our vision. “Quality Management Technology” is the essential methodology we have adopted to support this strategy.

“Quality League,” a Total Quality Management System, is one of our 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 from the United States. 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.

Guests’ feedback is the most critical information that we have for facilitating our continuous improvement. We utilised a robust voice-of-the-customers (VOC) system to collect the guests’ feedback and tailor services and products. The hotels could analyse the guests’ preferences through an integrated platform to compile the data collected from all VOC channels. We could then enhance the service delivery and business strategy to increase guest loyalty. Net Promoter Score (NPS) and Defect Free Index (DFI) derived from an online survey are the two key performance indicators for measuring guest loyalty to the hotels. In 2018, the VOC system platform was enhanced with a real-time translation function of guest written comments so that our colleagues can comprehend guests’ feedback in different languages.

<table>
<thead>
<tr>
<th></th>
<th>NPS</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Langham and Cordis</td>
<td>62.7</td>
<td>66.8</td>
<td>71.2</td>
<td></td>
</tr>
</tbody>
</table>

Achievement in 2018

We were honoured to be recipients of several prestigious awards, and below are some highlights.

Langham Hotels and Resorts received Top 10 Best Luxury Hotel Brand by USA Today.

Condé Nast Traveler’s 2018 Readers’ Choice Awards:
- The Langham, New York, Fifth Avenue: No. 2 in New York
- 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

Travel + Leisure Magazine’s 2018 World’s Best Awards:
- The Langham, Chicago: No. 1 Top 10 Hotels in Chicago
- The Langham, Melbourne: No. 1 Best City Hotels in Australia, New Zealand, and the South Pacific
- The Langham Sydney: No. 5 Best City Hotels in Australia, New Zealand, and the South Pacific
- The Langham, New York, Fifth Avenue: No. 9 Top New York City Hotels

The 2019 Michelin Guide:
- T’ang Court at The Langham, Hong Kong received Three Michelin Star Rating
- T’ang Court at The Langham, Shanghai, Xintiandi received Two Michelin Star Rating
- Ming Court at Cordis, Hong Kong received One Michelin Star Rating
Our Commitment to Sustainability

CONNECT is our corporate sustainability programme which is founded on our commitment to being a sustainable company. CONNECT Programme is composed of four focus area including Environment, Community, Colleagues and Governance which shape our balanced thinking and actions to bring us becoming a sustainable company. CONNECT is implemented in the hotels by their CONNECT Champions and CONNECT Committees which must be represented by an executive committee member together with representatives from each function. The diagram below briefly explains our approach to sustainability.

CONNECT Programme Approach

Since the introduction of the CONNECT Programme in 2011, we have laid a solid foundation to engage colleagues at all levels, ensure compliance, and become the industry best practice. Through the annual Global CONNECT Events, all our stakeholders are invited to celebrate and embrace the CONNECT culture. In 2018, we conducted an extensive review on our CONNECT Strategy to meet not only the current, but also the future stakeholders’ expectations. A series of workshops, interviews and survey with our key internal and external stakeholders were completed to shape our 10-year sustainability strategy to lead our growth and development towards 2030 sustainably. The Strategy is still under finalisation and will be reported in 2019.

CONNECT and SDGs

Our CONNECT Programme and EarthCheck certification enable the Group to contribute directly and indirectly to all of the 17 Sustainable Development Goals (SDGs) established by the United Nations in 2015. In particular, our current operations focus on achieving Responsible consumption and production (Goal 12), Climate action (Goal 13), Sustainable cities and communities (Goal 11) and Good health & well-being (Goal 3). The relevant SDGs were integrated in our 10-year CONNECT Strategy Review in 2018.

Our Engagement with Stakeholders

We cherish the relationships with our stakeholders along our sustainability journey. Colleagues, Community, Guests, Media, Owners, and Suppliers are identified as our key stakeholders by our senior management. We discussed our relationships and engagement approach with our key stakeholders in the Sustainability Report 2014. Since 2015, we had conducted the stakeholder engagement exercise at individual hotel with a focus on two key stakeholder groups every year. As discussed in the previous section, we held the stakeholder engagement at group level as part of our CONNECT strategy review exercise in 2018.
In addition to preparing for our long-term strategy, we are also tackling the current global challenge – single use plastics (SUP) to be phased out in all our hotels. We conducted an opinion survey among our hotels’ senior management and function heads on this hot topic and gained tremendous positive feedback from our hotels. This supports our aggressive implementation to phase out all SUP in our hotels.

**Our Partnership with Industry and Experts**

In order to secure long-term business success, we have built and maintained partnerships and on-going dialogues with industry stakeholders and experts. Their insights and expertise help us to prioritise our CONNECT initiatives so that we use and invest our resources in the best possible way. We have been working closely with EarthCheck, which is the internationally recognised sustainability management and certification program service provider for our industry. We also maintained on-going dialogue with international and local sustainability organisations such as WWF Hong Kong, Lever Foundation, ADM Foundation, The Mekong Club, Green Monday and Business Environment Council, which are essential to us in our sustainability work.

**Our Partnership with Suppliers**

Suppliers are one of the most crucial industry partners for our hotels. We engage them in delivering products with higher sustainable value to our hotels. Since 2013, we have developed our Responsible Purchasing Policy and Guidelines. Moreover, our Supplier Code of Conduct is included as part of the tendering process documents and also sent to our significant suppliers to obtain their acknowledgement. Additionally, EarthCheck certification requires our hotels to consider using green power and eco-labelled products, including paper products, cleaning chemicals, and pesticides.

We are also delighted to observe positive results from the previous stakeholder engagement exercises, in particular with our seafood suppliers. For our hotels with significant food and beverage operations located in China, Hong Kong, Europe, Pacific, and North America regions, a range of 2%-85% of our seafood was sustainably sourced. The number of hotels serving sustainable seafood has been increased from 9 hotels (2017) to 15 hotels (2018). Three hotels from China region joined the league to offer sustainable seafood dishes for the first time. Moreover, Alibi at Cordis, Hong Kong is our first restaurant offering 100% sustainable seafood. We will continue to actively look for the right sustainable options in China, and also particularly for Chinese cuisine.

With the expansion of our portfolio, we will continue to source products and services in the local community. We will take further steps to enhance our supply chain management in the next few years.
We believe that good governance defines how we conduct ourselves as a business and our approach of the assessment of relevant risk and ethical matters. More than just compliance with codes of practice, good governance is a strong sense of value and a desire to do what is right for our stakeholders including our guests, suppliers, colleagues, governments, regulators and non-governmental organisations. Integrity and trust continue to be more critical than ever in today’s business world, we must ensure we always conduct our business in an ethical and responsible manner.

Governance Structure

Langham Hospitality Group is the hospitality arm of Great Eagle Holdings. As the wholly owned subsidiary of Great Eagle Holdings Limited, we are committed to maintaining and developing a high standard of corporate governance practices that are designed to enhance the company image, boost Shareholders’ confidence, and reduce the risk of fraudulent practices.

Management Approach

Langham Hospitality Group is governed by the Executive Committee and chaired by the Chief Executive Officer. The Executive Committee reports directly to the Executive Chairman of the Group, who is also the Chairman of Great Eagle Holdings Limited. An Executive Committee member is one of our Global CONNECT Champions.

The Executive Committee is responsible for monitoring and reviewing the overall corporate environmental, social and governance (ESG) arrangements and approving relevant policies. It plays a central support and supervisory role in the Company’s ESG duties and leads the CONNECT Programme.
To ensure compliance with legislation, industry best practices and company policies and procedures, the Executive Committee is also responsible for the implementation of the Group’s internal control, risk management, and financial reporting. It reviews the remuneration structure at high level and the compensation and benefits packages of senior management. Langham Hospitality Group also abides by the internal control systems of Great Eagle Holdings Limited.

Corporate Ethics

We pledge to adhere to good corporate governance and business integrity in our business activities. We have clearly stated these principles articulated in our Code of Ethics which explains the basic standards of behaviour expected of our colleagues in connection with their official duties. The Code of Ethics provides guidance on acceptance, soliciting or offering of advantages, declaration of conflicts of interest, fraud and bribery, gambling, fair dealing, and handling confidential information. All senior management and colleagues in relevant departments at corporate office and hotels are required to make an annual declaration of interest. We regularly review the Code to ensure it remains relevant to our business with up to date legislative requirements.

Training and Awareness

We want to create a culture where colleagues understand that we expect them to uphold the high standards set out in our Code of Ethics. All new colleagues will receive the Code through the induction training at the First60 Certification programme. Depending on the job duties of our colleagues, they will also receive regular communications, refresher training, and team briefings on various aspects of our compliance programme. All colleagues are also aware that they have a duty to report any breaches to our Code of Ethics.

In addition to the standardised training programme at hotels, there is a Global CONNECT Event relating to an internal review and refresher training on a selected topic concerning corporate ethics across the group. Practices and training on anti-corruption, data privacy, and employee rights and equal opportunities were reviewed and refreshed in recent years. In 2018, we spent over 10,000 hours on corporate ethics training with different topics. We will continue monitoring the effectiveness of our training programme and modify to cope with the current issues.

<table>
<thead>
<tr>
<th>Topics</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental</td>
<td>1,155.7</td>
<td>1,438.1</td>
</tr>
<tr>
<td>Anti-discrimination and diverse workforce</td>
<td>870.8</td>
<td>918.3</td>
</tr>
<tr>
<td>Health and safety</td>
<td>6,552.6</td>
<td>7,252.6</td>
</tr>
<tr>
<td>Anti-corruption</td>
<td>330.0</td>
<td>434.3</td>
</tr>
<tr>
<td>Data privacy</td>
<td>369.1</td>
<td>565.1</td>
</tr>
</tbody>
</table>
Risk Management in Hotel

Risk management in hotels is not simply crisis and disaster preparedness. We are also responsible for handling all types of risks that can pose harm to our guests, colleagues and other stakeholders. In 2018, we reviewed the Protestor and Crowd Handling protocol at hotels across the group as part of the Global CONNECT Events. Our hotels located in major cities which are often selected for hosting global events like Olympics, BRICS Summit, etc. Some locations are more vulnerable to protestors’ activities. We are always responsible for protecting the people and asset in our hotels in case any undesirable incident occurs. It is essential to develop an internal system to manage the event like protestor and crowd handling within the proximity of the hotel. The system should be appropriately implemented and tested through training and drills. An internal review of the hotels’ internal system and relevant training was conducted.

We are also aware of and understand the increasing importance of data protection and information security. The implementation of the General Data Protection Regulation (GDPR) and recent data breach incidents at some of our industry partners have brought further focus on this issue in the context of the travel and hospitality industry. We have been rolling out various initiatives at Corporate and Hotel levels to not only ensure our compliance but also to enhance awareness of these issues among our colleagues at all levels in 2018 and it will continue in 2019. This issue was also included in our CONNECT Strategy review process and our work and plan will be shared in the next report.
CARING FOR OUR COLLEAGUES

- Employed nearly 8,600 colleagues (5,052 colleagues in 2012)
- Total training hours were 308,511 hours (138,441 hours in 2012)
  Colleague received an average 36 hours of training (27.4 in 2012)
- 5.5 reported accidents per 100 employees (13.8 in 2012)
CARING FOR OUR COLLEAGUES

Approach

We are committed to fostering an engaging and respectful work environment for our colleagues to unleash their full potential and inspire them to become our true ambassadors. Our commitment is supported by the following systems which set out the guiding principles, review our performance, promote open dialogue culture, and grow our talents in the right way.

- Human Resources policies stipulate a global framework for an ethical workforce and colleague engagement;
- Training programmes enable our colleagues to deliver their job and embrace the company culture;
- A workplace health and safety management system ensures the safety of our colleagues;
- Internal communication channels connect our colleagues at different levels and across functions to strengthen teamwork;
- Performance appraisals review performance of individual colleagues to set clear goals aligned with their hotel’s objectives;
- A KPI system monitors the effectiveness of our systems in achieving our commitments.

Our systems establish a consistent application across the Group, and are flexible for local adaption by our hotels to fulfil local legal requirements and operational needs.

Fair and Inclusive Working Environment

Employee Rights and Equal Opportunities

Respect for employee rights is fundamental to our principles of human resources. As clearly stated in our Group Employee Rights and Equal Opportunities Policy, we are committed to a fair working environment that is free of discrimination, harassment, bullying and victimisation. We also promote equal access to employment. We recruit and develop individuals solely based on their suitability for the job, regardless of gender, age, nationality, religion or disability. We monitor our diversity profile through our workforce profile report including the distribution of gender, minorities and local hiring information.

<table>
<thead>
<tr>
<th>Workforce</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total employees</td>
<td>7,796</td>
<td>8,172</td>
<td>8,574</td>
</tr>
<tr>
<td>Full time employees</td>
<td>91%</td>
<td>91%</td>
<td>92%</td>
</tr>
<tr>
<td>Permanent employees</td>
<td>94%</td>
<td>95%</td>
<td>93%</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female employees</td>
<td>49%</td>
<td>49%</td>
<td>50%</td>
</tr>
<tr>
<td>Male Employees</td>
<td>51%</td>
<td>51%</td>
<td>50%</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>&lt;20</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>20-29</td>
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<tr>
<td>30-39</td>
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<td></td>
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<tr>
<td>40-49</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>50 or above</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total percentage of Expatriates from overall workforce</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Senior Executive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Workforce</td>
<td>14%</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>Total percentage of Senior Executive from overall workforce</td>
<td>2.5%</td>
<td>2.8%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Male Senior Executive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female Senior Executive</td>
<td>2.4%</td>
<td>2.3%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Total percentage of colleagues with disabilities from overall workforce</td>
<td>0.6%</td>
<td>0.6%</td>
<td>0.7%</td>
</tr>
</tbody>
</table>

We are committed to providing a healthy, safe, fair, and happy working environment for our colleagues.
In 2018, 150 out of 376 (40%) senior executives were female whereas 226 (60%) were male. Two female members were on our group executive management team. These data show that we recruit and develop individuals solely based on their suitability for the job, regardless of gender, age, nationality, religion or disability. We will continue to look into gender diversity and improve our data collection, especially in training and turnover aspects, to strengthen people development and retention strategies in the next year.

Local Hiring and Diversity

We prioritise hiring the general workforce from the local community or country, as a rule, the proportion of expatriates in our senior executive positions is 15%. We define expatriates as those colleagues who require a work visa. Their international hotel experiences and knowledge are critical to our business development and essential to groom our local workforce for future success.

We continued to encourage the integration of employees with disabilities by offering them career opportunities and implementing initiatives to address their individual needs in the workplace. For example, our hotels in Hong Kong has been partnering with Hong Chi Association. This Association is a non-profit organisation in Hong Kong dedicated to serving people of all ages, all grades of intellectual disabilities and their families. In 2018, we employed 61 colleagues (0.7% of the overall workforce) with disabilities in a variety of roles where we could effectively draw on their talent and abilities.

Engaged Working Environment

Communication is one of our core values. We encourage open communication, which creates a dynamic and enjoyable working environment for our colleagues. We ensure active dialogue with our colleagues proactively by using a variety of communication channels such as Showtime (daily briefing session), Daily Legend (daily newsletter), Townhall meetings and our intranet to communicate the company’s objectives to our colleagues clearly. We also engage with colleagues informally through social media, annual parties, and outings to enhance their sense of belonging.

We also engage our colleagues more formally through the annual Colleague Satisfaction Survey at all hotels, conducted by an independent research company. The survey provides us with an opportunity to obtain feedback from our colleagues on crucial issues and measures employee engagement. In 2018, we measured our colleague engagement level, which would help us to shape our people and culture strategy. The measurement also enables us to become a great place to work in with engaged and committed colleagues. We invited all eligible colleagues from all our hotels to participate in the 2018 My Colleague Survey, and 78% responded. This survey showed that the levels of colleague engagement continue to remain high, with a score of 88%, which is above the Global Hospitality Norm by 23%.

Health, Safety and Wellness

The health, safety and wellness of our colleagues are vital priorities. Our Group Occupational Health and Safety Policy ensure all hotels maintain their health and safety systems. The system should be consistent with local
operating conditions and legislation, and provide our colleagues with the environment that they can do their work safely. The senior management, human resources directors and security departments oversee these systems. The effectiveness of the system is monitored together with the Key Performance Indicators (KPI) system. Our improvement teams analyse the data, find problem root causes, run improvement action plans and follow up on the results.

In 2018, we were pleased to observe a slight drop in the incident rate but a minor increase in lost time injury frequency rate as compared to 2017 due to a particular long-rest incident being carry forward from 2017. There were no deaths due to work activities. We will continue monitoring the performance and enhance our employees’ awareness in the workplace health and safety.

<table>
<thead>
<tr>
<th>KPI</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lost time injury frequency rate (LTIFR)</td>
<td>19.7</td>
<td>12.2</td>
<td>13.1</td>
</tr>
<tr>
<td>Incident rate</td>
<td>8.5</td>
<td>5.6</td>
<td>5.5</td>
</tr>
</tbody>
</table>

1. LTIFR is the number of reported lost-time accidents for every 1 million working hours.
2. Incident rate is the number of reported accidents per 100 employees.

We promoted the wellness of colleagues globally through annual Global CONNECT events, such as Colleague Wellness Week and the 10,000 steps challenge during Loving Earth Month. The Colleague Wellness Week, for example, was dedicated to enhancing staff awareness on their wellbeing and supporting them in developing a healthy lifestyle. Wellness promotion programmes included colleague health screening, info sessions on financial wellness and mental health, vistance health challenge, and various exercise and wellness classes like Zumba, Salsa, meditation and yoga. Healthy food was also included in the colleague canteen menu with rainbow coloured diet, superfoods, fresh fruit and smoothies.
Learning and Career Development

We are committed to creating an environment for our colleagues to achieve their career aspiration and at the same time nurturing a team of competent and motivated colleagues. Our group-wide learning and development programmes are made up of the First60 Certification programme, Langham Curriculum Certification (LCC), and Advanced Programme for Executives (APEX). These programmes help our colleagues gain new skills and experiences which they need to deliver in their current and future jobs. The fourth intake for APEX was commenced in 2018 with fourteen candidates from various hotels.

Colleague performance is evaluated and benchmarked annually through our performance management system PRIDE (Performance Results Indicator & Development Engine). Colleagues are assessed based on their goal achievements and competency attainments during the year. A training and development plan will be designed accordingly to elevate their performance to the next level. Besides assessing performance, PRIDE also identifies peak performers, who will be put in the talent pool of the succession planning system. Peak performers are given exposure to different functions, taking up special assignments to accumulate skills and experiences in broader disciplines.

Taking the Initiative Culture

In 2018, we continued to advocate the “Taking Initiatives” culture to inspire our colleagues to create guest memories and enhance guest experiences, which in return, drive guest loyalty and our brand success. All hotel leaders were firstly engaged at the global launch of “Taking Initiative” workshops which were delivered by our Executive Committee members. Our signature First60 Certification programme was enhanced to embrace the “Taking Initiatives” culture for all colleagues.

To summarise our overall performance in 2018, we provided approximately four days of training per colleague. There is an increase in the training hours per employee compared to the previous two reporting years due to the launch of ‘Taking the Initiative’ cultural programme and training for new hotel openings. The percentage of employees receiving performance reviews is slightly lower than the previous two years due to significant renovations at some hotels.

<table>
<thead>
<tr>
<th>KPI</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training hours per employee</td>
<td>32.3</td>
<td>34.1</td>
<td>36.0</td>
</tr>
<tr>
<td>Senior Executive</td>
<td>21.5</td>
<td>24.8</td>
<td>23.3</td>
</tr>
<tr>
<td>General Workforce</td>
<td>32.7</td>
<td>34.5</td>
<td>36.6</td>
</tr>
<tr>
<td>% employee received</td>
<td>92</td>
<td>87</td>
<td>78</td>
</tr>
<tr>
<td>performance review</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

In review of our 2018 performance, we have also received several recognitions for our programmes for employee relations and training:

- Langham Hospitality Group continued to be recognised with the award of “Manpower Developer” by the Employees Retraining Board (ERB) Hong Kong.
- Two hotels in Hong Kong participated in the Talent-Wise Employment Charter and Inclusive Organisations Recognition Scheme by Labour and Welfare Bureau.
- Cordis, Hong Kong received Good Employer Charter 2018.
- Cordis, Hong Kong received 2017/18 Family-Friendly Employers Award.
- The Langham, Huntington, Pasadena received the Outstanding Employer of the Year 2018 presented to Civitan Club of Pasadena for employing individuals with disabilities in the community.
- Robert Housez at Chelsea Hotel, Toronto received the Hotelier of the Year of 2018 Pinnacle Awards by Hotelier Magazine of Kostuch Media.
• Shalin Parikh at Chelsea Hotel, Toronto received the **Aspiring Hotelier Award** of the Year 2017 by the Hotel Association of Canada.

• Daisy Puran at Chelsea Hotel, Toronto received the **Reservations Ambassador of the Year** by Greater Toronto Hotel Association’s Spirit Awards.

• Lachlan Harris at The Langham, Sydney received **Sales Talent of the Year** of TAA Awards for Excellence 2018.

We will evaluate our people development strategy from time to time to ensure an effective system is in place to build our talent pipeline and nurture our colleagues.
CARING FOR OUR COMMUNITY

- Hotels and colleagues contributed over **USD 348,000** to charitable organisations and communities (including in-kind, pro-bono and cash contributions) (USD 263,000 in 2012)

- Our colleagues devoted over **9,650 hours** to community service (4,669 hours in 2012)
CARING FOR OUR COMMUNITY

Approach

We are no strangers to the community where we operate, and we take community investment seriously. We encourage recruiting the right talent and buying products and services from the local area for our hotels. We have also maintained close relationships with the local business community and academic institutions, which is crucial for our business sustainability.

We stipulated our Community Engagement Policy to anchor our commitment to the community. We also defined one of the key performance indicators to serve the community by our colleagues. We have not only maintained on-going relationships with local community organisations. We also worked together within the region to build regional community partnerships to drive more significant impacts in the broader community.

Langham Hospitality Group and the two hotels in Hong Kong received the Caring Company Award by the Hong Kong Council of Social Service. Both The Langham and Cordis in Hong Kong received ten years plus which means our hotels have been participating in the programme for more than ten years.

Engaging Colleagues in the Community

Our Community Engagement Policy offers guidance on how to contribute to local communities; not simply through philanthropy, but also in other ways including donations and visits, free or in-kind sponsorships and employee volunteering. The Policy also defines Environment, Children and Art to be the key themes of our community engagement projects. We are also committed to making the best use of our resources and professional skills to assist the community around us.

As part of the 2018 Global CONNECT Events, our hotels organised “CONNECT to Community” Day. The campaign objectives are to engage different stakeholders, including all levels of colleagues and their family and friends on this day to serve the local community where we live and operate. In the end, we want to strive for positive and lasting impacts on the local community through our volunteer services.

In 2018, our colleagues contributed an average of 1.13 hours per employee to the community, which means over 9,650 hours in total. Even though the average community service hours have exceeded our target in the past five years, we aim for more impactful results from our community service activities instead of increasing the target hour. Some stories of our employee volunteering activity will be shared in a later section of this Chapter.
Making a Difference through Partnerships

Building strategic partnerships for community investment enables us to witness and measure our lasting impacts on the local community. We have established community partnerships at regional and local levels. Regionally, we partner with Hope Worldwide in Hong Kong, Make a Wish Foundation in the Pacific, charities helping children with illnesses in North America and London, and “Adopt a School” in China. These organisations work on child development and their rights, which frame the focus area for our community engagement work.

Locally, our hotels work with local partners on different social issues. In addition to supporting the active involvement of our colleagues, we contribute to local communities through donations and visits, free or in-kind sponsors and cause marketing. Our hotels are highly encouraged to make use of our strengths and our resources to help organisations. In 2018, our hotels’ sponsorships were worth approximately US$ 348,000 to non-profit organisations.
Community Partnerships

In Hong Kong, we have been partnering with Hope Worldwide Hong Kong since 2013. Hope Worldwide is an international charity organisation with a local presence that operates a community centre serving children from underprivileged families. In 2018, forty children from local low-income families were invited to experience the life of a hotelier.

In China, our hotels have been championing “Adopt-a-School” in their communities. We partnered with schools serving students with special needs like Luwan Special Needs Education School in Shanghai, Tian Yi Special Education Center in Haikou, and Ai Hui Autism Rehabilitation Center in Xiamen. We organised regular visits, fundraising activities and festive celebrations for the students. Through these activities, we support these students with special needs, encourage our colleagues to embrace differences, to promote an inclusive culture for our community.

The Langham, Chicago has been partnering with Bear Necessities Pediatric Cancer Foundation for several years. The Foundation is a national organisation dedicated to eliminating pediatric cancer and providing hope and support to those who are touched by it. We participate in Bear Hugs, in which the hotel provides a customised experience to brighten the life of a child going through cancer. Every Bear Hug is an opportunity for us to make a child feel like a “celebrity”. We work with families to design a Bear Hug visit tailored to their specific interests to create a memorable experience.
Employee Volunteering

Art, Children and the Environment are the key themes of our community engagement programmes. Apart from sponsorships and fund-raising opportunities, we are most passionate about motivating our colleagues to serve the community with their own hands. In addition, our employee volunteering strategy moves towards the activities that are related to our hospitality skills and the positive impact that derive from our services.

Support of the Environment

The clean living environment is our basic rights, and our future generations deserve the same privilege. The global pollution dilemma cannot be reversed by only doing good within our boundary. We engage our colleagues to serve the environment so that they would appreciate the importance of protecting our environment and embrace a more eco-friendly lifestyle.

Support of the Arts and Children

Both Arts and Children are our focus areas in our community service activities. We believe that childhood development is critical for building the foundation of a person’s well-being, including our intellectual capacity, personality and social behaviour. We bring our volunteers to support children from underprivileged families or with special needs to deliver positive impacts in their lives. Besides, we see Art as one of the core elements in our hotels, which house impressive collections of distinctive art pieces, from sculptures to paintings and other art forms. Therefore, we also introduce arts into our community services with children.

Cordis team assisted the keepers with weeding and cleaning duties at Auckland Zoo.

The Charles River Clean Up with 20 colleagues from The Langham, Boston

Langham Place, Xiamen jointly organised an Art Exhibition at hotel by displaying 20 artworks from the talented autistic children of our partnering organisation.

Together with Hong Kong Playground Association, Cordis, Hong Kong organised “Happy Life” event to cultivate an “attitude of gratitude” among the children from underprivileged families.

Volunteers serving Ronald McDonald House in Los Angeles
Support of the Local Community

Local communities have their social concerns, and it is part of our responsibility to be involved in making our neighbourhoods better places to live. Our volunteers serve the community of the elderly, the hungry, the poor, the underprivileged, minority groups and people with illnesses.

The Langham, Melbourne team volunteered at SecondBite which is committed to improving access to fresh healthy food amongst people in need throughout Australia.

The Langham, Hong Kong arranged a hotel visit for job seekers from Heep Hong Society which helps teenagers with special educational needs. A student was hired after this hotel visit.

Volunteers visited elderly home and provided hair cutting and chatting with the elderly in Shanghai.

In 2019, we will continue to strengthen our partnerships with the community, and also review our global community strategy and expect to drive more significant social impacts.
PROTECTING OUR ENVIRONMENT

- 1 hotel achieved EarthCheck Platinum certification (0 hotel in 2011)
- 7 hotels achieved EarthCheck Gold certifications (1 hotel in 2011)
- Consumed 208 MJ energy per Guest Night (256 MJ per Guest Night in 2011)
- Consumed 430 L water per Guest Night (401 L per Guest Night in 2011)

- 68% of all our hotels achieved EarthCheck certifications at different levels
- 19% reduction in Energy Intensity as compared to our base year 2011
- 7% increase in Water Intensity as compared to our base year 2011
PROTECTING OUR ENVIRONMENT

Approach

We believe that sustainability must be integrated into our business operation along the value chain across all brands and properties. “Walking the talk” is the core value to be embraced in our activities and our initiatives. We have stipulated our direction in the Group’s Environmental Policy and the mandatory key performance indicator for all our hotels to achieve EarthCheck certification.

EarthCheck and Achievement

EarthCheck is the leading international sustainability benchmarking and certification service for the travel and tourism industry. The EarthCheck standards align with international frameworks such as the International Organisation for Standardisation (ISO), Global Reporting Initiatives (GRI) and industry practices such as the Global Sustainable Tourism Criteria (GSTC). In 2018, Cordis, Auckland attained its EarthCheck Platinum certification status, which means their sustainability efforts have been recognised for at least ten years. Besides, seven hotels were Gold Certified, five hotels were Silver Certified, and two were Bronze Benchmarked.

In addition to EarthCheck, we are proud to receive the following recognitions in 2018:

- Green Leaders Programme by TripAdvisor
  - The Langham, London – Gold Level
  - The Langham, Auckland – Silver Level
  - The Langham, Melbourne – Silver Level
  - The Langham, Boston – Bronze Level
- Cordis, Auckland maintained Qualmark Enviro Gold Rating by Qualmark New Zealand.
- Chelsea Hotel, Toronto attained the 4 Green Keys at Green Key Eco-Rating Program.
- Cordis, Hong Kong received the Certificate of Excellence - Sustainable Product Supplier Award by Business Environment Council.
- Cordis, Hong Kong is accredited with an ISO 14001:2015 certification.

Global CONNECT Events

Loving Earth month and Sustainable Christmas Tree Competition have continued to be our annual Global CONNECT Events with an environmental focus. To encourage eco-friendly lifestyle, all hotels kicked off the month with Earth Hour, the global “lights out” campaign, and followed with meatless or sustainable seafood dishes promoted in their restaurants and colleague cafeterias throughout the Loving Earth month. Internally, all hotels launched a vertical fun run, encouraging colleagues to walk more and use the elevator less.
Upstream and Downstream Influence

We work to minimise negative environmental and social impacts along our value chain, where we have direct control and indirect influence. We developed the Sustainable Hotel Design Guidelines as part of our Design Control Document. The Guidelines define our requirements upon the project development and refurbishment of our hotels for different brands. In 2018, Cordis Shanghai, Hongqiao was our first hotel to receive the RESET Air Certificate for Commercial Interiors. The Certificate recognised our effort in tracking and communicating the health performance of interiors to our guests.

The Responsible Purchasing Policy and Guidelines stipulated the way we should select products and services. We prefer, where practical and possible, to have a minimum impact on the environment and welfare of the people and communities where the product / raw material is produced.

Sustainable Christmas Tree Competition is the finale of our annual Global CONNECT Event. Our hotels designed and built Christmas trees made with recycled/waste materials collected from the hotels to engage our colleagues and the general public in reinforcing our commitment to sustainability. The entries were then reviewed and scored based on their eco-friendliness and community involvement; innovation and presentation; and overall ranking in the number of engagement which includes the likes, shares and comments on both Facebook and WeChat. In 2018, we received over 20,000 votes and comments through different social media channels.
We extend our sustainability commitment to involve our guests during their stay with us. We offer sustainable options to our guests, such as "CONNECT Conferences" sustainable meeting and "Guests of the Earth" towel and linen reuse programme. In 2018, we were the first international hotel brand to participate in a project partnership between the United Nations Development Programme (UNDP) and Ctrip on a new sustainability initiative. This initiative encouraged guests to reuse hotel in-room daily amenities and reduce waste. Seven Langham Hotels in China were the first to introduce these portable soapbox, cup and slippers which were produced by the local communities. Guests were encouraged to bring these items home and reuse them, instead of throwing them away, resulting in high wastage.

**Energy and Greenhouse Gas**

We aim to operate our hotels with maximising energy efficiency and without affecting the quality of our services. We always identify energy-saving opportunities by optimising the operational efficiency of plant and equipment and upgrading systems when there is a major refurbishment. In 2018, our hotels continued to focus on LED light retrofitting and HVAC systems upgrading, which helped to improve the electricity efficiency significantly.

Our energy consumption is primarily composed of electricity from the grid, natural gas, diesel, purchased steam and chilled water in our 22 properties. In 2018, the overall energy consumption increased by 4% over 2017. It is mainly due to one new hotel, and the renovation of our hotel in Beijing was completed. Energy intensity is measured by the energy consumed per guest night in our hotels. Our energy intensity in 2018 increased by 1% from 2017.

In 2018, carbon equivalent emissions associated with our energy used increased by 3% and the carbon intensity increased by 1% as compared with the previous reporting year. The pattern follows the overall energy consumption.

Our commitment to minimising our carbon footprint is progressing, and we saw the reduction of our carbon intensity by 19% and energy intensity by 15% compared to the 2011 baseline.
The Langham, London provides branded Langham bikes to in-house guests on a complimentary basis.

We also understand that meatless and dairy-free diet can contribute to greenhouse gas reduction and thus combating the global climate change. There was a new collaboration between Michelin starred Ming Court at Cordis, Hong Kong and Right Treat, the new establishment of Green Monday. Our Executive Chef recreated a series of traditional Guangdong dishes with the revolutionary plant-based ingredient – Omnipork to promote a healthy diet and sustainable food choices. Dishes include the vegan Xiao Long Bao (Steamed Omnipork Dumplings) and Sweet & Sour Omnipork.

Press conference to announce the partnership using Omnipork

Vegan High Tea in Auckland

Water and Waste

Accessibility to clean water becomes a pressing global issue and hotel operations heavily rely on water for hygiene and cooking purposes. We are responsible for reducing our water footprint by installing water-efficient equipment across our properties and raising staff awareness on water conservation. EarthCheck also requires us to pay attention to the inclusion of water-saving fixtures in our guest rooms, public toilets and kitchens.
Cordis, Hong Kong replaced the shower heads in the guest rooms with a more water efficient type, with a reduction in flow rate to 9.5 litres per minute.

In 2018, our total annual water consumption for all hotels has increased by 6% compared to the prior year due to the full operation of the new hotel in Hefei and renovated hotel in Beijing. Water intensity is also measured by water consumed per guest night, and this increased by 3% and is 7% higher than in 2011. We will set short-term and long-term water reduction target and drive more water conservation initiatives in the next few years for better water conservation performance.

### Waste Reduction

Reducing the amount of waste being sent to landfill becomes an increasing concern in the hospitality industry. We have been implementing waste minimization initiatives including recycling/reusing (paper, metal, plastics, cardboard, glass bottles, cooking oil, printer cartridges, wet amenities, soap, wine corks), food waste donation and composting, and used items donation (furniture, fabric items, electronic equipment). We also look into other opportunities to reduce organic waste and other consumables.

In particular, we are pursuing our waste reduction commitment to plastic and food waste for the future and had cascaded our direction to all our hotels during the 2017 General Manager Conference. In 2018, we globally launched the ‘phase-out’ plan of single-use plastics in hotels. Single-use plastics have been posing a significant adverse impact on our environment, particularly to our marine system. Most of our hotels have phased out the disposable plastic straws, cocktail sticks, stirrers, bags etc.

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Our hotels are also keen on minimizing our food waste being disposed of at landfill or incineration. In addition to our hotels in New York, Pasadena and Auckland, The Langham, London was the first in Europe to introduce a food waste management system. This system can turn up to 2,400 lbs of discarded material into environmentally safe water every 24 hours. Cordis, Hong Kong has been responsible for managing the waste disposal from the Mong Kok complex, which is located at Level 2 of the same building. Starting from 2018, we assisted the Mong Kok Complex in diverting food waste and glass bottles from general refuse for recycling.
In reviewing our environmental management approach and performance since 2011, our commitment to protecting the environment is proven with a strong record, and at the same time, some areas for further improvement were identified.
APPENDICES
Appendix 1 – About the Report

This report is the eighth sustainability report for Langham Hospitality Group (LHG), which contains Standard Disclosures from the Global Reporting Initiatives (GRI) Sustainability Reporting Guidelines version 2016. The report also covers the actions we have taken during the calendar year 2018 to strengthen sustainability values that are important to LHG and its key stakeholders. This report reviews our current systems and performance and sets out our environmental and social objectives for the coming years.

The report also focuses on the sustainability issues material to Langham Hospitality Group’s commercial activities. We have identified and evaluated the environmental and social impact associated with our business operations and the hospitality industry in general. Based on the Global Reporting Initiatives (GRI) G4 guidelines, EarthCheck standards for the accommodation sector, and Hong Kong Exchange Clearing’s Environmental, Social and Governance Reporting Guide, we have identified the most material environmental and social aspects, of which we should be reporting on our approach and performance in this report. For more details about the materiality of the report, please refer to the 2015 Sustainability Report. The list of the GRI Standard Disclosures and their location in this report is provided in Appendix 2 – List of GRI Standard Disclosures.

The report covers all properties in full operation, under the management of Langham Hospitality Group, during the reporting period. Quantitative data and qualitative information cover all our direct business activities unless otherwise indicated. This account of our activities does not include data from our development and investment activities, and properties that were no longer under our management during the reporting period. Links to information regarding our financial and corporate governance policies and performance are provided through the corporate website (greateagle.com) as well as past annual reports. For any enquiries and feedback regarding this report, please contact the Group Director of Sustainability at sustainability.mgr@langhamhotels.com.
This following table provides cross-references to the Global Reporting Initiatives Sustainability Reporting Guidelines version 2016. It is a framework of internationally accepted guidelines and principles for companies and organisations to report on corporate responsibility and sustainability performance.

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