

LANGHAM
HOSPITALITY GROUP

Green is
the new
BLACK

Sustainability Report 2012



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Introducing This Report

This is the second sustainability report for Langham Hospitality Group (LHG) following the Global Reporting Initiatives (GRI) Sustainability Reporting Guidelines. It covers the actions we have taken during the calendar year 2012, to establish 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.



It also focuses on sustainability issues material to Langham Hospitality Group's commercial activity. We have identified and evaluated the environmental and social impact associated with our business operation, and the hospitality industry in general. A GRI Content Index of this report is provided on Page 42.

The report covers all properties in full operation under the management of Langham Hospitality Group, during the reporting period (see Section 4). 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 actions, and properties that were no longer under our management during the reporting period.

LHG is a wholly owned subsidiary of Great Eagle Holdings and 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 Sustainability Manager at sustainability.mgr@langhamhotels.com.

About the Report Theme

We began our journey towards sustainability by kicking off the concept of greener operation in 2008. Over the past several years, we have made our hotels more energy and water efficient, installed various recycling facilities and footprint measurements, as well as increased employees' green awareness and guest engagement. The green operation concept has evolved to the point where it is now integrated into our daily business activity and lifestyle. It is a sustainable part of our business going forward. This is why we call Green the new black which is used to be the colour that fit with everything.



Message from Executive Chairman



This annual Sustainability Report covers the progress we have made on our sustainability goals. We consider social responsibility to be an important part of our growth strategy and a source of competitive advantage. The actions outlined in our CONNECT programme will deliver measurable value in our business practices, our colleagues' working environment, and the communities within which we operate.

Today, our guests, colleagues and business partners expect corporations not only to demonstrate high standards of ethical behaviour but also to commit to environmental responsibility. In this regard, with our brand's presence in the hospitality industry for almost 150 years we believe that sustainable business solutions and practices will play a major role in ensuring our brand continues to operate well and in concert with our communities for the next 150 years.

There is much more yet to come from Langham Hospitality Group. The input of all our stakeholders has been invaluable in helping us to enhance our sustainability efforts and I would like to take this opportunity of thanking all who have contributed to our successful CONNECT programme.

A handwritten signature in black ink, appearing to read 'K S Lo'.

Dr. K S Lo

Executive Chairman

Message from CEO



Since our Sustainability Report last year, we have continued to strive to better understand how we can achieve more sustainable operations in our hotels. As our business grew and improved in 2012, sustainability continued to be integral to the way we manage our properties and key stakeholder relationships.

We have made significant progress over the past several years. Operating our properties in the most efficient manner has led to a reduction in energy and water consumption gradually every year, and Langham Hospitality Group continues to take ambitious steps to improve our long-term sustainability within the communities in which we operate. In particular, we have made important achievements in our three pillars of sustainability – environment, community and colleagues.

Environment

We issued our first group-wide Environmental Policy to demonstrate our commitment to protecting the environment. Our properties continued to perform efficiently with a 10% and 2.5% reduction in energy and water intensity respectively as compared to 2011. We were also honoured with several prestigious awards by both public and private organisations including the Gold Award for the Hong Kong Awards for Environmental Excellence, under the Hotels and Recreational Clubs sector.

Community

Our Community Engagement Policy sets our direction in giving back to the community with the focus on art, children and the environment. Altogether with our 5,000 employees in 2012, we contributed over 5,000 hours to serving the communities where we operate.

Colleagues

Our commitment to people quality and development was again recognised with the Manpower Developer 1st Award by the Employees Retaining Board of the HKSAR Government and Grand Award in the HR Excellence Awards 2012 by Hong Kong Institute of Human Resource.

Along with the many suppliers who align with us on green initiatives, business partners and guests who share in our community projects to local and regional non-governmental organisations (NGOs) that support our corporate social responsibility (CSR) efforts, we demonstrate our commitment to our core values while demonstrating that doing the right thing makes good business sense. These important relationships are coupled with a clear articulation of our management approach that drives the overall CSR direction while giving our hotels the flexibility to innovate and launch local initiatives. Some of these local initiatives have included such things as food and amenities donations, Green Monday, and Christmas Light Show for the Make-a-Wish Foundation.

Moving forward, we will continue to envisage success while expanding our CONNECT programme taking us on the right path to create a more sustainable and responsible business.

Brett Butcher

Chief Executive Officer

Langham Hospitality Group

About Us

Langham Hospitality Group encompasses a family of distinctive hospitality brands which include hotels, resorts, residential serviced apartments, restaurants and spas, located on four continents. Our luxury brands include The Langham and Langham Place, while in the upscale and mid-scale sectors, we have Eaton Luxe and Eaton respectively.

The group takes its name from the legendary Langham in London, which was opened in 1865 as Europe's first Grand Hotel. For almost 150 years, The Langham name has represented sophisticated and gracious hospitality, a philosophy which reflects elegance in design, innovation in hospitality, genuine service and captivation of the senses.

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.



Brands

The Langham

The Langham is a luxury hotel brand that presents exceptional, bespoke service in a luxury environment of timeless elegance.

Rich in traditions, refined for over 140 years, The Langham is a world of breathtaking indulgence and enchantment that captivates the senses.

Langham Place

Langham Place is a dynamic brand that enriches the conventional definition of luxury with a refreshing hotel experience that inspires and engages.

It is an innovative hospitality concept and a destination for the creative and sophisticated.

Eaton Luxe

Eaton Luxe is an Urban Lifestyle hotel concept, full of comfort, convenience and connectivity offering a new way to stay and play. It is the ideal hotel for the discerning, responsible traveller, interested in staying in a five star hotel, however at a reasonable price.

Eaton

Eaton is a modern high design hotel concept, at affordable prices, offering an honest, comfortable and effortless hotel experience for the smart traveller. It is the ideal hotel for the smart, responsible traveller, interested in a fun and affordable stay.

Eaton Luxe and Eaton are also about sustainable living through eco-friendly hospitality solutions to limit our footprint on the environment.



Hotel Location

The list of hotels in operation in 2012:



Major Awards and Recognition in 2012

Hotel Group	Awards	
Langham Hospitality Group	<ul style="list-style-type: none"> • Best Luxury Spa Group in Hong Kong 	<ul style="list-style-type: none"> • 2012 World Luxury Spa Awards
The Langham, Auckland	<ul style="list-style-type: none"> • TripAdvisor Excellence Award • Qualmark Enviro Gold Rating 	<ul style="list-style-type: none"> • TripAdvisor • Qualmark New Zealand
The Langham, Boston	<ul style="list-style-type: none"> • Awarded #21 by U.S. News & World Report's 2012 Best Hotels in the USA – Boston • Certificate of Excellence 	<ul style="list-style-type: none"> • US News & World Reports • Trip Advisor
The Langham, Hong Kong	<ul style="list-style-type: none"> • Traveller's Choice, Top 25 hotels in Hong Kong • Best City Hotel Hong Kong • T'ang Court - Michelin One Star (Hong Kong and Macau) 	<ul style="list-style-type: none"> • Tripadvisor • TTG Asia • Michelin Guide
The Langham, Huntington, Pasadena, Los Angeles	<ul style="list-style-type: none"> • 500 World's Best Hotels • Top Hotels in the U.S. • Best in the World: Reader's Choice Awards - Ranked #12 Hotel in California • Certificate of Excellence - 4.5 Stars / 5 Stars for The Langham Huntington, Pasadena • Top 75 Hotel Spas in the U.S. - ranked #14 	<ul style="list-style-type: none"> • Travel + Leisure - January 2012 • U.S. News + World Report • Conde Nast Traveler, October 2012 • TripAdvisor.com • Conde Nast Traveler, USA
The Langham, London	<ul style="list-style-type: none"> • Top 500 World's Best Hotel • World's Best Business Hotel for London • Top 10 Spa British Spas - No.5 	<ul style="list-style-type: none"> • Travel + Leisure • Travel + Leisure • The Independent
The Langham, Melbourne	<ul style="list-style-type: none"> • Best of 2012 Awards - The Langham, Melbourne ranked No.23 in the Top 25 Hotels in Australia list • Readers' Spa Awards - World's Top 30 Spas 	<ul style="list-style-type: none"> • Trip Advisor • Conde Nast Traveller, UK
The Langham, Xintiandi, Shanghai	<ul style="list-style-type: none"> • Golden Pillow award - Top 10 Chinese Restaurant in China • The Best City Hotel Award • Top 100 Hotels 	<ul style="list-style-type: none"> • Business Travel • City Traveler magazine China • Travel + Leisure China
Langham Place, Beijing Capital Airport	<ul style="list-style-type: none"> • Ranked Fourth Best Airport Hotel in the world • Best Travelers' Choice 	<ul style="list-style-type: none"> • Skytrax World Airport Award • Tripadvisor
Langham Place, Mongkok, Hong Kong	<ul style="list-style-type: none"> • Trip Advisor Traveler's Choice 2012 - Top 25 hotels in China • Hotels and Recreational Clubs (Gold Award) • Grand Award of the Year • Excellent Sourcing & Staffing Award • Best Luxury Hotel Spa • Best Spa Hotel / Resort (more than 50 rooms) in the Asia Pacific region • Ming Court - Michelin Two Star (Hong Kong and Macau) 	<ul style="list-style-type: none"> • Trip Advisor • Hong Kong Awards for Environmental Excellence (HKAAEE) • HR Excellence Awards 2012 • HR Excellence Awards 2012 • World Luxury Hotel Awards 2012 • The Spa Traveller Awards 2012 • Michelin Guide
Eaton, Hong Kong	<ul style="list-style-type: none"> • CAPITAL Entrepreneur Green Enterprise Awards 2012 • Best Eco Hotel • 18 Districts Caring Employers 2012 Award 	<ul style="list-style-type: none"> • CAPITAL Entrepreneur • Hotel Club • Hong Kong Council of Social Service

Our Vision and Values

Our Vision

Know Our Guests, Build Great Memories

We will be the definition of hospitality by knowing our guests better than the others and building the greatest hotel memories.

Values at The Langham and Langham Place



One Team, One Dream

Talent wins games, but teamwork wins championships.



Surprise our guests

A little creativity goes a long way in creating lasting impressions for our guests.



Be curious

Be genuinely interested to learn more about our guests and colleagues.



Connect from the heart

Genuine service always comes from the heart.



Better everyday

Self-improvement is a never ending journey. The sky is limit!



Forever young

The door of opportunity is open for those who are young at heart.



Celebrate success

Measure our performance so that we can celebrate our success!



Communicate, communicate, communicate

Open communication always creates a dynamic and enjoyable working environment.



Values at Eaton Luxe and Eaton

- V**isible
- A**dventurous
- L**oving
- U**nited
- E**mpowered
- S**ustainable

our management is visibly engaging our colleagues and our hospitality offers visible engagement with our guests.

we love innovative ideas and continuously seek opportunities for breakthrough.

we genuinely care for our guests and colleagues.

we share the same vision and work together as one team.

we are empowered to solve guest problems with efficiency and flexibility.

we sustain the growth of the organisation and care for our stakeholders and environment.



Connect Programme

We first introduced the CONNECT Programme to our colleagues around the world in 2011. We want our colleagues to realise the connection between our initiatives and the environment and society, so that we can all act responsibly everyday and contribute to the sustainable development of the neighbourhoods where we operate. Since then, we have been pursuing an increasingly systematic approach to sustainability issues.

The following table highlights the key elements of the progress we have made:

2011

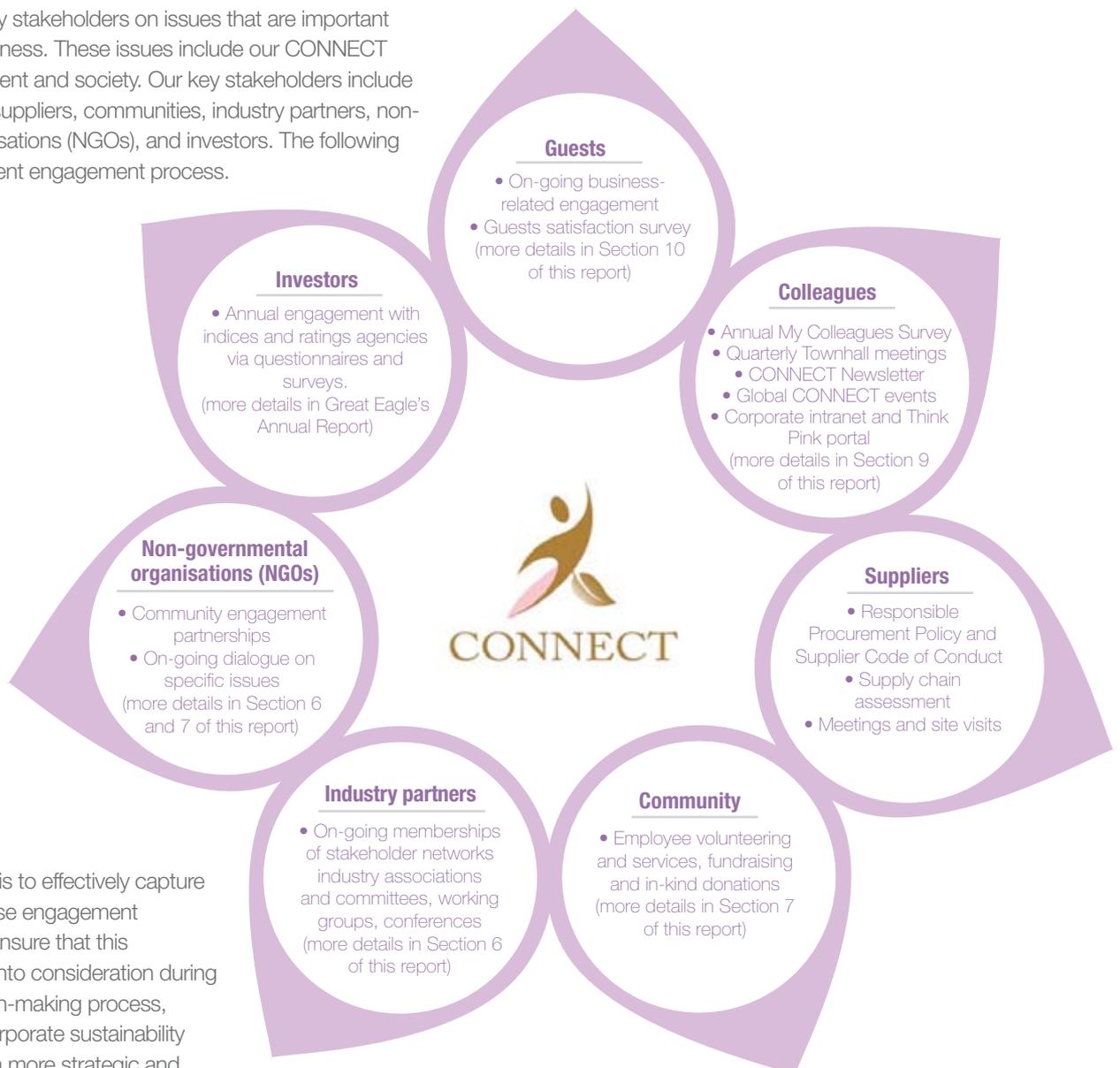
- Executive Committee expands sustainability function beyond environmental protection
- Review of sustainability approach in hospitality industry as well as in the region
- Senior executive workshop on sustainability to determine material issues and focus area
- Introduce CONNECT at Global General Manager Conference
- First sustainability report set out direction and objectives

2012

- First review of sustainability performance data
- Group CONNECT policies and supplier code of conduct in place
- Organisational structure for CONNECT Programme
- Environmental standard operating procedures for hotel
- Internal communication on CONNECT
- Second sustainability report

Engaging Our Stakeholders

We work with our key stakeholders on issues that are important to our every day business. These issues include our CONNECT focuses on environment and society. Our key stakeholders include guests, colleagues, suppliers, communities, industry partners, non-governmental organisations (NGOs), and investors. The following table shows the current engagement process.



Our major challenge is to effectively capture the outputs from these engagement approaches and to ensure that this information is taken into consideration during our business decision-making process, particularly on the corporate sustainability issues. We will take a more strategic and structured approach to building constructive relations with our key stakeholders in the coming years.

Managing Our Suppliers

In our last report, we briefly introduced our current practices in procurement of greener materials amongst our hotels. We recognise that it is important to develop a more holistic approach to integrating responsible purchasing concepts into our existing procedures. We took our first steps, by developing our first group-wide Responsible Purchasing Policy and implementing the Supplier Code of Conduct.

Policy

Responsible Purchasing is concerned with ensuring we buy products, whenever practical and possible, that have a minimum adverse impact on the environment;

1. As a result of the nature of the raw materials used;
2. As a result of production process used;
3. As a result of ensuring the safety and welfare of the people and communities where the product/raw materials are produced.

We commit to:

- Minimise our environmental impact and deliver social benefits through ensuring our purchasing selection process fits the above agenda;
- Encourage our suppliers to adopt practices that minimise their environmental impact and deliver social benefits in relation to the basic material used, manufacturing process, workflow logistics throughout their own operation and that of their supply chain;
- Work in partnership with suppliers to achieve our common goals and continually improve performance over time;
- Foster innovation in our supply chain to increase the availability and effectiveness of sustainable solutions that meet our corporate and brand objectives.



This policy provides our colleagues with guiding principles when they buy products. We know that this is not enough. To implement the policy, we are formulating responsible purchasing guidelines with specific instructions for different product types and we will enhance the competency of our purchasing team on these responsible purchasing principles. We will report our progress in future reports.

Supplier Code of Conduct

Every year, we manage hundreds and thousands of suppliers from all around the world. Following the initiatives of our parent company, we implemented sustainability management for our suppliers in phases. For Stage 1, we aim at raising the corporate social responsibility awareness of our significant suppliers by communicating the newly-adopted Supplier Code of Conduct to them. We will review the progress in two years and determine the following stages to be implemented.

You may find our Supplier Code of Conduct at http://www.langhamhospitalitygroup.com/pdf/LHG_Supplier_CoC_Eng.pdf.



Feature: Protecting the **Environment**

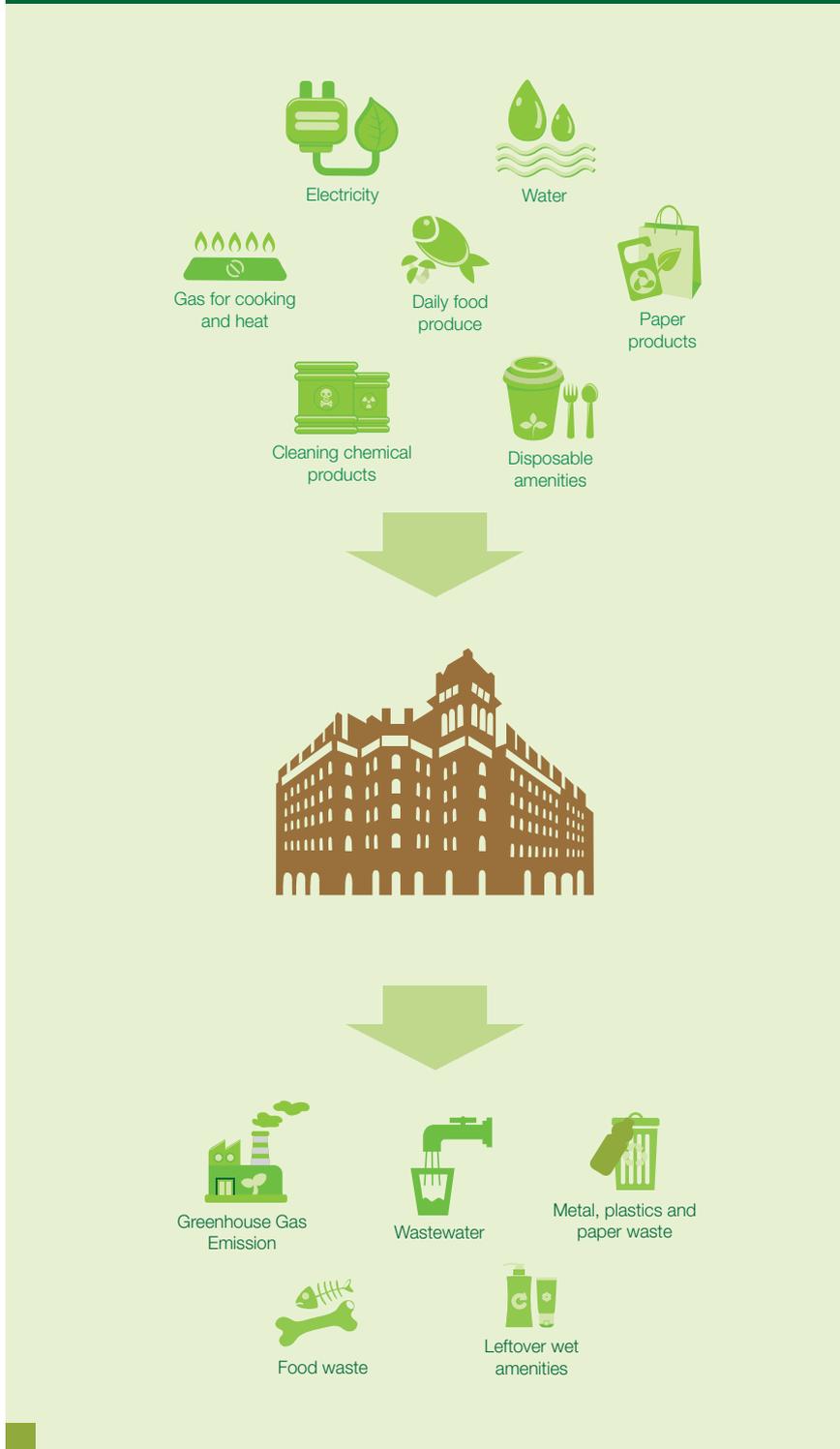
We are committed to protecting the environment, and this belief is integrated into our business operation since 2008. This includes electricity for lights and air-conditioning systems, which provide an around-the-clock comfortable environment for our guests. Provision of clean, potable water for washing and cooking to ensure basic hygiene needs are met for guests and colleagues staying at our hotels, along with daily fresh produce and food supply for hundreds and thousands of diners at our hotels.

In view of all of these aspects, the first objective of our sustainability journey was to reduce our impact on the environment. We started out by introducing the “Guests of the Earth” programme, a bed linen and towel reuse option for our guests in 2008. In the same year, we also launched our internal staff engagement programme, “Green Team” and Environmental Champion at each property worldwide to engage our colleagues with consistent support from our senior management. Our Green Teams are connected through a Green Times newsletter, which serves as a platform to share the best environmental practices and achievements at hotels.

Environmental issues at hotels can be rather comprehensive and involve various departments. Therefore, we recognised a systematic approach to managing these impacts through a partnership with EarthCheck (<http://www.earthcheck.org/>) starting in 2009. EarthCheck provides the best environmental management systems in use by the travel and tourism industry for the benchmarking and certification of their operational practices. The following year, five of our hotels were awarded silver certificates and more hotels are joining the journey in the coming years.



Key environmental impacts of our hotel operation



Our hotels are committed to operating greener every day and have been awarded with green recognitions by local authority and reputable media for the past several years. These include some prestigious awards such as Hong Kong Awards for Environmental Excellence - Hotels & Recreational Clubs Sectoral: Gold Award by the HKSAR Government, Environmental Best Practice Hotel Award for the State of Victoria and New Zealand Ministry for the Environment's Green Ribbon Award- "Businesses Making a Difference".

Concern for the environment is the starting point of our journey towards sustainability. The corporate sustainability programme was expanded to encompass other corporate responsibility issues and became CONNECT programme in 2011. Environmental protection remains one of the four focus areas.

2011

- First hotel received EarthCheck Gold Certification
- Launch CONNECT Programme
- Sustainability Manager

2009

- Group partnered with EarthCheck
- Full time Environmental Manager

2012

- Issued Group Environmental Policy
- Published first Sustainability Report 2011

2010

- Five hotels certified to EarthCheck Silver
- The Langham, Melbourne and Langham Place, Mongkok Hong Kong awarded for their environmental performance by local governments

2008

- Launched Guests of the Earth and Green Team
- Each hotel appointed Environmental Champion
- Issued first Green Times internal newsletter

Apart from taking greener actions every year, we also understand the importance of clearly stating our pledge to environmental protection to our key stakeholders. We developed the following environmental policy.

Policy

Environmental protection is one of four focus areas in our corporate sustainability programme – CONNECT, as we recognise that our properties use significant amounts of energy, water and other natural resources, as well as generating waste. We endeavour to minimise these impacts on the environment in which we operate.

Our Vision:

To become a role model amongst hospitality operators for environmental impact, awareness and reduction.

We commit to:

- Comply with applicable environmental regulatory requirements at a national and international level;
- Minimise energy and water consumption as well as waste disposal;
- Protect the ecological environment in our surroundings;
- Report and benchmark our environmental performance;
- Lead sound environmental best practices;
- Promote a sustainable lifestyle to our colleagues and guests;
- Engage major suppliers and contractors in adopting environmental best practices;
- Partner with the EC3 Global EarthCheck Programme to undertake independent auditing, monitoring and benchmarking exercises.

Objectives

Progress on 2012

- Completed and published Group environmental policy
- Completed and published responsible purchasing policy and the supporting guidelines are under final review
- Completed and pilot tested environmental standard operating procedures for hotels
- Reviewed and standardised the environmental data collection system for all properties
- Sustainable design guidelines are under final review
- LHG green meeting standard is under final review
- CONNECT training packs are under development

2013

- Review to establish environmental goals at group level
- Complete responsible procurement guidelines
- Develop EarthCheck toolkits for new hotels and pilot test these toolkits at a new hotel in China
- Develop online reporting portal for environmental data collection and analysis
- Complete sustainable design guidelines
- Complete LHG green meeting guidelines
- Develop competence training packs for hotel staff

Awards and Recognitions



Langham Place, Mongkok Hong Kong was honoured with a Gold Award from the Environmental Campaign Committee for the Hong Kong Awards for Environmental Excellence, under the Hotels and Recreational Clubs Sectoral Awards 2011 category, which recognises the hotel's continuous green efforts in supporting sustainability and embracing environmental awareness. This is the second time Langham Place, Mongkok Hong Kong has won this award.

Eaton, Hong Kong won the "Best Eco Hotel" award, organised by the 2012 HotelClub Hotel Awards in Hong Kong, in recognition of its outstanding sustainable practices carried out at the hotel and environmental contributions. The achievement reiterates the Eaton, Hong Kong's commitment to continuously improve its sustainability; it also encourages the team at the hotel to go further green.

Eaton, Hong Kong has been selected as one of the TOP 20 of the CAPITAL Entrepreneur Green Enterprise Awards 2012. The award-winners were selected by a panel including World Wide Fund (WWF) and the Hong Kong Observatory. The award raises public awareness of the many businesses in Hong Kong that are involved in further environmental concerns and encourages entrepreneurs in the region to create business that focus on sustainability and green products or services.



EarthCheck

We continue and expand our partnerships with EarthCheck (<http://www.earthcheck.org/>), We not only worked with EarthCheck in pilot testing the group reporting console and the Chinese version of My EarthCheck online tools, we also participated in the first Inner Circle meeting organised by EarthCheck for its key partners. This forum aims at building a network amongst global thought leaders in sustainable tourism and offers a unique opportunity to investigate joint approaches to industry challenges and knowledge-share solutions.

Together with a number of EarthCheck members around the world, we also supported EarthCheck initiatives in showcasing the sustainability achievements of The Langham, Auckland, to an audience of more than a quarter of a billion people through the television programme called Travel Wild on Discovery Channel. More than just a travel programme, it demonstrated what tourism operators are doing to protect these global assets for travellers and the local communities who call these destinations home.

Our EarthCheck registered and certified hotels include:

Gold

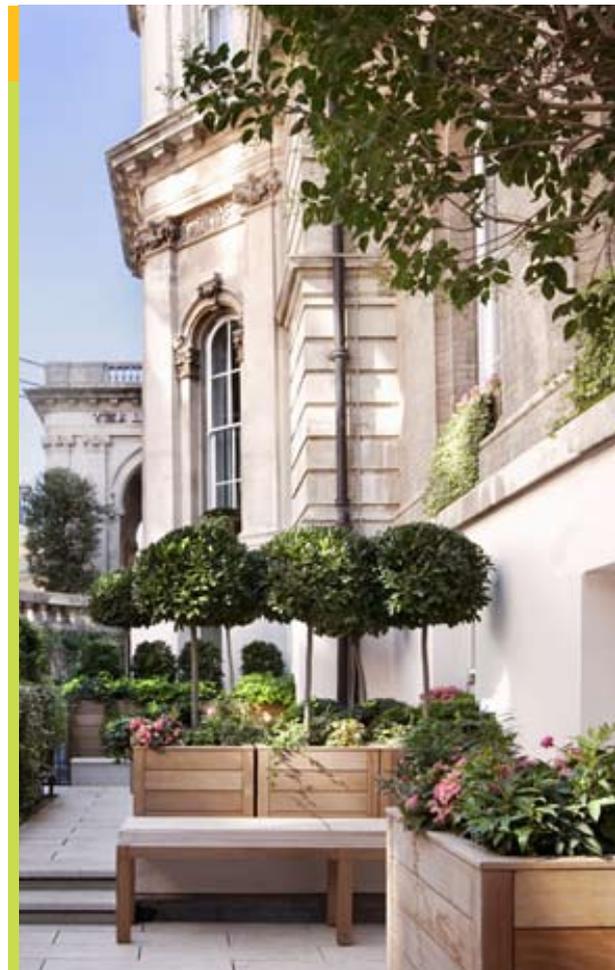
The Langham, Auckland

Silver

- The Langham, Boston
- The Langham, Hong Kong
- The Langham Huntington, Pasadena, Los Angeles
- The Langham, London
- The Langham, Melbourne
- Langham Place, Mongkok, Hong Kong
- Eaton, Hong Kong

Registered

- The Langham, Xintiandi, Shanghai



Data Gathering and Reporting

In our previous sustainability report, we reported the environmental performance data of our EarthCheck certified hotels.

With reference to EarthCheck's benchmarking system, we have defined a consistent reporting framework for environmental data, allowing us to quantify our baseline performance, identify areas of existing good practices, and set the context for demonstrating target-based performance.

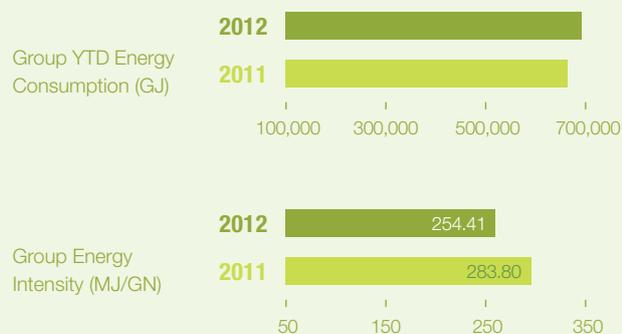
For the first time, we have Langham Hospitality Group environmental data extending across our owned and managed properties. For some hotels, the provision of data was a routine exercise but for others this has been a new task. Therefore, at our group level, the overall data quality is mixed. We aim at having a robust and transparent basis for reporting performance improvements. Work is required to improve the data quality.

Based on the first year's data, we are able to define some of our key environmental impacts. These are summarised as follows:

Energy Conservation

Energy use is one of our most significant environmental aspects. Energy use is primarily concerned with the amount of electricity and gas consumed to run our properties and equipment. Data collected from the hotels indicates that we used over 680,000 GJ of energy in 2012. The associated generation of greenhouse gas emission from energy use in our hotels was over 88,000 tonnes in 2012.

Based on the available data for years 2011 and 2012, there is a slight increase of 3.5% as compared to 2011. It is mainly due to the boost in our business activity in 2012 and inclusion of Eaton House, Yat Tung Heen Wanchai and our hotel in New Delhi in data set starting from 2012. This can also be explained by a 10% decrease in Group Energy Intensity as compared to 2011. Group Energy Intensity is calculated based on guest night, which is defined as occupied rooms and one third of the total number of day guests.



The significant decrease in energy intensity does not stop us from putting energy efficient initiatives in place at our hotels. Some of the key energy saving projects include:

Chiller Replacement in Hong Kong and London

Air conditioning accounts for a significant portion of the total electricity consumption at most of our business hotels. An efficient air conditioning system is the top priority for a green hotel operation. Four air-cooled chillers were replaced by three water-cooled chillers and one new air-cooled chiller at Eaton, Hong Kong. The new chillers should help save 56% of electricity use compared with the old chillers. The Langham, London has also recently completed a capital investment project to replace four chillers on the roof with energy-efficient chillers.

LED Lighting Replacement at Various Locations

Lighting retrofits is one of the easiest ways to save electricity at a hotel. Apart from compact florescent lighting, LED lighting has become more popular in the market due to its improved stability in lighting performance. The advantages of LED lighting are not only the reduction in energy cost, but also the minimisation of replacement turns. Several of our properties replaced their lamp materials with LED types this year:

- 700 pieces of tungsten halogen lamps in the dining outlets of The Langham, Hong Kong
- About 500 traditional fluorescent tubes in the Chinese kitchen and main staircases of Eaton, Hong Kong
- All down lights in areas of 24-hours of usage (e.g. lobby and guest floors) of The Langham, Sydney

As new energy efficient technology emerges, we will continue to review energy reduction opportunities at our properties. Our objective is to improve the energy efficiency of our operations and reduce the associated emissions of greenhouse gases by establishing an energy reduction goal at a group level.



L'clipse at The Langham, Hong Kong with new LED lighting

Water Conservation

Water is another valuable natural resource that has been negatively impacted by human activity over the past century. In our hotel operation, water is mainly used for hygiene and cooking purposes. Similar to the pattern of energy consumption, there was a 13% increase in water consumption at our owned and managed properties as compared to the previous reporting year. The group water intensity has decreased by 2.5% compared with 2011. This demonstrates that overall water usage at the hotels is more efficient than last year, considering the increase in business activities.



We continued looking for various water-saving initiatives to ensure the efficient operation of our hotels with the best quality standard. For instance, The Langham, London installed new toilet flushes with three litres per flush, which saves three to six litres per flush as compared to a regular toilet. They have also installed flow restrictors in 137 showers and 54 basin taps. The average water-saving is nine litres per minute per shower and six litres per minute per basin tap. Eaton, Hong Kong has also installed water restrictors in all guest room taps. The average water flow of the tap decreased from 7.8 L/min to 5.7L/min, potentially saving 27% of water used.

Waste Management

Waste generation is unavoidable in business operations and we are no different from other corporations. Preliminary data indicates that total waste generated by the Langham Hospitality Group is around 4,500 tonnes.

Various best waste management practices are applied to minimise our waste from being disposed of to landfill. Different to energy or water-saving initiatives, we realised that reducing waste might not require technology improvement or capital investment. Instead, many initiatives are developed based on the concept of *think twice before you throw*.



Internal Waste Audit

Internal waste audit was first introduced at The Langham and Eaton, Hong Kong in 2012. Unlike other countries, there is no direct disposal cost for using our public landfills in Hong Kong. It has been a challenge for our hotels in Hong Kong to quantify the waste tonnage and measure the improvement of our efforts on waste reduction. The audit aims at identifying the quantity and composition of the waste being generated from various waste streams such as guest rooms and kitchens.

The waste audit is conducted quarterly, for the duration of a full week. Every colleague responsible for garbage collection and disposal is involved in the weight measurement before disposing their garbage into the refuse trolley. The composition of recyclable and non-recyclable items is assessed through spot check on some garbage bags.

Feedback from our colleagues is welcomed and revealed the truth about waste which was different from their expectations. The audit concluded that over 90% of garbage by weight originates from kitchens and restaurants, and there are few non-recyclable items being collected from guest rooms. Through this audit, our colleagues also learned to return leftover fruit to the staff canteen and recycle emptied cleaning containers and shopping bags.



Linen Upcycling Project

Eaton, Hong Kong has teamed up with a local green merchant and launched Hong Kong's first-ever hotel "upcycling" project. This project aims to convert the hotel's recycled napkins into new products of better quality. The product is designed by the upcycling professional, Cirbaf's, and produced by Po Leung Kuk Yu Yin Sun Memorial Workshop (rehabilitation and training centre). Closing the loop, quality handmade "upcycled" passport holders and make-up bags are available for sale at our shop, Essentials.

Apart from napkins, various types of linens such as table cloths, bathrobes and non-woven bags were collected from our hotels in Hong Kong for upcycling and now have their second life.

Massachusetts Oyster Project

Our hotel in Boston joined the Massachusetts Oyster Project in 2012. The Langham, Boston collected and donated oyster shells for this programme to recycle and return them to the ocean waters. Each oyster filters 30 gallons of water per day. An oyster reef can shelter up to 100 other species so they dramatically add to biodiversity. Oyster shells contain calcium carbonate, a known buffer that can help offset ocean acidification. The project goal is to re-establish sizable self-sustaining water-cleansing oysters throughout the state, which will eventually raise the baseline water quality within the harbours.



Food Donation

The Langham, Langham Place, and Eaton in Hong Kong initiated the donation of vegetable trimmings to Food Angel (www.foodangel.org.hk), a local charitable organisation, starting in 2012. This innovative initiative is an excellent example of connecting wasted food and people in need. Our hotels' Environmental Managers identified the need for fresh vegetables at a local community service centre which serves hot meals to underprivileged families in the area. Meanwhile, we observed that vegetable trimmings are produced during the preparation of Chinese cuisine in our kitchens. Working with both parties, the fresh vegetable trimmings are further prepared and cooked to serve balanced, healthy meals for children and the elderly.



01 Chefs are trimming the vegetables at Chinese kitchens

02 Vegetable trimmings are collected separately rather than being sent to waste bins

03 Food Angel picks up the vegetable trimming from hotels

04 Prepare the fresh vegetables at Food Angel's kitchens for the needy

05 Final lunch boxes with balanced diet



Donation and Giveaway

Our hotels continued exploring other donation opportunities to extend the life of some useful items. A unique disposal item in hotels is unfinished bottled amenities including foam wash, shampoos and conditioners from guest rooms. Bottled amenities are collected from some of our hotels in Hong Kong and the United States, and re-bottled and distributed through partnerships with local non-profit organisations such as Foodlink Foundation and Clean the World. People in the local communities are benefitting from the programme with better personal hygiene practices.

We have also been building on the eco-living behaviour of our colleagues through different awareness programmes and recycling initiatives such as collection of electrical appliances, clothes, mooncakes, Chinese New Year gifts and red envelopes. These items were collected and donated to various local charitable organisations for people in need.

Zero Waste to Landfill

In 2012, The Langham, London committed to zero waste to landfill. Recyclable waste is segregated for recovery whilst the residual non-recyclable waste is taken to South East London Combined Heat and Power (SELCHP), the Energy Recovery Facility to produce power for the national grid. The facility can generate enough renewable power for 50,000 houses every month, reducing reliance on fossil fuels and providing energy from a constantly renewable source.

Green Living

Green Monday

In collaboration with Green Monday, a non-profit social enterprise dedicated to promoting healthy and environmental-friendly living, our Langham Place, Mongkok, Hong Kong is the first hotel in Hong Kong to support the organisation's initiative of eating green on Mondays. Green Monday aims to encourage a meatless diet when a week begins and enable people to take baby steps to go green. Since August 2012, vegetarian menus have been offered at the restaurants every Monday.



Sustainable Seafood Menu for Banquet

Eaton, Hong Kong supported the WWF's Sustainable Seafood initiatives with a new Sustainable Seafood Banquet Menu which was designed by Yat Tung Heen's Executive Chef Tam. The seafood items on this menu were selected in accordance with the recommendation from "WWF-Hong Kong's Seafood Guide," which are caught or farmed in an ecologically-friendly way or where fisheries are well managed.

"Love the Ocean"



Sustainable Fish City Pledge

The Langham, London is the first hotel in the United Kingdom to sign the Sustainable Fish City Pledge, promising to take the appropriate steps to buy sustainable seafood, to protect precious marine environments and fish stocks, and good fishing livelihoods. This campaign aimed for London to become the first-ever sustainable fish city, just in time for the London 2012 Olympic Games. Our hotel adopted a sustainable fish policy, and continued to assess and monitor the environmental sustainability of the seafood served at its restaurants.

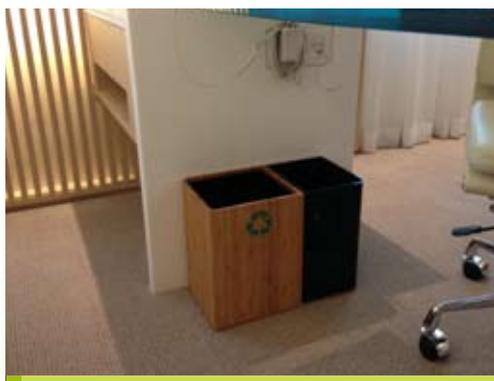


Green Renovation

Guest Room Renovation – Hong Kong

Environmentally-friendly elements were integrated into the design and materials used in the guest room renovations at Eaton, Hong Kong in September 2012. The wall material for the new rooms is an environmentally-sustainable material which is produced from recycled and recyclable polyethylene terephthalate (PET), approximately 60% post-consumer waste sourced (such as recycled PET bottles). This wall material also provides a better than average absorption of sound; around 45% of sound that comes into contact will be absorbed and the other 55% will be reflected back, reducing the noise impact on the neighbouring environment. This wall material only emits a total VOC emission rate of 0.02 mg per square metre per hour (over seven days), contributing to a safe living and working environment.

Moreover, amenities in dispensers are provided instead of providing small packaged amenities, which helps to reduce wastage of plastic containers, amenity contents and total waste generated by us. In-room recycle bins are installed in guest rooms to facilitate collection of recyclable materials separately. It also engages our guests to protect the environment together with us.



In-room recycle bin



Supporting the **Community**

Langham Hospitality Group inevitably has an impact on the communities in which it operates. That is why we are committed to making a positive yet lasting impact on these communities. As mentioned in last year's report, we aimed at defining a direction of our causes and developing long-term strategic partnerships with charitable organisations.



This year, we published a Langham Hospitality Group Community Engagement Policy to express our commitment to supporting the community:

Policy

Langham Hospitality Group is committed to operating as a responsible company by integrating environmental and social consideration into our development and day-to-day activities, to contribute to building a better world.

Community engagement is one of four focus areas in our corporate sustainability programme – CONNECT, as we recognise our impact on the communities where we operate. It is our responsibility to respect the rights and needs of these communities through community engagement; ensuring that we engage with communities to be a good corporate citizen, respecting local cultures and helping improve the societies in which we operate through employee volunteer programmes, charity fund-raising programmes, cash / in-kind sponsorship programmes and community development projects.

Our Vision:

To make a positive and lasting impact on the communities where we work and live.

LHG will:

- Support community programmes which address local issues and provide long-term solutions;
- Collaborate with organisations which are proven to be trustworthy and competent in the work they undertake;
- Partner with organisations in innovative community projects that are focused around the environment, children and art;
- Allocate resources to support community and employee volunteer activities;
- Inspire and engage employees, guests and suppliers to support community programmes;
- Comply with applicable laws regarding registration and reporting.

We
delivered
over
5,000 hours
of support to charitable
and other social projects

To implement our Community Engagement Policy, we are currently working with a number of organisations to establish long-term strategic partnerships which will address global issues with local concern through joint project support. Meanwhile, the momentum of giving back to the community has increased throughout our hotels. During the year, our colleagues delivered over 5,000 hours of support to charitable and other social projects. Some hotels included this measurement as one of their key performance indicators. In the coming year, we will review and establish the guidelines and goals at a group level to further encourage our volunteering scheme.



Objectives

Progress on 2012

- Completed and published Group community policy and the supporting guidelines are under final review
- Completed the analysis on community contribution as key performance indicator
- Development of long-term community investment partnerships is in progress

2013

- Review to establish community engagement goals at group level
- Complete the community engagement guidelines
- Continued to identify the long-term community investment partnership approach
- Initiate Langham volunteer week programmes among hotels



Our Support of the Environment

Earth Hour

Earth Hour is a global initiative led by WWF to tackle climate change through switching lights off for one hour. Joining billions of people around the globe, all our hotels turned off their lights for at least one hour at 8:30pm on 31 March. Our guests and colleagues were encouraged to participate in the event. For example, Eaton Luxe, Nanqiao organised a party with a video showing Earth Hour and a signing charter for colleagues and guests to commit to energy conservation.



Before and after lights-off



World Environment Day

This was the second year that our hotels participated in World Environment Day (WED), which aims at being the celebrated global day for positive environmental action. Through this event, we wish to raise staff awareness and encourage them to act positively towards the environment. Here are some of our WED events from hotels and offices around the world:

- Organised a workshop for colleagues to learn about cultivating herbs.
- Encouraged colleagues to cycle to work and to take the stairs instead of the lift.
- Invited local NGOs and social enterprises to set up booths in staff canteens and introduce our colleagues to healthy organic food, fresh vegetables and fair trade products.
- Offered Sustainable or Low Carbon Menu in colleague cafeteria with food grown and produced by local farming communities using methods that do not harm the environment.

World Food Day

Facing the increasing concern of hunger issues, we supported World Food Day this year. World Food Day is an annual event organised by the Food and Agriculture Organization of the United Nations (FAO) that is aimed at raising awareness and understanding of approaches to ending hunger. Our hotels have arranged various initiatives to raise colleague awareness on hunger issues and healthy diet concepts. These include information panel displays, video shows, healthy diet menus, food drives and mooncake donations.



Our Support of Children and the Arts

Lang Lang Master Class – Los Angeles

Following the successful Lang Lang Master Class events in Hong Kong and Melbourne, our Langham Hotel in Pasadena hosted another event with internationally-renowned pianist, Lang Lang, and two young piano prodigies. During this private recital, each student played a piece on the piano and Lang Lang spent time giving them suggestions on how to improve their performances. The audience, which included prominent members of the local community with ties to the hotel, the Pasadena Symphony and The Huntington Library and Gardens, thoroughly enjoyed the evening.



Make-A-Wish Foundation – Melbourne

Make-A-Wish Foundation grants the wishes of children with life-threatening medical conditions to enrich the human experience with hope, strength and joy. The Langham, Melbourne partnered with Make-A-Wish Australia and kicked off several fundraising activities in 2012. A Christmas Lightshow was created to share the magic of Christmas with children and adults. It told the story of our 'Goose Hunter' statue making a Christmas wish to be brought to life in a Winter Wonderland. Through this event, the hotel collected over 700 individual donations from people entering the hotel whilst the light show was displayed. Another initiative, carried out by volunteer colleagues from various departments, was a coin collection along Southbank.



To view the Christmas Light Show video:
<http://youtu.be/ApZHLyqKTew>.

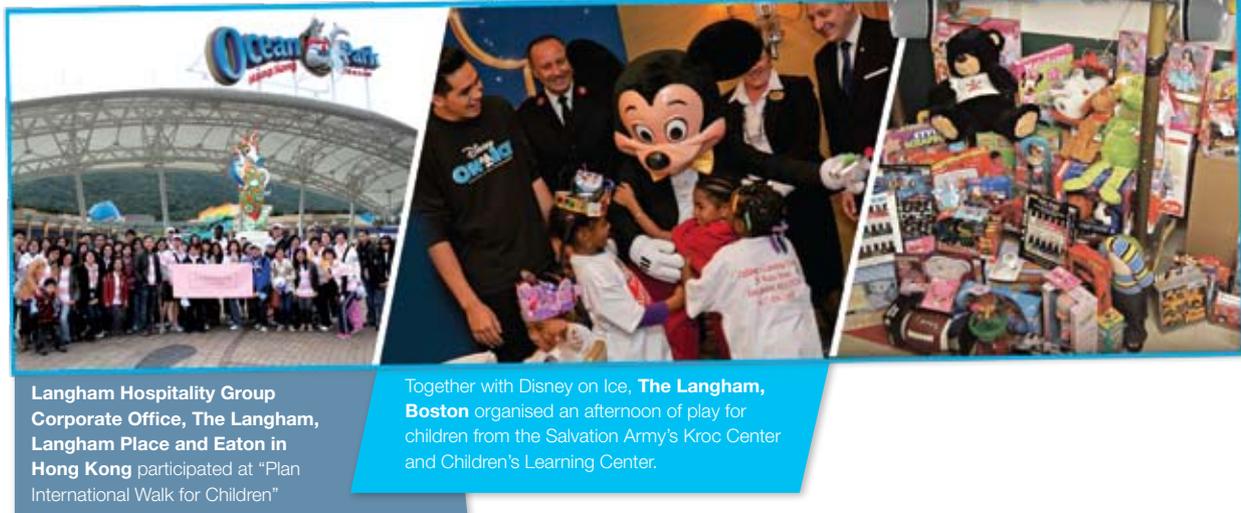
Summerbridge English Workshops – Hong Kong

For the second year, Eaton, Langham Place and The Langham in Hong Kong organised English workshops for over 150 students from Summerbridge in 2012. The key theme of the workshop was to allow students to learn the common characteristics of hospitality staff, so that they can learn new vocabulary as well as have basic understanding of different hotel job roles and skills required. Students were encouraged to learn through chit-chatting and playing games with colleagues, to observe through exploration in different corners of the hotel, and to apply those through presentation and drama.



Christmas Toys Donation – Los Angeles

Our colleagues in Los Angeles, together with their families, came together to bring holiday joy to needy children in the local Pasadena area. Brand new, unwrapped toys were donated to a non-profit organisation Toys for Tots, which distributes those toys as Christmas gifts for less fortunate children in the community in which the campaign is conducted.



Langham Hospitality Group Corporate Office, The Langham, Langham Place and Eaton in Hong Kong participated at "Plan International Walk for Children"

Together with Disney on Ice, The Langham, Boston organised an afternoon of play for children from the Salvation Army's Kroc Center and Children's Learning Center.

Our Support of Local Communities

Youth BUILD Event with Habitat for Humanity China – Hong Kong

Ten volunteers from our properties in Hong Kong participated in the Youth BUILD Event organised by Habitat for Humanity China from 11-13 May 2012. Together with another 250 volunteers of different cultures and backgrounds, our volunteers built a house for poor families in Shuiweidong, Guangdong, China. The volunteers were divided into groups with shifts of tasks including moving materials, digging the foundations, laying bricks, and reinforcing steel under professional staff instruction. Through this programme, we were able to contribute directly to community development of the town.





Feed the People in Need – United States

Our colleagues in the United States are passionate about the needs of less fortunate families in the local community. We helped prepare, package and store meals at local not-for-profit food and nutrition programmes. When possible, we also donated unserved, left-over food from in-house events.

Fundraising for Food Angel – Hong Kong

Langham Place, Mongkok, Hong Kong launched a fundraising campaign through social media for Food Angel, one of their charity partners. All proceeds went towards supporting Food Angel in giving a big New Year's Eve feast for the elderly at Giving Love Elderly Charitable Ltd.



Elderly Home Visit – Hong Kong

Colleagues from Eaton, Hong Kong visited elderly homes in their neighbourhoods every month. Each colleague dedicated their care and time chatting with the elderly, listening to their stories, decorating their beds during festive seasons and serving them with Yat Tung Heen dim sum. Friendships have been developed between our colleagues and the elderly.



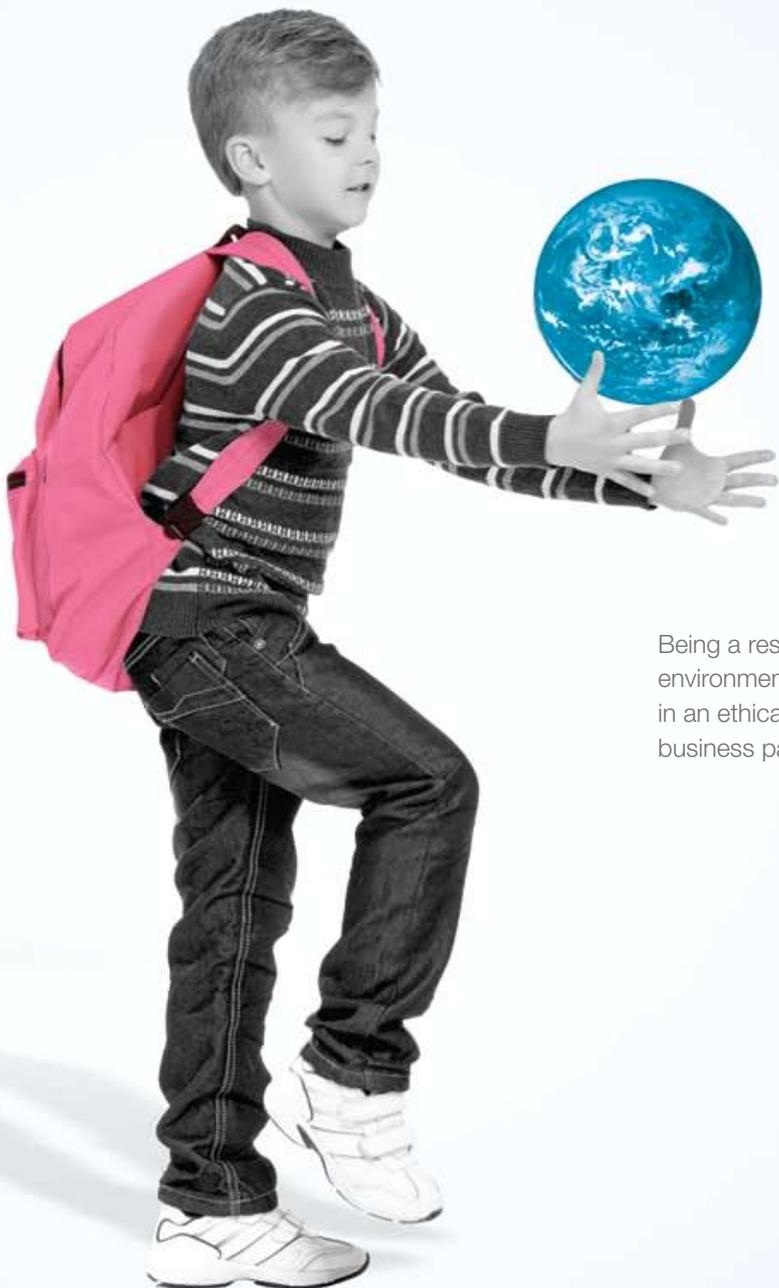
Winter Clothes Donation by **The Langham, Xintiandi, Shanghai**



"Beautify the Community" by **Eaton Luxe, Nanqiao, Shanghai**



Governance and Accountability



Being a responsible company is not just about doing good to the environment, community and employees. It also means operating in an ethical manner and being recognised as reliable by our business partners and guests.

Objectives

Progress on 2012

- Group's policy on Health and Safety for colleagues is under final review
- Group's policy on Health and Safety for guests is under final review
- Group's Code of Conduct is under final review

2013

- Complete Group's policy on Health and Safety for colleagues
- Complete Group's policy on Health and Safety for guests
- Complete Group's Code of Conduct
- Require Code of Conduct Training for all hotels

Internal Control

As the wholly owned subsidiary of Great Eagle Holdings Limited, we are committed to maintaining the highest ethical standards and follow their high standard of corporate governance practices. These practices are designed to reduce the risk of fraudulent practices and ultimately serve the long-term interests of shareholders and strengthen the continuity of our business in general.

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.

The Executive Committee of Langham Hospitality Group continues to monitor and review the strategic direction, development, performance and control of the Group. The Executive Committee is also accountable for the implementation of the Group's internal controls, risk management and finance reporting to ensure compliance with legislation, industry best practices and company policies and procedures.

Corporate Ethics

We have pledged to adhere to good corporate governance and business integrity in our business activities. We have adopted a Code of Conduct setting out the basic standards of behaviour expected of our colleagues in connection with their official duties. The Code of Conduct provides guidance on acceptance or offer of advantages, declaration of conflict of interest, gambling, and handling confidential information. The policy is introduced to all new employees through compulsory induction training and is also accessible to all colleagues through the intranet of the Group.

The Code of Conduct is under review to ensure our commitment to ethical behaviour and good governance is in alignment with the industry best practices, whilst taking our expanding portfolio into consideration.



Caring for Our Colleagues

Colleagues are the most important resources for our business. By means of overall working environment, career and personal development, and managing our colleagues' expectations, we endeavour to be one of the most proactive employers in the hospitality industry. We wish to see our colleagues achieve their full potential and realise self-growth. Their development is also an essential driver of our economic performance.



We are also committed to respecting employee rights and providing a safe working environment. To illustrate our commitments corresponding to international standards, the relevant human resources policies are under review at the group level. These policies - Employee Rights, Occupational Health and Safety, and Code of Conduct - will be finalised and implemented at our hotels in 2013.

Data Gathering and Reporting

We disclosed workforce information by age and gender for our hotels in Hong Kong in our previous sustainability report. This year, we have expanded the data reporting boundary to embrace all our owned and managed properties (e.g. hotels, serviced apartments and restaurants). The reporting scope has also been broadened to include workforce by staff level, employment and expatriate status, voluntary and involuntary leavers, and training hours. The performance data will be blended in the following subsections to supplement our works in 2012. Similar to the environmental data, the robustness of the data collection system and data quality requires further improvement.

Objectives

Progress on 2012

- Group policies and systems on Employee Rights, Diversity, and Health and Safety are under final review
- Group's Code of Conduct is under final review
- Reviewed and standardised the human resources data collection system for all properties
- Established Advanced Programme for Executives (APEX)

2013

- Complete the policy review on Employee Rights, Occupational Health and Safety and Code of Conduct
- Review to establish colleague related goals at group level
- Review the internal communication on social performance (human resources)
- Initiate workplace health and safety week at all hotels

Awards and Recognitions



Langham Hospitality Group's commitment to quality and excellence was recognised with the prestigious "Manpower Developer 1st" accolade in the Hong Kong government's inaugural Employees Retraining Board (ERB) Manpower Developer Award Scheme. The scheme was developed to assess, promote and recognise best learning and development practices in organisations and their manpower development strategies.

Langham Place, Mongkok, Hong Kong was the winner of the "Grand Award of the Year" and "Excellent Sourcing and Staffing Award" of The HR Excellence Awards 2012, organised by Hong Kong Institute of Human Resource. This award recognises our hotel's unwavering focus on VMV deployment (vision/mission/values), instilling our hotel's VMV in the staff population and ensuring consistency in brand behaviour and service quality. Through the practice of "VMV Staffing," LPHKG successfully sources and hires outstanding talents who share our VMV.

Eaton, Hong Kong received recognition with the "18 Districts Caring Employers 2012 Award" for hiring trainees with intellectual disabilities from Hong Chi Association. The award was jointly organised by the Labour and Welfare Bureau, Rehabilitation Advisory Committee, the Hong Kong Council of Social Service and the Hong Kong Joint Council for People with Disabilities.

Fair Working Environment

Workforce Profile

			2012
Workforce	Total employees		5,065
	Full time employee		89%
Gender	Females in all employees		45%
	Males in all employees		55%
Age	Age profile of workforce	<20	2%
		20-29	39%
		30-39	28%
		40-49	18%
		50 or above	13%

One of our eight strategic values is One Team, One Dream as we believe that talent wins games, but teamwork wins championships. To do this, we need to recruit and retain the right people and encourage effective teamwork.

We employed more than 5,000 people in 2012. We believe that it is important to listen to all of our colleagues and take their feedback into account. We carry out our Group-wide employee survey "My Colleague Survey" every year. This helps us monitor our progress and identify where we need to improve. Approximately 4,400 colleagues (92% of intended sample) participated in our 2012 survey by Ipsos, the world's third largest market research company. The feedback showed continuous improvement in staff commitment since 2009 and colleagues had better perceptions of the company's appreciation of ideas and feedback channels as compared to the previous year. The overall employee commitment index in 2012 was 4.23 out of 5, an increase of 0.02 as compared to 2011.

The following table shows the score comparison of LHG against RED Hospitality* in areas of recruit and retain the right people and fairness:

Survey subjects	LHG Score	Difference vs. RED Score
Willingness to go the extra-mile doing things above and beyond	88	+21
Job fit	86	+23
Intent to stay in the coming 2 years	77	+27
Satisfaction concerning benefits	77	+35
Respect	82	+25

* Ipsos conducts RED ("Representative Employee Data") research program each year among representative samples of employees working in companies of 100+ people. RED is one of the largest employee surveys of this kind in the world which covers 35 countries and 23 industries (including hospitality).



Thanksgiving Day at Langham Place, Hong Kong



Local Hiring

In last year's report, we mentioned that we would report the proportion of expatriates in our general workforce and senior executives this year. We define expatriates as those colleagues who require a work visa. In 2012, 13% of our senior executives and 4% of our general workforce were expatriates. This results in 96% of the total workforce being hired from the local community or country. We continue our best practices to recruit and retain the right people from the local area, for our hotels.



Workplace Health and Safety

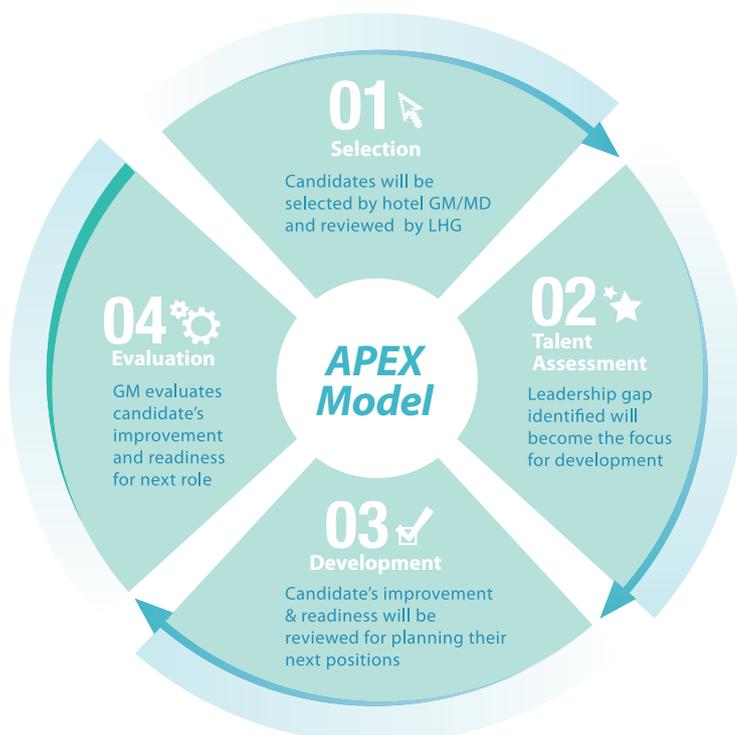
Our commitment to workplace safety and health is embedded into our hotel operations. Over the years, all our hotels have implemented occupational health and safety systems with policies, committees, training and incident reporting mechanisms in place. Our record data on work-related injury figures was collected, analysed and reported internally for past few years. The frequency of our colleagues being injured and taking a work leave in 2012 was 26 reported lost-time accidents for every 1 million working hours. It shows a decreasing trend as compared to 2011 which had about 32 cases. There were no work-related fatalities this year.



Well Being Day at The Langham, Melbourne

We continue to improve our health and safety performance by demonstrating a visible leadership commitment and building a stronger health and safety culture. We are currently reviewing the group-wide policy and will organise a group-wide programme to boost employee awareness on workplace health, safety and personal well-being. We will report our progress in the next Sustainability Report.

Apex Model



Training and Career Development

We are committed to offering engaging training and development opportunities for our colleagues – including those with potential to become our future leaders. As reported last year, an internal pool of potential leaders and future hotel senior executives would be developed this year to match with our business growth. This programme is called the Advanced Programme for Executives (APEX). With the support of the senior management team of each hotel, almost 20 potential candidates were identified through a robust selection process for entering into this 15-month international people development programme.



All candidates received an assessment to identify their leadership potential and development gaps for preparing their own tailored development plans. Candidates received intensive on-the-job development; for example, participating in special projects, and taking on additional work responsibilities. Apart from this, participants take an e-learning programme provided by Cornell University. Later in 2013, we will roll out the mentoring programme to provide career advice and further support to our candidates.

Positive preliminary feedback was received from the candidates and relevant stakeholders of the programme after the launch of this programme. In following two years, we will review the effectiveness of the APEX upon the first batch candidates complete their people development programmes. We will continue to refine the programme to develop more future leaders for the company.



Apart from this important development this year, we also strive to enhance the effectiveness of our overall training solutions in the hotels. We would review the current system and practice of Training Needs Analysis (TNA) and Training Evaluation with an aim to ensure the training solutions are addressing the needs of hotels and individuals, tailored to organisational objectives, delivered in an effective and cost-efficient manner, and tracked for continuous improvements.

Currently, our hotels will conduct the annual training needs analysis exercise to define the needs of hotels and individuals. Performance of training solutions are also being kept track via various indicators such as training hours and participants' satisfaction index feedback from the annual employee satisfaction survey. To optimise the effectiveness, we target to roll out a standardised framework with a tied-in approach of the two processes. The evaluation results and feedback will form part of the TNA, which help to prioritise resources in the selection and offering of training solutions. The deliverables can then be tracked to see if the original objectives are met. This provides a holistic picture for the hotels to review the progress and refine plans from time to time. A toolkit will be designed for easy implementation and alignment. It would also help to ensure consistency for future benchmarking across the properties.

Internal Dialogue

Colleagues are our key stakeholders and maintaining continuous communication is highly valued in the company to build an open culture for our colleagues. In our last report, we briefly introduced our various communication channels. These channels are also applied for engaging our colleagues in the CONNECT programmes and a range of initiatives to launch the CONNECT programme internally. Key elements during 2012 included:

Sustainability Report – our first-ever non-financial report introducing our corporate social responsibility strategy and approach to our colleagues and the public. This

report not only established the sustainability values that are important to LHG and its key stakeholders, it also reviewed our current systems and performance, and set out our environmental and social objectives for the coming years. Updates on the progress of our journey towards sustainability will be reported annually.

Global CONNECT Events – for the second consecutive year, our hotels are encouraged to actively participate in three global environmental events in 2012 to foster the group-wide “Green” messages. These events were voted on by the Environmental Champions via a survey conducted at the end of 2011. The selected events are Earth Hour in March, World Environment Day in June and World Food Day in October. To sustain the momentum of CONNECT, four events related to the focus area of the CONNECT programme will be launched in 2013.

CONNECT News – is an internal electronic newsletter that shares the corporate social responsibility activities and best practices in our hotels. The newsletter also provides an update on new green innovative products and ideas in the market.

CONNECT Intranet – is an internal electronic newsletter that shares the industry news and resources that are related to corporate sustainability for our colleagues. The newsletter also provides an update on new green innovative products and ideas in the market.



CEO presenting at the View Square Meeting of **Langham Hospitality Group**

Encourage Innovation

Innovation was anchored as one of our key strategies during our senior management workshop in 2011. Several initiatives were launched to encourage innovation in every element of our daily life and work activities. Introducing Innovation “Think Pink” Festival in June, which has now become an annual event celebrating the new ideas that hotels have launched, engages both our colleagues and customers. A quarterly internal newsletter “Think Pink Gazette” summarises and shares the good ideas from colleagues around the globe.

The Think PINK Portal went live at all LHG hotels to kick-off the Think Pink Festival. This custom-designed portal provides an open and easy-to-use channel for every colleague to share innovative ideas openly and freely. One of the successful stories is The Langham, Melbourne treated our guests to an enchanting and unexpected delight with a lightshow which was projected onto the fountain. This four-minute sound and light show incorporated the Langham brand signatures to create the sense of enchantment for which we are renowned.

Hotel guests are also encouraged to be part of this innovation process and are invited to submit their own ideas via the cards provided in guest rooms and restaurants, or directly online at www.langhamhotels.com/innovations.

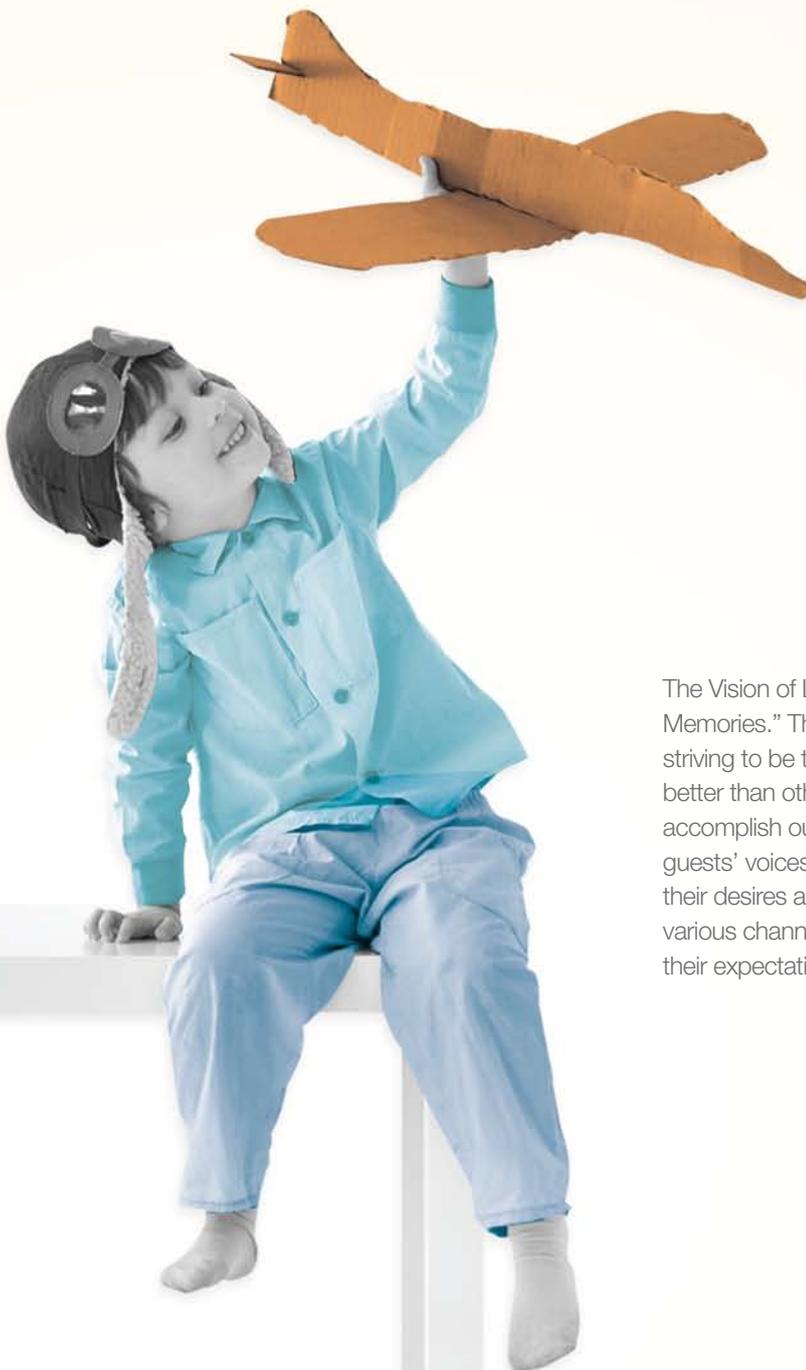


Queen of Hearts and the Rabbit visited our staff canteen at **The Langham, Melbourne** with games and drawing about inventions. We also collected ideas from our colleagues that could be implemented in our hotel.



An apple with an inspiring message was given to our colleagues at **The Langham, Hong Kong** to encourage them to share innovative ideas.

Caring for Our Guests



The Vision of Langham is “Know Our Guests, Build Great Memories.” The underlying belief of our Vision is that we are striving to be the definition of hospitality by knowing our guests better than others and building the greatest hotel memories. To accomplish our Vision, we are passionate about listening to our guests’ voices and tailoring our services and products to satisfy their desires and create great memories. To do this, we utilise various channels to learn from guest feedback and we respond to their expectations.

Objectives

2013

- Review the Group quality standard – Q. League
- Revamp the online guest satisfaction survey

Quality Assurance of Guest Experience

Online Guest Satisfaction Survey

Our online guest satisfaction survey is a real-time, easy-to-access web-based platform to solicit guest feedback regarding their experiences. The survey is uniquely designed based on our Vision so that we may measure how well we are achieving our long-term goal; also, it covers all the touch points - from reservations to departure - that allows our guest to select the appropriate touch points and give us both quantitative and qualitative opinions. Our Survey is linked with our key performance indicator (KPI) measuring system, which enables our teams to continuously monitor and improve our performance. More importantly, with all the great feedback from our guests, we continuously celebrate success with our teams and share good practices across the company.



Mystery Shoppers Programmes

It is a mandatory exercise to invite professional mystery shoppers to conduct regular quality audits at all of our hotels. The purpose of the programmes is to ensure we are always complying with world-class international quality standards, whatever the situation. Our Mystery Shoppers Programme also covers the whole guest stay experience and provides vital facts and data to help us identify opportunities for improvement. By putting the programmes in place, we continuously challenge ourselves against the highest hospitality standards so as to provide every guest with the most professional services and a delightful experience.

Guest Feedback Cards

While we are making use of new technologies and audit programmes in collecting guest feedback and reviewing our performance, we believe that the traditional Guest Feedback Cards still serves as an important channel for our guests who would like to directly write down their feedback to us. Our feedback cards are placed in all of our guest rooms as well as our restaurant outlets, which provide a very friendly and easy platform for our guests to give us instant feedback during their stays. It is our standard to review our guests' feedback every day and take immediate actions to resolve guest problems and response to guests' needs.

We are committed to building a guest-centric culture. By setting a guest-focused Vision and establishing different guest feedback channels, we will continue to know our guests, set the highest service standards, and build the greatest memories for our guests. The following charts highlight the satisfaction results of our guests. Figure 1 indicates the positive satisfaction trend of how our guests enjoy staying with us and have recommended us to others over the past three years. Figure 2 indicates our outstanding guest satisfaction results on social review sites.



Figure 1

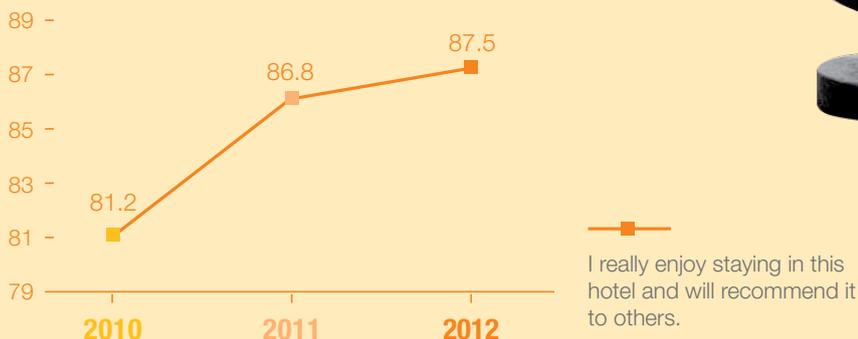
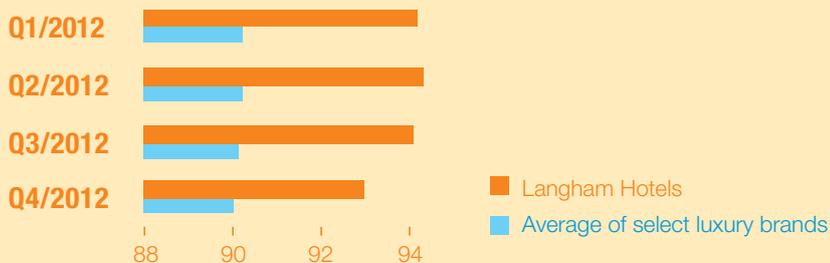


Figure 2

LHG obtain higher Trip Advisor Score than the most luxury hotel brand in 2012



Select luxury brands includes: Fairmont Hotels & Resorts, Four Seasons Hotels and Resorts, InterContinental, Le Meridien, Loews Hotels, Mandarin Oriental, Peninsula Hotels, Ritz-Carlton, Taj Hotels, Park Hyatt, Grand Hyatt, Shangri-La, St. Regis.

Source of information: Market Metrix of Delaware. LLC



GRI Content Index

This following table provides cross references to the Global Reporting Initiatives Sustainability Reporting Guidelines. It is a framework of internationally accepted guidelines and principles for companies and organisations to report on corporate responsibility and sustainability performance.

GRI Indicators and Description		Reference
1.1	Statement from the most senior decision-maker of the organization.	Section 2 and 3
2.1	Name of the organization.	Section 4
2.2	Primary brands, products, and/or services.	Section 4
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Section 5
2.4	Location of organization's headquarters.	Hong Kong
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Section 4
2.6	Nature of ownership and legal form.	Section 4
2.7	Markets served.	Section 4
2.8	Scale of the reporting organization.	Section 4
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Nil
2.10	Awards received in the reporting period.	Section 4
3.1	Reporting period for information provided.	Section 1
3.2	Date of most recent previous report (if any).	2012
3.3	Reporting cycle.	Section 1
3.4	Contact point for questions regarding the report or its contents.	Section 1
3.5	Process for defining report content.	Section 5
3.6	Boundary of the report.	Section 1
3.7	State any specific limitations on the scope or boundary of the report.	Section 1
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Section 1

GRI Indicators and Description		Reference
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	Nil
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Nil
3.12	Table identifying the location of the Standard Disclosures in the report.	Section 11
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Section 8
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Section 8
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Section 8
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Section 5 and 8
4.14	List of stakeholder groups engaged by the organization.	Section 5
4.15	Basis for identification and selection of stakeholders with whom to engage.	Section 5
EC1	Direct economic value generated and distributed.	Refer to Annual Report 2012 of Great Eagle Holding Ltd
EN3	Direct energy consumption by primary energy source.	Section 6
EN4	Indirect energy consumption by primary source.	Section 6
EN8	Total water withdrawal by source.	Section 6
EN16	Total direct and indirect greenhouse gas emissions by weight.	Section 6
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Section 6
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Section 6
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Section 9
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Section 9
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Section 10

