

LANGHAM HOSPITALITY GROUP

Sustainability Report 2014



COLLABORATION

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INTRODUCING THIS REPORT



Introducing this Report

This is the fourth sustainability report for Langham Hospitality Group (LHG), which contains Standard Disclosures from the Global Reporting Initiatives (GRI) Sustainability Reporting Guidelines version G4. It covers the actions we have taken during the calendar year 2014 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. For more details about the materiality of the report, please refer to [Appendix 1 – Materiality](#). The list of the GRI Standard Disclosures and their location in this report is provided in [Appendix 2 – List of GRI Standard Disclosures](#).

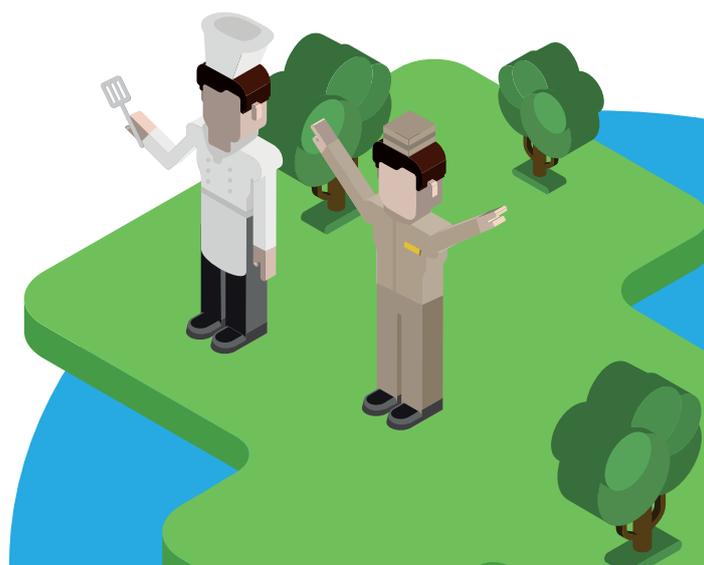
The report covers all properties in full operation, under the management of Langham Hospitality Group, during the reporting period (see [Langham Hospitality Group](#) section). Quantitative data and qualitative information cover all our direct business activities unless otherwise indicated. This account 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.

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.

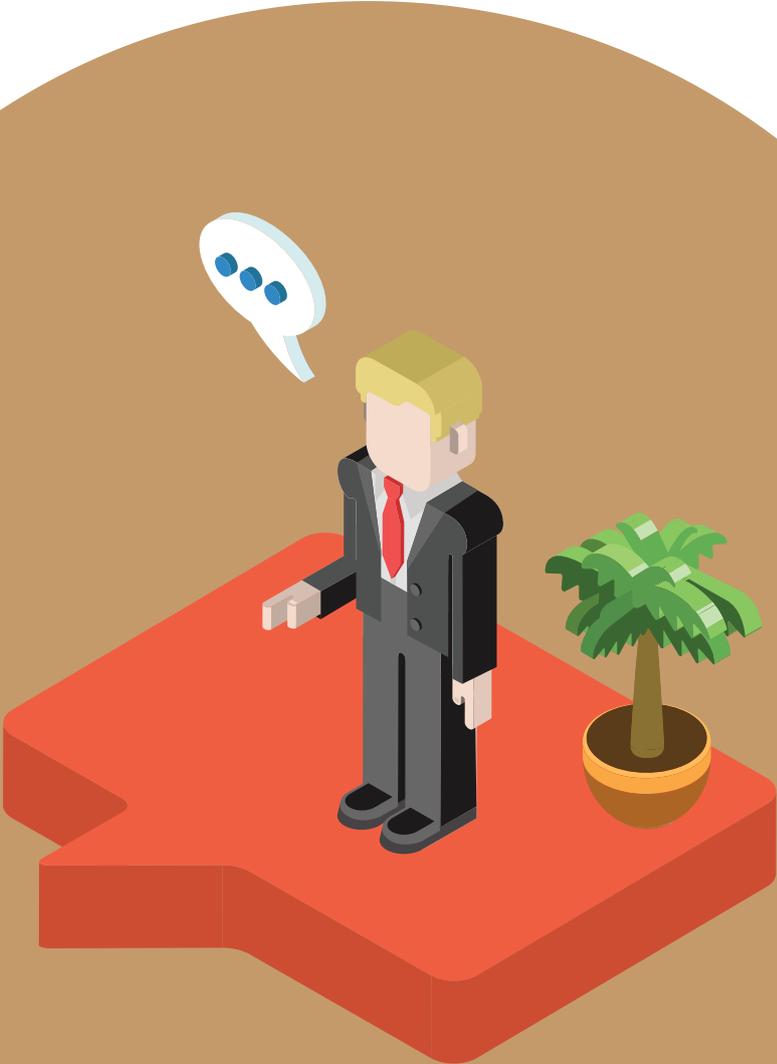
For any enquiries and feedback regarding this report, please contact the Group Director of Sustainability at sustainability_mgr@langhamhotels.com.

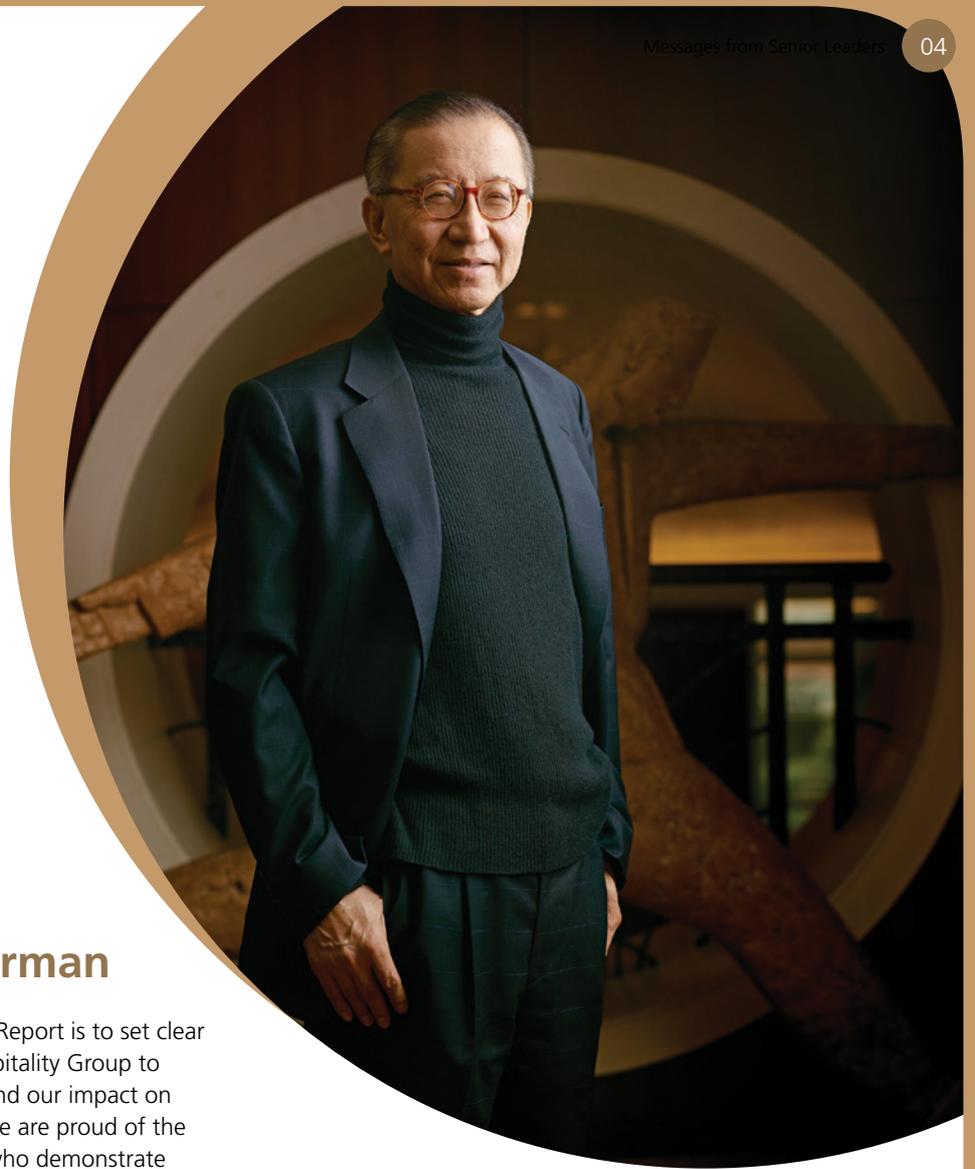
About the Report Feature

Collaboration is what we see in stakeholder engagement. As stated in Wikipedia, *Collaboration is working with others to do a task and to achieve shared goals*. A shared goal is the expected outcome of successful stakeholder engagement. Beginning with this report, we will share our work and results of stakeholder engagement exercises beginning with an introduction.



MESSAGES FROM SENIOR LEADERS





From Executive Chairman

The objective of our annual Sustainability Report is to set clear strategies and structure for Langham Hospitality Group to better manage our CONNECT initiatives and our impact on the environments in which we operate. We are proud of the ongoing efforts of our 8,000 colleagues who demonstrate their commitment to our corporate social responsibility priorities, as exemplified in their ownership and involvement of individual programmes at the corporate and hotel levels.

Their efforts have been made possible with a transparent articulation of our goals, and the alignment of our standards with those from internationally-recognised organisations such as EarthCheck and Leadership in Energy and Environment Design (LEED) that reflect the company's aim to achieve more sustainable operations in the longer term. In particular, we have seen a welcome increase in Gold and Silver certification in EarthCheck for our hotels in Auckland, Boston, Hong Kong, London, Los Angeles, Melbourne, and Shanghai.

As always, we understand that there is still room for improvement and that more work needs to be done to further involve our stakeholders, colleagues and partners to meet our social and environmental requirements. To that end, we will continue to balance our commercial responsibilities with our environmental governance, and I would like to personally thank all who have contributed to our successful CONNECT journey in the past year.

Dr. K S Lo
Executive Chairman





From CEO

In this year's Sustainability Report, we focus on the main theme of collaboration to highlight our key stakeholders – colleagues, suppliers, and community – that support our CSR goals. It is through this collective sharing of ideas and efforts that it was made possible last year for Langham Hospitality Group to reduce energy and water intensity by 12% and 9% respectively, and 9,500 hours devoted to community service by our colleagues.

As we continue to expand the number of hotels and brands in the group, it is more important than ever to demonstrate high standards of ethical behaviour and pursue excellence in environmental responsibility. While we have made good progress in raising awareness of our CONNECT programmes in the past year, especially for Earth Hour and Langham Volunteer Week, we need to maintain our progress and achievements on the longer-term basis.

The constant input and feedback from our colleagues and stakeholders have been invaluable in formulating and enhancing our sustainability efforts, and we thank everyone for their part in supporting our goals. Moving ahead, we are stepping up our long-term commitment and vision which will guide us on this journey to achieve a responsible and sustainable corporate citizenship.

Robert Warman
Chief Executive Officer

SNAPSHOT OF 2014



Snapshot of 2014

CONNECT in 2014

CONNECT is our corporate social responsibility programme and implies that we want our colleagues to realise the connection between our initiatives and the environment and society, so that we can all collectively act responsibly every day and contribute to the sustainable development of

the neighbourhoods where we operate. We have identified four priorities: Governance, Environment, Community and Colleagues, which form the framework to address the most relevant corporate responsibility issues to our business.

Business



8,000

Operated over
8,000 guest rooms
(same as 2013)



5.5 million

Serving over
5.5 million guest nights
(4.4 million in 2013)



94.53

Our Guests rated our hotels
at average **94.53 out of 100**
in Review Metrix
(94.30 out of 100 in 2013)

Environment



185 MJ

Consumed **185 MJ energy** per Guest
Night (211 MJ per Guest Night in 2013)



12% reduction

in Energy Intensity



350 L

Consumed **350 L water** per Guest Night
(386 L per Guest Night in 2013)



9% reduction

in Water Intensity

Colleagues



8,000 colleagues

Employed nearly
8,000 colleagues (approximately
7,000 colleagues in 2013)



4.32

Our colleagues rated
LHG at average
4.32 out of 5
(4.29 in 2013)



8.4

reported accidents
per 100 employees
(9.2 in 2013)

Community



9,500 hours

Our colleagues devoted
9,500 hours to community service
(8,500 hours in 2013)



USD 520,000

Hotels and colleagues contributed over **USD 520,000** to
charitable organisations and communities (including in-kind,
pro-bono and cash contributions) (USD 280,000 in 2013)

LANGHAM HOSPITALITY GROUP





About Us

Langham Hospitality Group encompasses a family of distinctive hotels under the Langham Hotels and Resorts, Cordis and Eaton brands with more than 30 projects currently either confirmed or in the development stage of negotiations in Asia, Europe, North America and the Middle East. 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 is also selected as a constituent member of the Hang Seng Corporate Sustainability Benchmark Index for four consecutive years.

Our Vision and Values

Our first vision statement, introduced in 2008, was strongly hospitality related as “Know our Guest, Build Great Memories”. We work tirelessly to be the definition of hospitality by knowing our guests better than our competitors and building greatest hotel memories. The whole organisation is focused on learning about our guests and their needs, and utilising this knowledge to build lasting and unforgettable memories for them such that we are recognised to be the new definition of hospitality.

In 2014, we evolved Langham Hospitality Group’s mission as “We will be recognised as the leading and visionary hospitality group in the world by offering unique brands for different market segments and building guest loyalty” with the aim of articulating a common future picture of the organisation to every colleague. To cascade the same message across different continents and among our growing number of colleagues, the senior management team also formulated an easily communicated document covering the overall business model, operations model as well as the leadership model. Various learning and quality systems were designed to make our culture sustainable. The global launch will be in 2015 and we will share the details in next year’s report.

Brand Development

One of LHG's key strategies is deploying unique brands targeting different market segments. In 2014, a clear brand structure was elaborated. Langham Hotels and Resorts is our brand committed to delivering guests with unmatched levels of luxury. Hotels that deliver a luxury experience in a classical style are named "The Langham", while hotels delivering a contemporary style in the luxury sector are named "Langham Place".

Langham Hotels & Resorts

Langham Hotels and Resorts represents the epitome of luxury. Hotels under the brand are defined by "The Art of the Stay" through their impeccable service with poise, timeless art and design, and by their captivating experiences.

Experience classic grandeur and utter serenity at The Langham. Be inspired by understated contemporary elegance at Langham Place. Two different styles, but one commitment to delivering guests with unmatched levels of luxury and pampering at every one of our hotels across the globe.



Where We Operate

EUROPE:

The Langham, London

PACIFIC:

The Langham, Auckland

The Langham, Melbourne

The Langham, Sydney

NORTH AMERICA:

The Langham, Boston

The Langham, Huntington, Pasadena, Los Angeles

The Langham, Chicago

Langham Place, New York, Fifth Avenue

Chelsea Hotel, Toronto

ASIA:

China

The Langham, Shanghai, Xintiandi

The Langham, Shenzhen

Langham Place, Beijing Capital Airport

Langham Place, Guangzhou

Langham Place, Ningbo

Langham Place, Xiamen

Eaton Luxe, Shanghai, Nanqiao

Eaton Luxe, Shanghai, Xinqiao

Hong Kong

The Langham, Hong Kong

Langham Place, Hong Kong

Eaton Hong Kong

India

Eaton Smart, New Delhi Airport Transit Hotel

Corporate Office

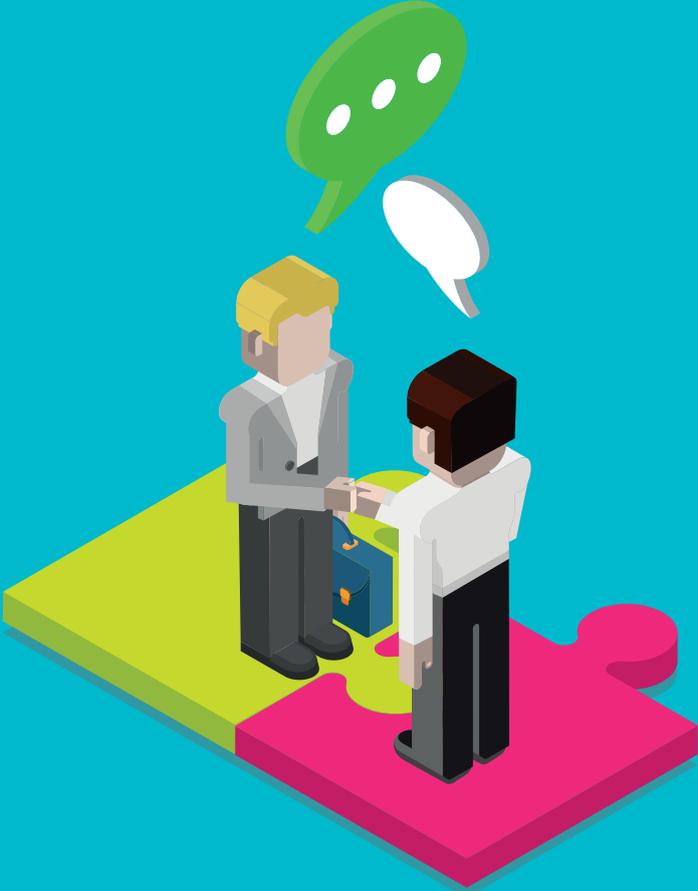
Hong Kong

Regional Office and Global Sales Offices:

Beijing, Chicago, Hong Kong, Sydney, New York, Shanghai, Singapore, London



FEATURE: ENGAGING OUR STAKEHOLDERS

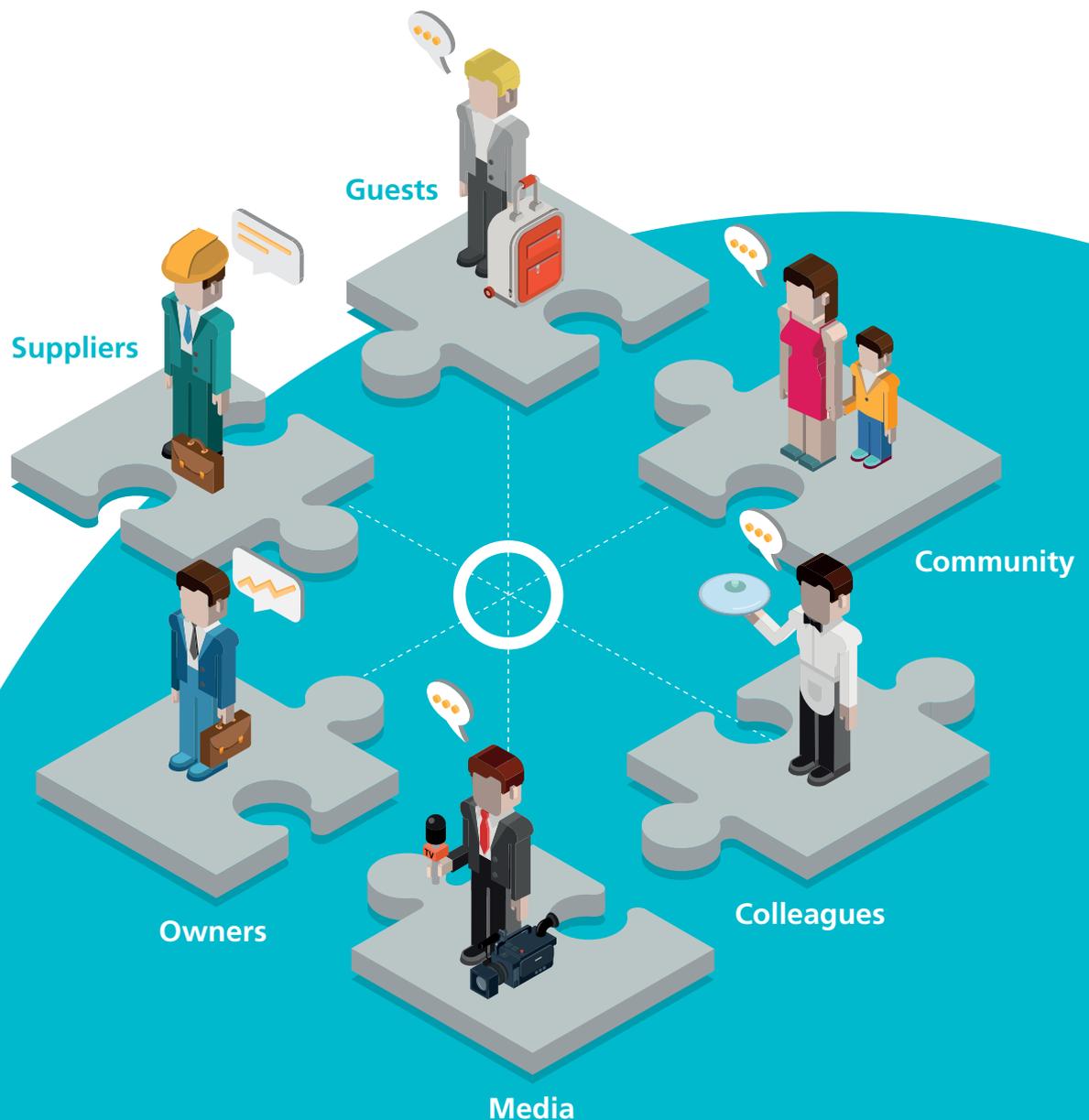


Approach

Stakeholders are around us at every moment. We define our stakeholders as people who can affect our business or who are affected by us. They can be guests staying in our hotels, bell colleagues carrying luggage upon guest arrivals, or suppliers delivering fresh produce to our kitchens every day. There is no doubt that engaging with stakeholders is a factor in the success of our business. Effectively engaging stakeholders will become the direction of our Corporate Commitments to be reinstated in 2015.

Who are our stakeholders?

We serve millions of guests, manage thousands of suppliers and employ 8,000 staff, in addition to other stakeholders across four continents. It is important for us to develop an effective and feasible approach in our stakeholder engagement exercise in the coming years. After several brainstorming sessions with senior leaders in the company, the following key stakeholder groups were identified as having the most significant impact on our operations and were prioritised. We are and will continue to work with them at different engagement levels on relevant corporate responsibility issues.



What do we mean by engagement?

Engaging people is one of our business strengths. We have defined engagement into three levels of objectives – INFORM, COMMUNICATE and INVOLVE. INFORM means a one-way communication to our stakeholders that allows them to understand our business and hotels. This is also the foundation for building higher levels of engagement. COMMUNICATE describes the two-way conversation with stakeholders for the purpose of building relationships and trust. Stakeholders provide feedback to us, and we listen, respond and further actions are taken when appropriate. INVOLVE is the highest level of engagement. Stakeholders are part of our business through collaboration with the intention of mutual benefits.



Involve 

Partner for mutual benefits

Communicate 

Establish Relations & Trust

Inform 

Understanding

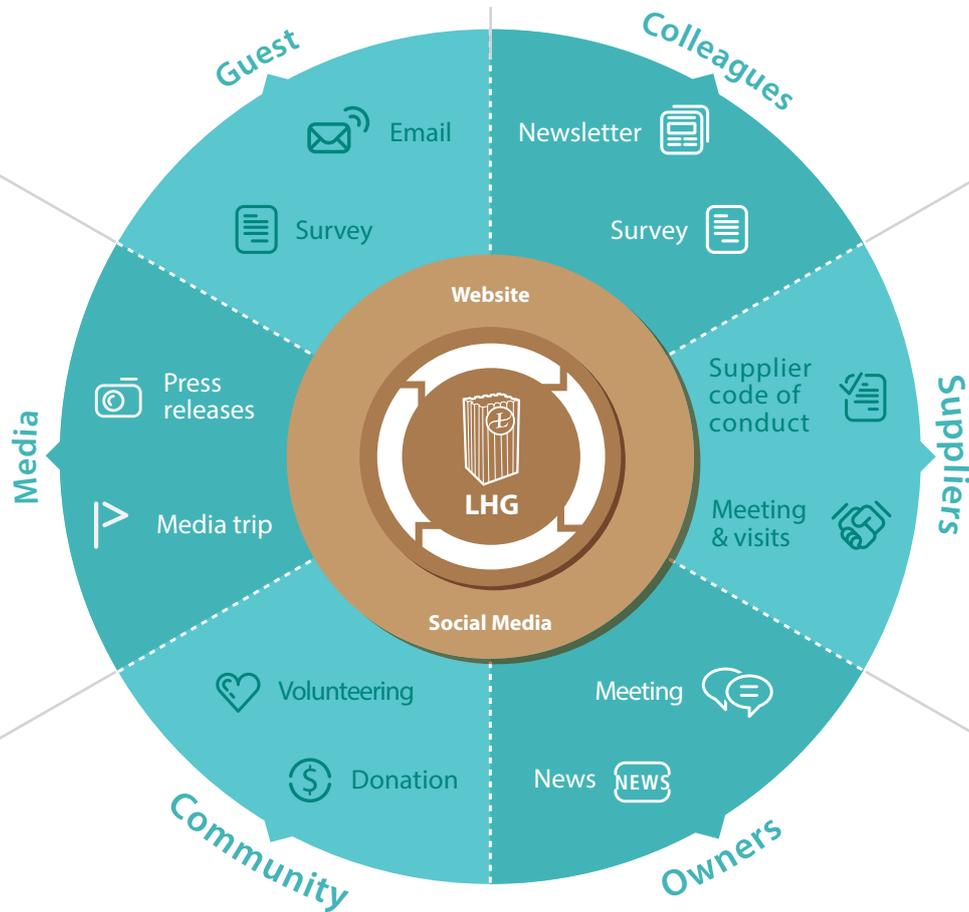
The short-term goal of our stakeholder engagement exercise is strengthening the foundation for a higher level of engagement. Relevant corporate responsibility issues should be INFORMed and COMMUNICATED with different stakeholder groups at a global level through Corporate Office and at a local level through individual hotels. In the long run, we will ensure stakeholders' needs are being met.

Why do we engage?

Stakeholders are people who can affect our business or who are affected by us, so we need to understand these interactions. By communicating with our stakeholders, we have the opportunity to understand their views and explain our perspectives. More importantly, our sustainability strategy shall be driven by striking a balance among the concerns of our key stakeholders. Creating shared value for our stakeholders will be the driving force in running our business innovatively and sustainably.

How do we engage our stakeholders now?

We reach out to our key stakeholders in many different ways for business purposes. We INFORM our stakeholders through a variety of channels including corporate and hotel websites, emails, newsletters and publications, press releases and news coverage, and marketing campaigns. We COMMUNICATE through social media, surveys, meetings and visits, etc. The level of INVOLVEing our stakeholders in our businesses is at a nascent stage except for one stakeholder group – colleagues. We have been INVOLVEing our colleagues at all grades of business improvement using tools such as Q League (strategic team), Langham Logic (process improvement tool) and Think Pink (idea collecting platform) to advance both our business and colleagues' capabilities.



Sustainability issues such as energy and water savings, waste recycling, healthy lifestyles, and colleagues' health and safety were raised occasionally through these engagement channels. We will infuse important sustainability issues into current channels ensuring they are prioritised and broadening their scope in how we address matters that are of important concern to our stakeholders. In 2014, the Group took on a few initiatives to advance the engagement approach to certain stakeholders with more details shared below.

Stakeholders and Us

Stakeholder Group 1: Guests

Guests are the centre of our business. Our hotel news and marketing promotions INFORM guests through direct and indirect communication channels, from traditional (e.g. face-to-face meeting, press releases) to modern methods (e.g. social media, electronic direct marketing). When guests are staying with us, they are captivated through the five senses and best service of our colleagues. The experience of Guests' staying with us and using our products and services are our top concern. We COMMUNICATE with our guests by listening to them and collecting their feedback on our service quality through various voice-of-the-customer platforms (e.g. online surveys, comment cards). Their comments are followed up on by our colleagues.

It is in our nature to fully ENGAGE with our guests. The next step is to integrate green and CSR messages into these channels and communicate them to our guests. We ENGAGE our guests by offering sustainable lifestyle opportunities through our group-wide "Guests of the Earth" and CONNECT Conference initiatives. Local green and social programmes in hotels such as Earth Hour and Green Monday are normally shared through press releases and social media to our guests. Guest comments on these initiatives or their preferences for a sustainable lifestyle have not been gathered proactively. This is one of the areas that we should be working on improving in the future.



Case worth sharing: Green LUCK Banquet in Hong Kong

We ensure that our guests enjoy their special occasions at our hotels and that they are not only memorable, but also eco-friendly. In Hong Kong, our hotels continued their efforts to ENGAGE our guests in a sustainability-inspired lifestyle at their special occasion by adding the Green LUCK programme into their banqueting services. Green LUCK is a programme initiated by Green Monday to promote healthy and green banqueting with no waste, no shark fins and a bias for vegetarian dishes.

Our catering and banqueting teams worked closely with the wedding and banqueting guests, where we helped guests to collect, store and donate all surplus food from their event, to share with those in need through local food donation partners. In addition to the seamless logistics that ensure the quality of donated food, banqueting guests are well-informed about the programme before the leftover food is removed from the tables. Their positive feedback was received directly by our banqueting colleagues. By offering green banqueting options, we can help to create not only a memorable event, but also promote a sustainable lifestyle for our guests.

For guests who take part in the Green LUCK programme, the hotel will help them collect, store and donate all surplus food from their event



Stakeholder Group 2: Media

The media is our partner to keep in touch with our guests. Our media includes print, news, published, digital, advertising and social media. We have dedicated public relations teams managing our relationships with the media at the international, national, regional and local levels. We regularly INFORM and COMMUNICATE with the media through press releases, interviews, press events and media trips. We kept a low profile in our green and community programmes in the early stages of our sustainability journey to avoid any misconception of greenwashing. We also fully understand that transparency is important in building trust with our stakeholders. After years of environmental monitoring and certification by third parties in our hotels, we first introduced "corporate social responsibility" to be one of the mandatory topics for our hotel's public relations department in 2013. Increased media COMMUNICATION in sharing our CONNECT stories from our hotels and corporate office was observed in these past few years.

The next step is to ENGAGE them. The media was selected as one of the stakeholder groups with whom we will take proactive action by involving them in refining our CONNECT strategy and planning. This stakeholder engagement exercise will be rolled out in 2015 to all hotels and corporate office as we believe that corporate social responsibility issues are local as well as international and we should ENGAGE and learn from different perspectives. We will share the details about this exercise in the 2015 report.



Stakeholder Group 3: Community

We are committed to making positive and lasting impacts on the communities in which we work and live. The community that we refer to includes charity organisations or the hotel's partners in volunteering, industry (e.g. business and hotel/tourism associations), neighbours (e.g. city council), and academic institutions (e.g. schools and colleges). Whilst you may find out more about how we contribute to the charity organisations in the **Supporting the Community** section of this report, we talk about how we ENGAGE with our other community stakeholders in this section.

As a business operator which hires hundreds of people locally, we have established close relationships with industry through on-going dialogue; and membership in the stakeholder network. For instance, we hold a number of positions and memberships with the following local business associations:

- Founder member of the Considerate Hoteliers Association in London
- Executive Committee member of the Hong Kong Hotel Association
- Executive Committee member of the Karangahape Road Business Association in Auckland
- Member of the Futian District Environmental Protection Industry Association in Shenzhen
- British Chamber of Commerce member in Shanghai

We also maintain a close relationship with EarthCheck, which is the internationally recognised environmental management and certification programme service provider for our industry.

Our hotel human resources teams have also built up solid relationships with educational institutions for years. We participated at student networking events and career days at the leading hospitality colleges in the cities where we operate. We hosted internship programs for hospitality colleges. We also showcased our best environmental practices through hotel tours and experience sharing seminars.

We occasionally INFORM our community partners about our green and community initiatives and achievements as they should rightly be COMMUNICATED and ENGAGED with for extended collaboration and to create shared values. The community is identified as being part of the 2015 stakeholder engagement exercise in our hotels. Working with industry, neighbours and schools helps our understanding of their CSR priorities and concerns, while sharing our ideas and ENGAGEing them in our CONNECT programme. The outcomes of the stakeholder engagement exercise will be shared in our 2015 report.

Environmental experience sharing with representatives from Macau Environmental Bureau, Macau Government Tourist Office and Macau Green Hotel Awardees



Food waste experience tour for Junior Chamber International Hong Kong – Ten Outstanding Young Persons Awardees



Green hotel tour for students from Baptist University, Hong Kong



Case worth sharing: EarthCheck Inner Circle

We were honoured to participate and host the third EarthCheck Inner Circle meeting at Langham Place, Mongkok, Hong Kong in 2014. EarthCheck Inner Circle is an invitation-only think-tank session designed for global experts to meet in one spot and share best practices. Sustainability leaders from the hospitality industry and academic experts joined together to not only share our sustainability challenges, but also to discuss current solutions to these challenges alongside measures for building tourism resilience. We were further honoured to share our green hotel practices and the values of managing our environmental risks through the EarthCheck system.



Stakeholder Group 4: Colleagues

Engaging our colleagues is important for us in attracting and retaining the right talent, delivering on our vision and objectives, and helping colleagues achieve their full potential and realise self-growth at work. Communicate, Communicate, Communicate is one of our core values and drives us to develop an effective and human communication system among all our hotels.

We prefer face-to-face and verbal COMMUNICATION with our colleagues. Every day, all colleagues start their day of work with SHOWTIME (daily briefing) and sharing of the Daily Legend (daily newsletter) in the hotels. Every quarter, all colleagues are required to attend the Townhall meeting (all colleagues briefing) presented by senior management. Every year, all colleagues participate in the My Colleague Survey (employee survey) to express their opinions and thoughts.

CONNECT has been integrated into the internal communication system gradually over the past few years. We INFORM colleagues on the hotels' CONNECT information

through newsletters, Daily Legends, SHOWTIMEs and Townhall meetings. The hotel CONNECT Committee serves as the platform to COMMUNICATE CONNECT messages to colleagues in all departments. In this regard, colleagues are well informed with CONNECT information – at both the group and hotel levels.

We also listen to our colleagues through the My Colleague Survey. In 2014, we first introduced three questions related to CONNECT programmes into the My Colleague Survey. The results were very encouraging with over 90% of our colleagues fully supporting our environmental and community service initiatives, with about 50% thinking that our works were ahead of our competitors. The first survey result provided us with a baseline to understand the general opinion of our colleagues. Next, we will explore how we can help colleagues feel INVOLVED in social responsibility issues that matter to them.



Case worth sharing: Langham Logic

Our colleagues were encouraged to participate in Langham Logic projects where colleagues from different departments and levels work together to solve cross departmental process issues or improvement. Langham Logic is our process improvement tool to help make operational processes easier. For instance, our hotel in London noticed an opportunity to enhance the recycling rate by proper waste segregation. Waste came from guest rooms, the kitchen, restaurants and offices. Led by the hotel's green champion, the project team involved representatives from housekeeping, food and beverage, kitchen, stewarding, engineering, finance, human resources and quality. The team concluded that the recyclables should be collected in the correct containers. After setting up recycle bins, visible signage, and improved staff awareness, there was an increased percentage of on-site recycling from 65% to 73%. Recycling behaviour was also implanted in our colleagues.



Stakeholder Group 5: Suppliers

Suppliers are important industry partners for hotels. Their products and services enable us to deliver our hospitality services to our guests. Every year, we manage thousands of suppliers on food and non-food products, and critical business services. We work closely with our suppliers to ensure that their products and services are meeting our standards. Since 2013, we introduced sustainable supply chain management in phases following the initiative of our parent company. We focused on raising the corporate social responsibility awareness of our significant suppliers by communicating with them about our Supplier Code of Conduct. We also developed our Responsible Purchasing Policy and internal guidelines over the past two years (for details please refer to the [Environment](#) Section).

We believe that a more constructive dialogue with suppliers is essential for our CONNECT programme in the long run. ENGAGING them in delivering greener and better products to our guests is the process of creating shared values that shall benefit both parties. Engagement exercises with suppliers will be planned in the coming years.



Stakeholder Group 6: Owners

Owners are our investors and definitely an important stakeholder. We build a secure relationship with owners based on the sharing of goals and objectives of both parties through timely and open communication. We INFORM our owners through regular reporting and business analysis. We meet and COMMUNICATE with owners regularly on project development and operation phases to ensure the hotels are meeting the owners' expectations and that we promptly address any of their concerns. We recognise their expectation to have a fair return on their investment in our hotels. More than this, we should share the same vision with our owners to run our business sustainably. We will engage our owners by sharing our CONNECT strategy for managing sustainability across the business.

Future Steps

The purpose of stakeholder engagement is incorporating stakeholders' views into the company's sustainability strategy, in other words staying in business through managing risks and identifying opportunities. We have built strong relationships with key stakeholders in the last decade, and the relationship should be further extended to areas of sustainability. We may not be the pioneer but we do want to do it right in the first place. Therefore, we will take a step-by-step approach.

What we did in 2014?

- Defined stakeholder engagement model of Langham Hospitality Group.
- Integrated corporate social responsibility questions in annual My Colleague Survey.

Group Objectives in 2015

- Introduce stakeholder engagement model at Senior Leaders Conference
- Continue engagement exercise at group level
- Launch stakeholder engagement exercise to all hotels

CARING FOR OUR GUESTS



We make every effort to proactively listen to our guests through a wide range of communication channels such as direct contact points, online surveys, social media and feedback cards, among others. This valuable information allow us to understand the expectations of various guest segments including hotel guests, meeting planners, social event participants, restaurant patrons and spa guests.

Voice-of-the-Customer for Meetings and Events

We provide dedicated services for numerous meetings and social events every year. Since 2012, we have been collecting feedback from our meeting planners to evaluate their experience on our services during the sales, event planning, event delivering, and billing stages. The survey is delivered in electronic format from the contract stage through the planning phase, from meeting commencement through meeting end. The survey is applicable for meeting, catering, wedding and social events at all our hotels. The survey results are analysed and enable our teams to continuously monitor and improve our performance.



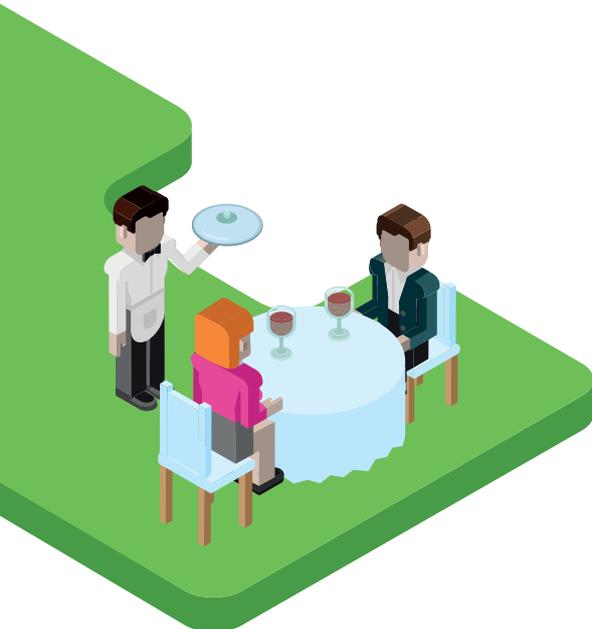
Next Era of Guest Satisfaction Survey

Our Online Guest Satisfaction Survey is an important tool for us to collect direct feedback from our guests and also verify their level of engagement. It supports us to identify opportunities for improvement, drive innovation in our product and exceed guest expectations. To align with our corporate vision in building guest loyalty as our focus, 2014 was the year to prepare ourselves for the new era of our guest satisfaction survey. We streamlined our survey and also conducted pilot testing on measurements of the Net Promoter Score (NPS) and Defect Free Index (DFI) in our survey.

We always seek ways to improve the survey experience for our guests. In 2014, we analysed previous guest data to prepare ourselves for a survey revamp in 2015. The objective was to provide a more guest-friendly interface by delivering a shorter yet more precise survey to our guests. We strongly believe that a shorter survey encourages our guests to give us valuable feedback; and also allows us to focus on the most impactful touch points for our guests.

Guest loyalty is measured by the NPS which is a leading metric widely adopted by companies. It is critical for our company's long-term success because loyalty has a positive impact on our business. Hence, we introduced the NPS in our survey in late 2014 to start collecting data and feedback to gear our focus on increasing the number of "promoters", i.e. those guests that love us and will recommend us to their friends and anyone else who will listen.

Defect elimination is one of the key factors to increase guest loyalty. Therefore, we proactively promote a culture of zero defects, service prevention and recovery internally. To evaluate its effectiveness, DFI is measured by our guests' opinions during their stay with us through the online Guest Satisfaction Survey. In 2015, we will launch the modified survey for our guests and continue to use the NPS and DFI to track our guests' loyalty, so that these measures will become the key performance indicators for all hotels in 2016. We will also further explore an integrated solution with other voice-of-customer channels covering multiple survey types, including social media. We believe this can be a more powerful platform that could further strengthen our capabilities in analysis and recommendation.



Results of Surveys Measuring Customer Satisfaction

Our Voice-of-the-Customer methods are used to provide definitive information that we can act on to enhance our product and service offerings and improve our guest loyalty in the long-term. The online surveys contain detailed questions designed to obtain both quantitative and qualitative opinions. Figure 1 indicates the positive trend of how our guests have enjoyed staying with us over the past four years.

Social media and other web-based platforms are another important means of communication with our guests in the past few years. Figure 2 indicates a positive trend in our guest satisfaction results on social review sites.

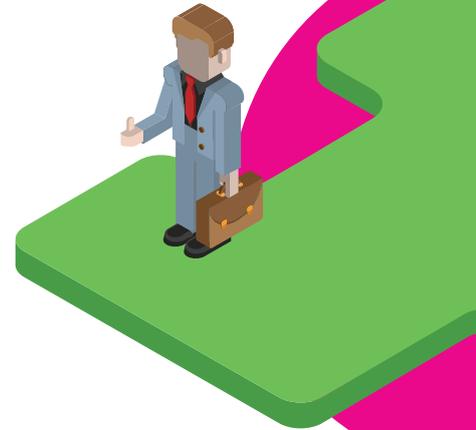


Figure 1

Online Guest Satisfaction Survey results (2011-2014)

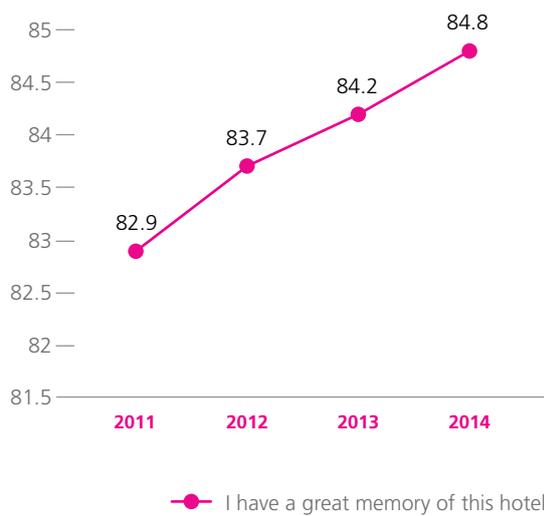
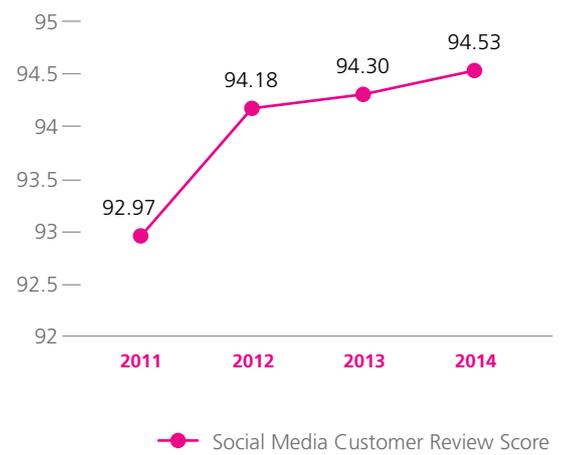


Figure 2

Social media review results (2011-2014)



| | 2011 | 2012 | 2013 | 2014 |
|-----------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Langham Hotels | 92.97 | 94.18 | 94.30 | 94.53 |
| Ranking | 4 th out of 10 | 4 th out of 14 | 3 rd out of 14 | 3 rd out of 14 |

Selected luxury brands include: Peninsula Hotels, Mandarin Oriental, St. Regis, Four Seasons Hotels & Resorts, Park Hyatt, Shangri-la Hotels & Resorts, Taj Hotels, Grand Hyatt, Intercontinental Hotels & Resorts, Fairmont Hotels & Resorts, Loews Hotels, The Ritz Carlton Hotels and Le Meridien.

SUPPORTING THE COMMUNITY



We are committed to making positive and lasting impacts on the communities in which we work and live.

We are not strangers in the communities in which we operate. In the past two years, we issued a Community Engagement Policy with guidelines to guide our hotels on how to contribute to local communities through multiple means including donations and visits, free or in-kind sponsorships, and employee volunteering. In 2014, our colleagues contributed 9,567 hours of community service and our hotels sponsored non-profit organisations worth approximately US\$520,000.

Staff hours serving the community

| 2012 | 2013 | 2014 |
|-------|-------|-------|
| 4,911 | 8,482 | 9,567 |

The spirit of serving the community by our colleagues has been cultivated in every hotel. We will review our current community service strategy to make them more meaningful and sustainably sound in the coming year. We shall also strive to build a stronger relationship with the community and achieve our commitment to making positive and lasting impacts on the communities in which we work and live.



Partnerships

We believe in building strategic partnerships for community investment that yield enduring advantages to both our partners and to us. Since the launch of the CONNECT programme in 2011, we have been identifying the right partners and projects that our hotels would support. This approach was unsuccessful since colleagues at our hotels were passionate about different social issues. We believe that our community partnerships ought to be supported by both the company and our colleagues. For this reason, we have moved on over the last two years to look for charity partners by region with one main intention – that our colleagues have the opportunity to be involved and witness the positive impacts on their local community through this ongoing partnership.

Hong Kong

Our Eaton, Langham Place, The Langham hotels as well as our Group's Corporate Office in Hong Kong 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 2014, we jointly organised "The Six Pillars of Character Workshop: Happy Summer in Hotel". Fifty children from local low-income families were invited to enjoy a buffet lunch and engage in six learning stations in the hotels. The learning stations were designed and managed by our colleagues based on the Six Pillars of Character – trustworthiness, respect, responsibility, caring, citizenship, and fairness.

The Langham Hong Kong partnered Redress on The EcoChic Design Award



At Housekeeping Station, children learnt and practiced skills of tidying up beds and folding shirts.

North America and London

We took a slightly different approach for our hotels in North America and London. Instead of working with a single charity, our hotels in these regions were encouraged to partner with organisations local to each hotel but working for the same cause – children with illnesses. It was a coincidence that a number of our hotels have already built relationships with their local children's hospitals or charities that help children with cancer or other serious diseases. Our colleagues supported this cause by serving their time and effort in helping children in their communities. We believe that this is the right direction to start building a coherent impact through our efforts in contributing to the local communities where we operate.

Our hotels partnered with the following charity organisations which help children with illnesses:

- Bear Necessities Paediatric Cancer Foundation in Chicago
- CampOouch in Toronto
- Easter Seals in Boston
- JDRF (Juvenile Diabetes Research Foundation) in Pasadena and Toronto
- Ronald McDonald House in Chicago
- SickKids Foundation in Toronto

Our next step is strengthening these partnerships and also developing new partnerships for the regions of China and the Pacific.



Softball Game supporting Easter Seals by The Langham, Boston



Juvenile Diabetes Research Foundation (JDRF) Ride at Chelsea Hotel, Toronto



Colleagues from The Langham, Chicago helped at Ronald McDonald's House



Colleagues from The Langham, Huntington, Pasadena participated at JDRF "Walk to Cure Diabetes" at the Rose Bowl in Pasadena



Art

We all have “Art” in us. Since we defined art as one of our focus areas in our community activities for the last two years, we wanted the artistic talents of our colleagues to bring positive changes to the neighbourhoods in which we operate. For example, we took part in a community activity where we created mosaic artworks on park benches in Vauxhall Park, London to encourage people from the neighbourhood to make use of the outdoor space.

Art is a way to express our feelings and is sometimes used for therapeutic purposes. Although we are not experts in art or in therapy, we can offer our assistance to vulnerable children in crafting their art pieces. This year, we supported children at Griffin Primary School in London during an Art Workshop run by Kids Company. Throughout the day, we helped 8-10 year olds create monster masks, using inspiration from their favourite animals and fictional characters. An abundance of colourful materials were provided, resulting in 60 hand-made, unique masks for the children to take home.

Mosaic Artwork in Vauxhall Park



Art Workshop with Children in London



Art workshop for children in Hong Kong

Art is also a common language for human beings. Our innovative colleagues from Eaton, Hong Kong delivered an art workshop to underprivileged children in Hong Kong with the message of protecting the environment. We engaged in storytelling to explain the importance of protecting Mother Earth, and then taught the children to create an artwork with a house and a sunflower using toilet paper rolls and milk cartons.

Our hotel at Shanghai, Xintiandi hosted a painting competition themed Langham in Angels' Eyes with the support of the Wuliqiao Local Community. The "Angels" were the children who had intellectual disabilities and infantile autism from Luwan Special Needs Education School. This competition was aimed at encouraging the Angels to express their impressions of Langham through painting after a hotel tour of in-house contemporary Chinese artworks. The Angels' paintings will be used by the hotel in the near future to help make further contributions back to the school.



Langham in Angels' Eyes competition in Shanghai

Children

We support children from different backgrounds through volunteer services and sponsorship because we believe that our work can have positive impacts. Since 2013, our hotel in Shenzhen has initiated the "Compose Music Dream" project to sponsor musically talented children from underprivileged families, fulfilling their dreams. To further support this ongoing project, we held several fundraising events and grew this meaningful project to include our guests and the local community. At the charity auction event, we enjoyed the marvellous piano performances by talented children involved in this project. We anticipate witnessing their musical talents fully developing through our programme.

Taking care of migrant children is a common social issue in major cities in China. These are a group of children typically less privileged than their peers. Our colleagues in China often support them by engaging them in workshops, visits, donations and parties. We also supported Sun Village which is a non-governmental organisation in Beijing and hosted a "family" for children of prisoners. Our volunteers helped out at the Sun Village farm which was an income source for the children's tuition and other expenses.

We are always pleased to bring happy memories to children, particularly those with illnesses. Our hotel in Xiamen initiated a now ongoing partnership with a local charity that takes care of autistic children. Through regular visits and volunteer activities with the children, we created opportunities for them to meet with people, make new contacts and friendships, while at the same time strengthening the sense of responsibility in our colleagues. Our hotels in Sydney and Melbourne continued their partnership with the Make-a-Wish Foundation to help make every eligible child's wish come true.



Compose Music Dream Charity Auction in Shenzhen



Chocolate class for migrant children in Shenzhen



Managing farm for Sun Village in Beijing



Care for Autistic Children in Xiamen



Fundraising activity for Make A Wish Foundation in Sydney



Setting up new reading room at a migrant children school in Beijing



Environment

The best way of engaging people in protecting the environment is by opening their eyes to realise the pertinent issues around them and to also help them cherish nature. In the second year of our partnership with Garden to Table, our team from The Langham, Auckland worked hard all day digging and building new gardens for growing fresh fruit and vegetables around a local primary school. Our colleagues worked with this charity which aimed at helping the schools to grow, harvest and prepare their own fresh seasonal foods, in order that students can grow up with an appreciation of a healthy lifestyle, good eating habits and the importance of sourcing fresh local produce.

Food is important to people and to us in particular as we cook and serve thousands of dishes every day – for guests and colleagues. We dislike seeing edible food going to waste. Perhaps this is why the Food Angel food preparation activity is one of our most popular community services in Hong Kong. We have been donating vegetable trimmings to Food Angel, and also helped out one day with food preparation and the packing of over 500 meal boxes for distribution to underprivileged families in the community.

We continued sending our colleagues to clean beaches and gardens for the community. With the increasing occurrence of natural disasters hitting cities, we realised that more support was needed to restore our communities to be as beautiful as they were before and make them less vulnerable to the next natural disaster. Our colleagues worked in a park in Manhattan's Harlem neighbourhood to tidy it up, worked to reinforce the shore from further erosion, and repaired softball fields. We also helped clean up the Franklin Children's Garden that had sustained considerable damage from the ice storm that hit Toronto last December.

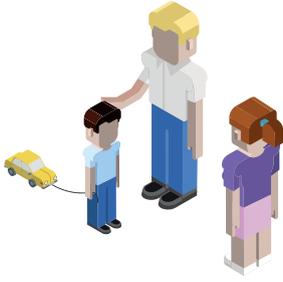
Garden to Table activity at St Marys School in Auckland



Colleagues helped out at Food Angel in Hong Kong



New York Cares Day



Local Community

We opened our arms by helping other needy people in our communities. Apart from charity runs and serving meals for the homeless, we built lasting memories for the elderly. Working together with Contact the Elderly, The Langham, London hosted an Afternoon Tea with local senior citizens who lived alone with little or no support from friends, family or statutory services providing a time for sharing and camaraderie. In another example of pure joy, our hotel in Hong Kong with its partners helped thirteen married couples aged between 64 and 87 years walk down the aisle in wedding gowns witnessed by celebrants, their friends and families. This meaningful event also aimed to highlight the dramatic growth of the divorce rate in Hong Kong and to raise awareness of today's generation to rethink the meaning of marriage.

The Royal Children's Hospital Good Friday Appeal in Melbourne



Afternoon tea with the Elderly in London



Elderly Wedding Party in Hong Kong

Overview on Group Objectives

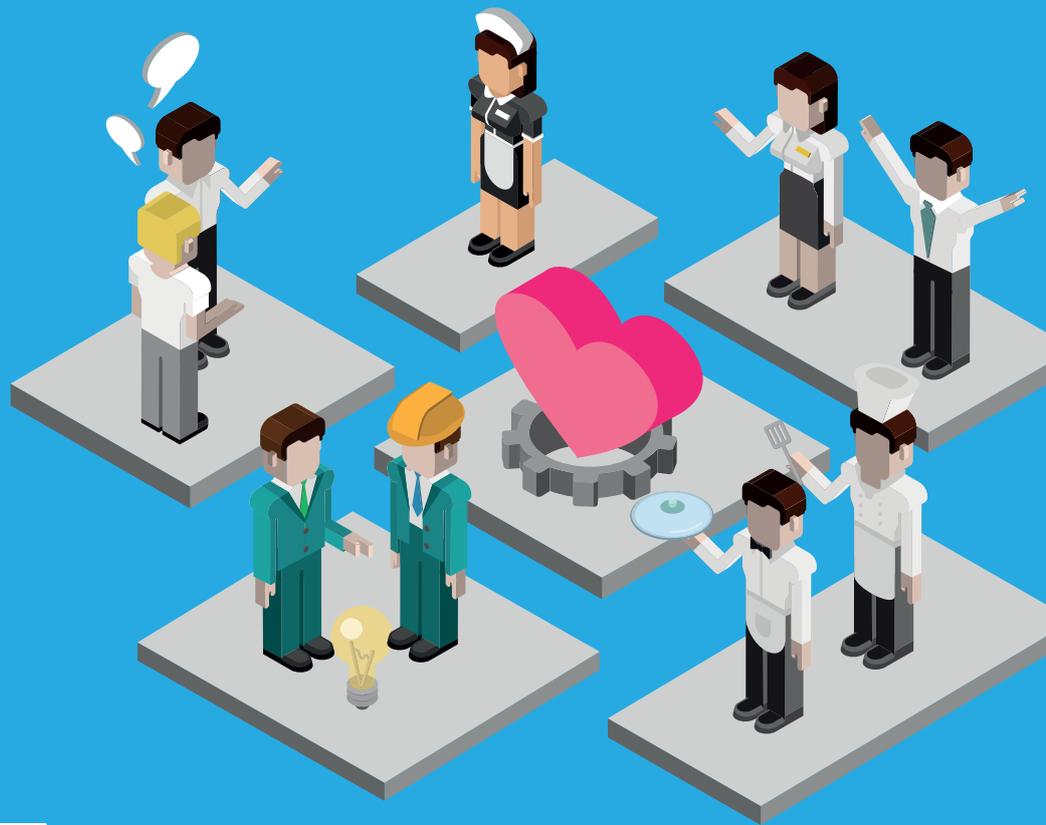
What we did in 2014?

- Identified regional partnerships for Hong Kong, North America and London.
- Reported the community investment by the group.

Group Objectives in 2015

- Build stronger relationships with the current regional partnership programmes.
- Review the strategy on employee volunteering.
- Identify long-term community partnership opportunities for China and the Pacific regions.

CARING FOR OUR COLLEAGUES



We are committed to providing a healthy, safe, fair, and happy working environment for our colleagues.

In 2014, we had approximately 8,000 colleagues in 18 major cities worldwide. Our goal is to recruit and retain the right talents. We aim to do this by providing a healthy, safe, fair and happy working environment. We also train and develop our colleagues to ensure they have the right capabilities to help us to achieve our vision.

Healthy and Safe Working Environment

Ensuring the safety of our colleagues is always at the top of our agenda. In 2014, we reviewed our Groupwide Occupational Health and Safety Policy to define our global commitment to workplace health and safety. The Policy stipulates that all hotels must maintain their health and safety systems with policies, committees, training and incident reporting. The system is implemented and monitored by the senior management, human resources management and security departments of our hotels. We review the effectiveness of the system in the hotels through Key Performance Indicators (KPI) systems, looking at the injury rates and numbers of lost days. We are pleased to observe a decreasing trend in health and safety related KPIs in the past three years, and there were no deaths due to work activities. We will continue to improve on our performance to ensure our workplace is safe for each and every one our colleagues and guests.



| KPI | 2012 | 2013 | 2014 |
|---|------|------|------|
| Lost time injury frequency rate (number of reported lost-time accidents for every 1 million working hours) | 27.6 | 18.8 | 15.8 |
| Incident rate (reported accidents per 100 employees) | 13.5 | 9.2 | 8.4 |



De-stressing massages in The Langham, Auckland



Five-colour coded "Health Tips" cards based on the Chuan Spa 5 elements distributed to colleagues in The Langham, Shenzhen

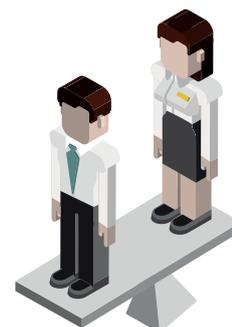
In addition to the Group Policy, the Workplace Health and Safety Week, which is our global awareness programme, was organised for a second year. A week in the fourth quarter was designated to increase colleagues' awareness and promote the importance of workplace health and safety in the hotels. In addition to the internal awareness campaign, another objective was to introduce the risk assessment concept to colleagues. We advocated our colleagues not only to practice the safety preventive measures, but to also understand the purpose and importance of these measures.

We also introduced several employee wellness programmes in our hotels. For example, the employee benefits package for our hotel in London was updated with a wellness section, and a weekly free-of-charge circuit fitness training and running programme was arranged in addition to several discounted back therapy, reflexology and chiroprapist sessions for our colleagues. Eaton, Hong Kong joined the Smoking Cessation Program for the Workplace to encourage an environment that helps people to stop smoking. In the view of the positive feedback from these wellness programmes, corporate wellness will be the theme for the Workplace Health and Safety Week in 2015.

Fair Working Environment

A fair working environment should be one free of discrimination, harassment, bullying and victimisation. We made this commitment by stating it in our reviewed Group Employee Rights and Equal Opportunities Policy, which was issued in 2014. We are also committed to promote equal access to employment.

Positive feedback on fairness has been received in our Colleague Satisfaction Survey. For instance, 80% of colleagues agreed that the hotel provides equal opportunities to all colleagues; and 76% of colleagues believed that they were fairly rewarded and recognised for good performance, as reported in the 2014 survey. Our next step is the review of current procedures and training at our corporate office and our hotels to ensure compliance with the revised policy.



| Workforce Profile | | 2012 | 2013 | 2014 |
|--------------------|--------------------------|-------|-------|-------|
| Workforce | Total employees | 5,065 | 6,979 | 7,813 |
| | Full time employees | 89% | 89% | 90% |
| Gender | Female employees | 45% | 47% | 48% |
| | Male employees | 55% | 53% | 52% |
| Age | Age profile of workforce | | | |
| | <20 | 2% | 2% | 2% |
| | 20-29 | 39% | 38% | 38% |
| | 30-39 | 28% | 26% | 26% |
| | 40-49 | 19% | 19% | 19% |
| | 50 or above | 13% | 15% | 15% |
| Expatriates | | 4.3% | 3.0% | 2.9% |
| | Senior Executive | 13% | 13% | 12% |
| | General Workforce | 3.8% | 2.5% | 2.5% |

Notwithstanding the substantial growth of our workforce, by 60% in three years, the diversity profile remained fairly stable. As an equal opportunity employer, it is also worth mentioning that the number of female employees became closer to the number of male employees in our general workforce. We will look into the gender diversity of our senior executives and report on it next year.



Happy Working Environment

A happy working environment is not defined by the company, but by our colleagues. We can better ensure we provide a happy place to work if we listen to the voices of our colleagues and act on what they are telling us. Our Colleagues Satisfaction Survey has been running since 2005, and has become a core communication channel every year. We appointed an independent research company to conduct the survey and analyse the results so as to ensure neutrality and confidentiality.

This year, there were 88% of all eligible colleagues who completed the survey from 21 properties. The Colleague Satisfaction index has shown a gradual increase in the past five years, and it has increased by 14.6% from 3.77 out of 5 in 2005 when we first started this survey to 4.32 in 2014.

The analysis of the survey showed that our colleagues have a strong and real sense of achievement working in our Company. Opportunities for improvement and corresponding action plans were reviewed and implemented in hotels to ensure continual improvement in the engagement of our colleagues. To reach the next level in engaging our colleagues, the survey approach will be reviewed for 2015.



Learning and Career Development

Our colleagues are our most valuable asset, with this in mind our learning and development programmes ensure our colleagues have the right skill sets and knowledge needed to grow our business now and in the future.

We continue offering the Langham Curriculum Certification, which is our global learning syllabus for different levels of staff. In talent development, we set up the Advanced Programme for Executives (APEX) to support high potential managers take the leap to senior executive roles. The China Management Trainee (CMT) development programme, on the other hand, helped to identify potential new graduates to groom their careers in the hotel industry. In performance management, the PRIDE system mandates that each colleague has a performance appraisal at least once a year with their line manager to review their performance and set clear goals and development plans for the year ahead.

In last year's report, we shared the results of our key performance indicators related to learning and development for the first time. Both indicators, which are the number of training hours per employee and the percentage of eligible employees who received an annual performance review in 2014, increased when compared to 2013. Moreover, positive feedback in the learning and development area has been received from colleagues. In the 2014 Colleague Satisfaction Survey, 82% of colleagues rated their opportunities to advance their skills and knowledge for career development as good or very good.



| KPI | 2013 | 2014 |
|--|------|------|
| Training hours per employee | 31.6 | 34.3 |
| % employee received performance review | 91% | 93% |

In 2014, our work concentrated on designing a new series of training programmes for service excellence and service mindsets. Our new customer service training series is called PASSION. The series aims to excel our service to drive guest loyalty. The series of training modules covers the following skill sets: to know our guests; service principles to gain guest satisfaction; techniques to handle difficult service situations; and service management for supervisors.



Turning Oops to Wow training at The Langham, Chicago

We will revamp our orientation programme, which is called the First60 Certification Programme, to be launched globally in 2015. The PASSION series is a part of the First60 Certification Programme.

Overview on Group Objectives

What we did in 2014?

- Launched the group-wide Employee Rights and Equal Opportunities Policy, Occupational Health and Safety Policy and Code of Ethics.
- Reviewed existing procedures to align with these updated policies.
- Pilot tested the re-launch of Langham Curriculum Certification and Customer Service Training Series.
- Introduced risk assessment.

Group Objectives in 2015

- Review Human Resources Policies and Procedures including those with updated policies.
- Review workforce demographic data
- Introduce corporate wellness during Workplace Health and Safety Week
- Re-launch Langham Curriculum Certification and Customer Service Training Series.
- Global launch of First 60 Certification programmes

GOVERNANCE AND ACCOUNTABILITY



We are committed to operate our business with integrity and in accordance with the highest ethical standards.

Operating responsibly is not simply about supporting the environment, community or our colleagues. It also implies conducting all aspects of our business in an ethical manner and being recognised as reliable by our business partners and guests.

Internal Control

Being a wholly owned subsidiary of Great Eagle Holdings Limited, we adhere to a high standard of corporate governance practices which are critical to business integrity and to maintaining business partners' trust in us. 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 leads the CONNECT Programme with support from the Global CONNECT Champions, the Group's Director of Sustainability and our dedicated hotel champions. One of the Global CONNECT Champions is the Group's Vice President of Human Resources who is also an Executive Committee member.

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. The Executive Committee members also review the remuneration structure at high levels and endorse the compensation and benefits packages of senior management. The Group also abides by the internal control systems of Great Eagle Holdings Limited.

Corporate Ethics

We are committed to maintaining good corporate governance and business integrity in our business activities. To ensure our commitment is in alignment with industry best practices, the Code of Ethics was updated and endorsed by our Senior Executives, and rolled out to all hotels in 2014. The Code explains what is expected of our colleagues, including Executive Committee members, in connection with their official duties. The Code provides guidance on acceptance, soliciting or offering of advantages, declaration of conflicts of interest, fraud and bribery, gambling, fair dealing, and handling confidential information. Relevant standard operating procedures will be reviewed and updated in accordance with the Code.

The Code is introduced to all new employees through compulsory induction training. Colleagues also receive regular communications, refresher training, and team briefings on various aspects of our compliance programme, depending on their role. All colleagues are also aware that they have a duty to report any breaches of our Code of Ethics.

Additionally, one of the Global CONNECT Events relates to internal review and training on a selected topic that concerns corporate ethics. In 2014, data privacy was selected to be the topic, as there was increasing concern globally about the handling of private data of customers. Through this activity, we aimed at fostering an improved awareness among colleagues of the risks of data privacy, and also driving continuous improvements by sharing the best practices among the hotels.

We will conduct interviews reviewing our employee rights and equal opportunity practices in 2015, following the issuance of our updated policy. We have also observed that some of our hotels have implemented outstanding corporate ethics programmes which can be shared among our hotels. To do this, we shall develop a shared platform on these best ethics practices.

Overview on Group Objectives

What we did in 2014?

- Launched the group-wide Code of Ethics.
- Internal Code of Ethics review on data privacy.

Group Objectives in 2015

- Reviewed existing procedures to align with Code of Ethics.
- Require Code of Conduct review on employee rights and equal opportunity.
- Develop internal best ethical practices sharing platform.

PROTECTING THE ENVIRONMENT

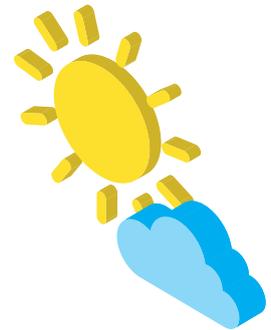


We are committed to becoming a role model amongst hospitality operators for environmental impact, awareness and reduction.

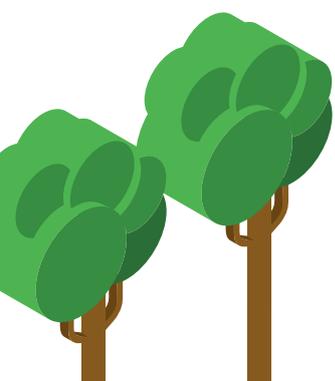
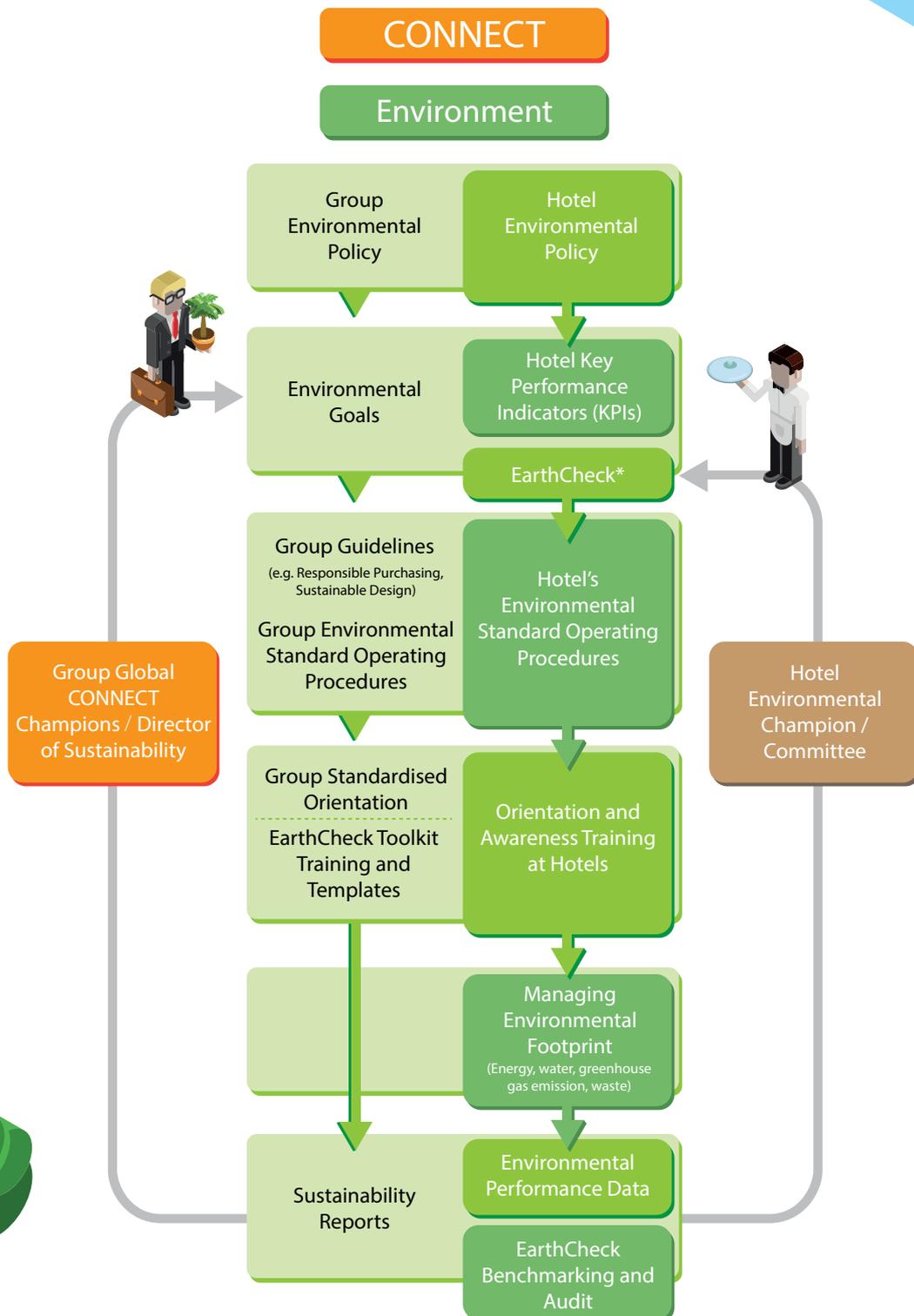
We are committed to becoming a role model among hospitality operators in regards to environmental impact, awareness and reduction. The priority is not only in operating our properties in the most efficient and least wasteful manner, but we see it as our responsibility to engage our colleagues and guests in thinking about greener lifestyles. Changing our behaviour to pose less harm to the environment is a continuing mission.

Managing Our Environmental Impacts

We have developed a robust system to manage our environmental impact in the past few years. The following chart demonstrates how the system is in place at both the group and hotel levels.



Management Approach for the Environment



EarthCheck and Third Party Recognitions

We have engaged our hotels in the sustainability journey through our partnership with EarthCheck since 2008.

EarthCheck is the leading international sustainability benchmarking and certification service for the travel and tourism industry. Achieving EarthCheck certification is one of our hotel's key performance indicators.

In 2014, we have twelve hotels certified or registered to the EarthCheck programme. It is anticipated that there will be more Gold Certified hotels in 2015 as their sustainability efforts will have been recognised for more than five years. Their successful stories will be shared in the next report.



- Langham Place, Mongkok, Hong Kong (new)
- The Langham, Auckland
- The Langham, London (new)



- Eaton, Hong Kong
- The Langham, Boston
- The Langham, Hong Kong
- The Langham, Melbourne
- The Langham Huntington, Pasadena, Los Angeles
- The Langham, Shanghai, Xintiandi (new)



- Langham Place, Beijing Capital Airport (new)



- Chelsea Hotel, Toronto
- The Langham, Sydney



In addition to EarthCheck, our hotels have also achieved various international and local green recognitions. The Chelsea Hotel, Toronto achieved 4 out of 5 ratings on both the **Green Key** Eco-Rating Program and Green Key Meetings Program organised by the Hotel Association of Canada. The Tourism Administration Office of Huangpu District has officially recognised The Langham, Shanghai, Xintiandi as a Green Hotel with a Gold Leaf rating. The Green Hotel designation is the National Standard for environmental hotel ratings in China by the National Tourism Administration of the People's Republic of China. The Langham, Auckland attained the **Qualmark** Enviro Award in addition to recognition "for environmental and sustainable contributions at the G20 Sustainable Global Leaders Forum". The Langham, London holds the **Green Tourism** Silver Certification. Langham Place, Mongkok, Hong Kong successfully renewed its ISO 14001 certification in 2014.

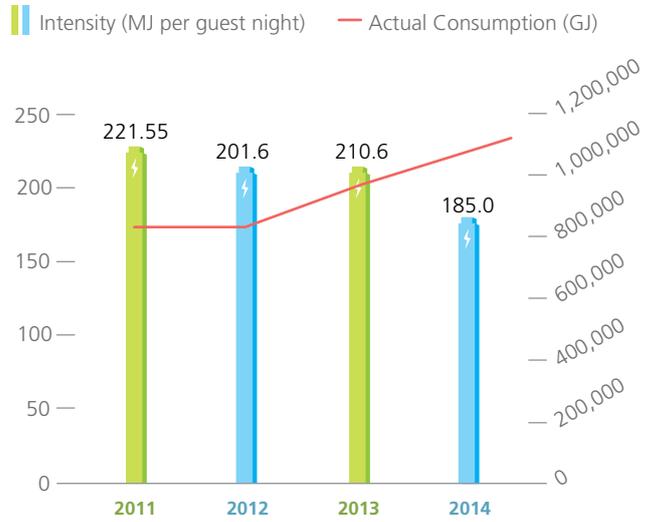
Performance Monitoring

Environmental performance data from hotels is collected and analysed internally through the group's intranet. In this era of data overload, we are after not only data accuracy, but also in improving the overall efficiency and user-friendliness of our systems. Our reporting system was developed to align with EarthCheck's benchmarking requirements, and was further enhanced to generate internal reports for our Chief Engineers to help monitor their hotels' utility performance and cost.

In 2014, our hotels achieved their most efficient performance level in the four years since 2011, when we started reporting on our environmental performance. The total energy and water consumption of the group increased by 10% and 14% in 2014 compared with 2013. This was due to the group's expansion and business growth in 2014. Our energy and water intensity decreased by 12% and 9% as compared to the previous reporting year. The associated generation of greenhouse gas emissions from energy use in our hotels was 116,749 tonnes (about 21 kg CO₂e per guest night) in 2014. We will continue to deliver on our commitment to protect the environment by reducing our environmental footprint.

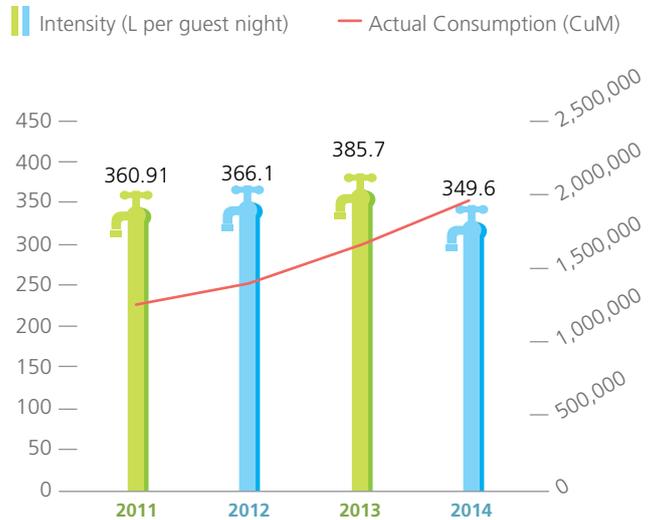


Group Annual Energy Consumption



Note: Energy consumption data were revised due to (i) inclusion of purchased steam and chilled water from two hotels in North America, and (ii) consistency in unit used for energy.

Group Annual Water Consumption



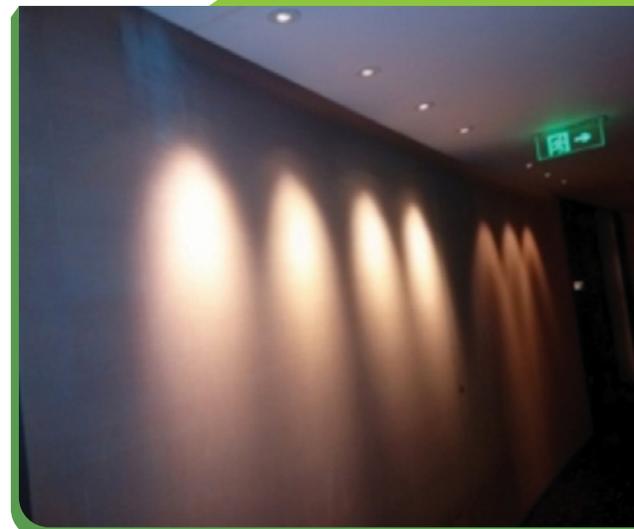
Reducing Our Environmental Footprint

Resource Conservation

We always identify energy and water saving opportunities through optimising the efficiency of plants and equipment in our newly opened hotels, whilst upgrading the plants and equipment in older hotels. The Langham, Shanghai, Xintiandi completed a series of energy and water conservation projects which brought significant savings to the hotel without affecting the high standard of service quality to their guests. The projects included boiler condensate recovery, boiler furnace descaling, steam pressure adjustments, heat insulation installation for their swimming pool and glass wall, LED light retrofitting, sensor controls for water taps and lighting, and cooling tower enhancements. The team estimated that a reduction of 30% in energy costs, and 20% in water consumption was achieved.

Langham Place, Beijing Capital Airport enhanced their heating, ventilation and air-conditioning (HVAC) system by introducing controls for the circulating pumps according to outdoor temperatures, and using cold outdoor air to cool their cooling tower seasonally. Together with these enhancement projects and LED retrofitting, it is estimated that over RMB 600,000 was saved annually. Similar projects were implemented in other “younger” hotels like our Langham Place Hotel in Ningbo.

In 2014, the renovation of 103 guest rooms was completed at The Langham, Hong Kong. The project was aimed at enhancing the overall guest experience, as well as the installation of energy and water conservation features such as LED light fittings, dual flushing systems, and water saving sanitary fitting appliances for bathrooms. The hotel also implemented a small-scale renewable energy project on the rooftop. Solar energy was collected and stored in a battery to support the water mist system which was designed to increase efficiency in the chiller plant, particularly during the very hot summer in Hong Kong.



LED lighting at corridor in The Langham, Shanghai, Xintiandi



Newly renovated bathroom in The Langham, Hong Kong

Waste Management

While food balance is a global issue, our focus is also in reducing food wastage in our hotels. We use the 3Rs principle in handling our food waste – Reduce wastage, Reuse in some other area or donate to charities, or lastly Recycle through composting. From our past experience, surplus food is often found at events and banquets. To address this concern, our hotels in London and Hong Kong partnered with Plan Zheroes and Green LUCK Banquet initiative by Green Monday respectively to donate leftover food from events to charities.

Guest amenities are also another area for improvement in our waste management. Starting from 2014, The Langham, Melbourne collected and sent all used soap from guest rooms to the Rotary Club. The soaps were delivered to the soap factory where they were ground down and melted to make new soaps. The new soaps were then sent to countries to help where they were needed. Moreover, all used slippers, shampoo and body wash bottles were donated to the Salvation Army for the needy.

We also look into green initiatives that can engage our guests and enhance their experience while staying at our hotels. For example, our hotel in Ningbo offered our guests the option of newspapers in print or digital versions. Guests can use an iPad from the Front Office to read different newspapers and magazines through their partnership with PressReader, a digital newspaper and magazine service. In 2015, we will explore the opportunity to introduce additional green initiatives to the hotels' Brand Standards.

Upstream and Downstream Influence

Our environmental footprint is not limited to our operation. The life cycle of a hotel before it begins operations is the 'design and build' stage. Sustainable Design Guidelines were therefore developed and integrated into our Design Control Documents for different brands. The guidelines serve as the starting point to guide our staff, consultants and contractors, investors and their advisors upon the project development and refurbishment of our hotels in a more environmentally and socially responsible manner.

We extended our commitment to purchase responsibly. Upon the issuance of our Responsible Purchasing Policy a year ago, we finalised the guidelines which provide further support to our colleagues on selecting materials, where practical and possible, that have a minimum adverse impact on the environment and welfare of the people and communities where the product/raw material is produced. Taking this one step further to demonstrate the implementation of the guidelines, we will explore the opportunity of introducing a sustainable dining menu programme for all our hotels.



Partnership with Green LUCK Banquet in Hong Kong

Enhancing Environmental Awareness

Training

We continued to roll out the comprehensive EarthCheck toolkit and training pack to hotels beyond Beijing and Shanghai, where we first piloted the programme in 2013. In 2014, training was delivered to our hotels in Toronto, New York, Chicago, Shenzhen, Guangzhou and Hong Kong. The training objectives are to introduce the EarthCheck Standard and benchmarking requirements, and engaging our colleagues in all functions to develop an internal environmental management system by adapting the EarthCheck toolkit to become hotel specific.

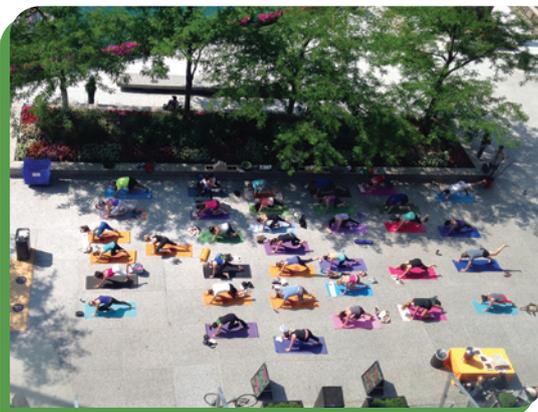


Training attendees included colleagues from finance, public relation, sales & marketing, concierge, security, human resources, food and beverage, and our chefs.

Developing the CONNECT knowledge of our champions is also a key focus to enhance their competencies and in supporting their role in the hotel. Sustainability is a broad topic and can lead to confusion if the issues are not clearly explained. An e-learning course with several modules was therefore developed to put the CONNECT Programme in direct and simple messages which can be easily shared by our hotels' champions.



Earth Hour at The Langham, Shanghai, Xintiandi



Yoga class at The Langham, Chicago



Green Fashion Show at The Langham, Shenzhen

Awareness

Simple actions and messages can create strong influences on our colleagues and guests. We continued supporting the global environmental event, Earth Hour, for the fourth consecutive year. As one of our four global CONNECT events, all our hotels around the world turned off their lights for one hour on 29th March to symbolise our commitment to protecting the environment. We should go beyond the hour by introducing Loving Earth Month next year. During Loving Earth Month, there will be a series of environmental activities to engage our colleagues and guests by taking simple actions or passing out simple messages.

Individual hotels organised various green awareness programmes throughout the year. For example, the Chuan Spa at our hotel in Chicago hosted a monthly complimentary yoga class for the public in the hotel's outdoor plaza from June to August. Another great example was the "Green" fashion show which took place at the annual colleagues' party at The Langham, Shenzhen. Colleagues designed and made fashionable clothes from waste generated by the hotel.

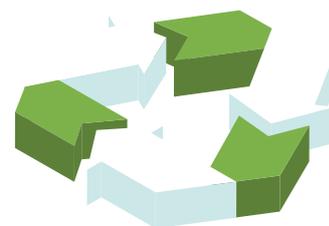
Overview on Group Objectives

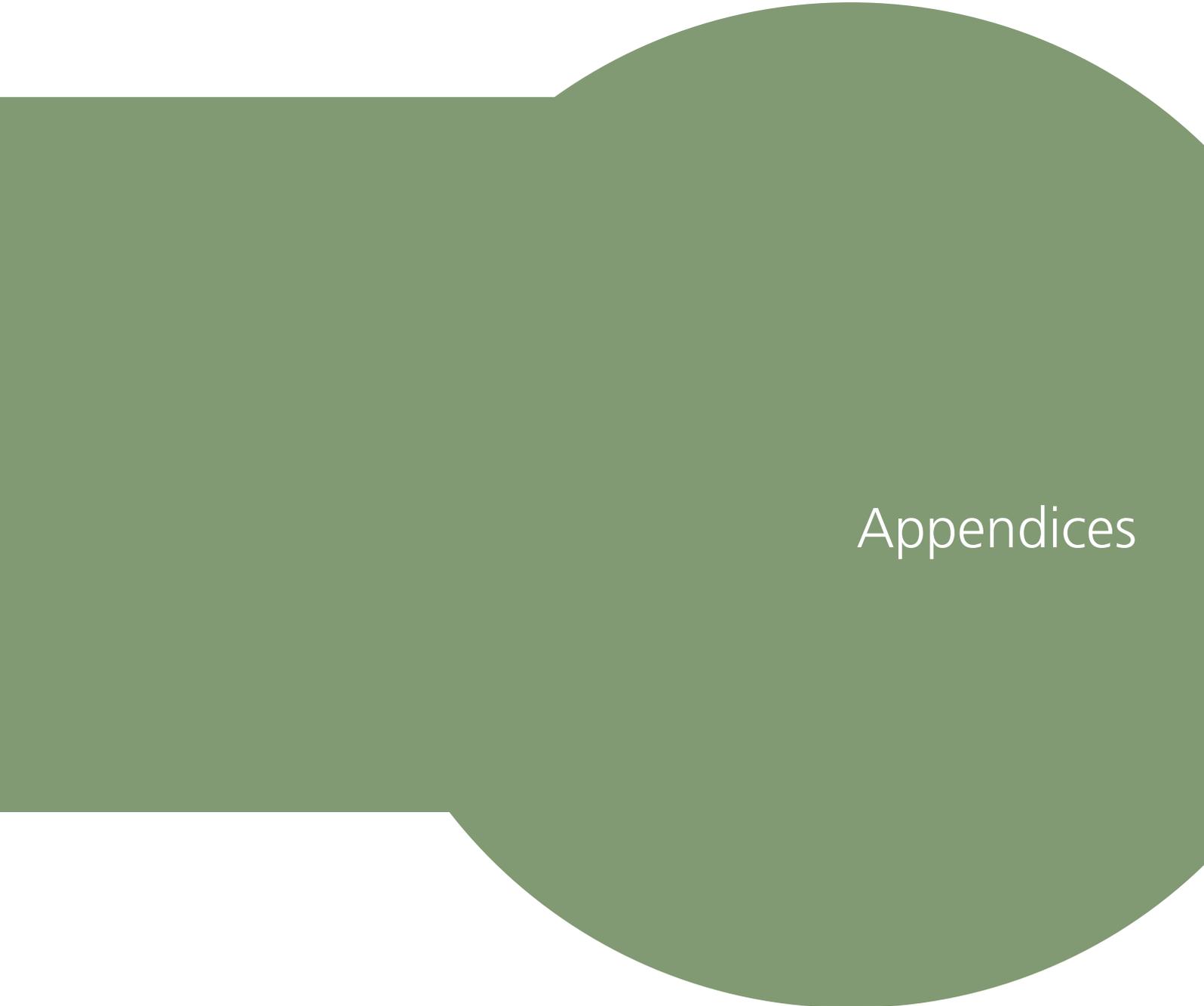
What we did in 2014?

- Integrated and improved consistency on environmental data collection and analysis
- Integrated sustainable design guidelines into Design Control Document
- Launched responsible procurement guidelines to all hotels
- Completed EarthCheck toolkits for new hotels and delivered toolkits training for hotels in the US
- Integrated CONNECT into orientation for all general hotel staff

What we will do in 2015?

- Introduce green initiatives into Brand Standards, including the new brands
- Introduce Loving Earth Month as Global CONNECT Event
- Explore the opportunity of sustainable dining menu programme
- Complete the competence training packs for champions





Appendices

Appendix 1 – Materiality

We focus our CONNECT activities and reporting of the sustainability issues of greatest concern to Langham Hospitality Group's commercial activities. Based on the Global Reporting Initiatives (GRI) G4 guidelines, we identified the environmental and social aspects which are also reference to the EarthCheck standards for accommodation sector, and Hong Kong Exchange Clearing's Environmental, Social and Governance Reporting Guide.

Materiality Map

● High priority ● Medium priority ○ Low priority

| Material Issues | GRI | HKEx Guide | EarthCheck | Disclosure Priority | Reporting status / comments |
|--|-----|------------|------------|---------------------|-----------------------------|
| Cross-theme | | | | | |
| Stakeholder engagement | ● | ● | ● | ● | √ |
| Risk management | ● | ● | ● | ○ | Report by 2017 |
| Supply chain | ● | ● | ● | ○ | √ |
| Economic | | | | | |
| Economic performance | ● | | | ● | √ |
| Economic contribution to local communities | ● | | ● | ○ | Report by 2017 |
| Responsible sourcing | ● | | ● | ○ | √ |
| Local purchasing | | | ● | ○ | √ |
| Environmental | | | | | |
| Resource scarcity | ● | ● | ● | ○ | Report by 2020 |
| Energy | ● | ● | ● | ● | √ |
| Water | ● | ● | ● | ● | √ |
| Biodiversity | ● | | ● | ○ | Report by 2020 |
| Climate change | ● | ● | ● | ○ | √ |
| Waste | ● | ● | ● | ○ | √ |
| Local air pollution | ● | ● | ● | ○ | Report by 2020 |
| Sustainable hotel design | ● | | ● | ○ | √ |
| Sustainable food | ● | | ● | ○ | √ |
| Social – Labour | | | | | |
| Talent recruitment and retention | ● | ● | ● | ● | √ |
| Employee welfare and benefits | ● | | | ● | √ |
| Workplace health and safety | ● | ● | | ● | √ |
| Learning and development | ● | ● | | ● | √ |
| Employee rights and equal opportunity | ● | ● | ● | ○ | √ |
| Diversity and inclusion | ● | ● | | ○ | Report by 2015 |
| Social – Human rights | | | | | |
| Security Practices | ● | | | ○ | Report by 2018 |
| Accessibility | ● | | ● | ○ | Report by 2018 |
| Human trafficking & sex tourism | ● | | | ○ | Report by 2020 |
| Social – Society | | | | | |
| Community partnership | ● | ● | ● | ● | √ |
| Employee Volunteering | ● | | ● | ● | √ |
| Anti-corruption | ● | ● | | ○ | √ |
| Anti-competitive behaviour | ● | | | ○ | Report by 2015 |
| Social – Product Responsibility | | | | | |
| Guest satisfaction | ● | | | ● | √ |
| Food safety and hygiene | ● | ● | | ○ | Report by 2016 |
| Guest safety and security | ● | ● | | ○ | Report by 2016 |
| Governance / Ethics | ● | ● | | ● | √ |
| Data privacy | ● | ● | | ○ | √ |

Appendix 2 – List of GRI Standard Disclosures

This following table provides cross-references to the Global Reporting Initiatives Sustainability Reporting Guidelines version G4. It is a framework of internationally accepted guidelines and principles for companies and organisations to report on corporate responsibility and sustainability performance.

General Standard Disclosures

| General Standard Disclosures | | Report Sections / Comments |
|------------------------------|---|--|
| G4-1 | Statement from the most senior decision-maker of the organization. | Messages from Senior Leaders |
| G4-3 | Name of the organization. | Langham Hospitality Group |
| G4-4 | Primary brands, products, and/or services. | Langham Hospitality Group |
| G4-5 | Location of organization's headquarters. | Langham Hospitality Group |
| G4-6 | Number of countries where the organization operates. | Langham Hospitality Group |
| G4-7 | Nature of ownership and legal form. | Langham Hospitality Group |
| G4-8 | Markets served. | Snapshot of 2014 |
| G4-9 | Scale of the reporting organization. | Snapshot of 2014 |
| G4-10 | Total number of employees. | Caring for Our Colleagues |
| G4-12 | Describe the organisation's supply chain. | Feature: Engaging Our Stakeholders |
| G4-13 | Significant changes during the reporting period. | Nil |
| G4-15 | List externally developed economic, environmental and social charters, principles or others. | Feature: Engaging Our Stakeholders |
| G4-16 | List memberships of association. | Feature: Engaging Our Stakeholders |
| G4-17 | List all entities included in the organisation's consolidated financial statements or equivalent documents. | Langham Hospitality Group |
| G4-18 | Process for defining report content and aspect boundaries. | Introducing this Report |
| G4-19 | List all material aspects. | Appendix 1 – Materiality |
| G4-22 | Effect of any restatements of information provided in previous reports. | Nil |
| G4-23 | Significant changes from previous reporting periods in the scope, and aspect boundary. | Nil |
| G4-24 | List of stakeholder groups engaged by the organization. | Feature: Engaging Our Stakeholders |
| G4-25 | Basis for identification and selection of stakeholders with whom to engage. | Feature: Engaging Our Stakeholders |
| G4-26 | Organisation's approach to stakeholder engagement. | Feature: Engaging Our Stakeholders |
| G4-28 | Reporting period. | Introducing this Report |
| G4-29 | Date of most recent previous report. | 2014 |
| G4-30 | Reporting cycle. | Introducing this Report |
| G4-31 | Contact point for questions regarding the report or its contents. | Introducing this Report |
| G4-32 | "In accordance" option GRI Content Index. | Appendix 1 |
| G4-34 | Governance structure of the organization. | Governance and Accountability |
| G4-36 | Appointed an executive-level position with responsibility for economic, environmental and social topics. | Governance and Accountability |
| G4-39 | Indicate whether the Chair of the highest governance body is also an executive officer. | Governance and Accountability |
| G4-41 | Processes for highest governance body to ensure conflicts of interest are avoided and managed. | Governance and Accountability |
| G4-49 | Process for communicating critical concerns to the highest governance body. | Governance and Accountability |
| G4-56 | Organisation's values, principles, standards and norms of behaviour. | Langham Hospitality Group Governance and Accountability |

Specific Standard Disclosures

| Material Aspects | Disclosures on Management Approach (DMA) and Indicators | Reporting status / comments |
|---------------------------------|--|---|
| Economic | G4-EC1 Direct economic value generated and distributed. | Refer to Annual Report 2014 of Great Eagle Holding Ltd |
| Economic | DMA Market presence. | Snapshot of 2014 |
| Economic | G4-EC6 Proportion of senior management hired from the local community. | Caring for Our Colleagues |
| Energy | DMA | Protecting the Environment |
| Energy | G4-EN3 Energy consumption within the organisation. | Protecting the Environment |
| Energy | G4-EN5 Energy intensity. | Protecting the Environment |
| Energy | G4-EN6 Reduction of energy consumption. | Protecting the Environment |
| Energy | G4-EN7 Reduction of energy requirements of products and services | Protecting the Environment |
| Water | DMA | Protecting the Environment |
| Water | G4-EN8 Total water withdrawal by source. | Protecting the Environment |
| Emissions | DMA | Protecting the Environment |
| Emissions | G4-EN15 Direct greenhouse gas (GHG) emissions (Scope 1). | Protecting the Environment |
| Emissions | G4-EN16 Energy indirect GHG emissions (Scope 2). | Protecting the Environment |
| Emissions | G4-EN18 GHG emissions intensity. | Protecting the Environment |
| Effluent and waste | DMA | Protecting the Environment |
| Compliance | DMA | Protecting the Environment |
| Employment | DMA | Caring for Our Colleagues |
| Labour/management relations | DMA | Caring for Our Colleagues Feature: Engaging Our Stakeholders |
| Occupational Health and Safety | DMA | Caring for Our Colleagues |
| Occupational Health and Safety | G4-LA6 Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender. | Caring for Our Colleagues |
| Training and Education | DMA | Caring for Our Colleagues |
| Training and Education | G4-LA9 Average hours of training per year per employee by gender, and by employee category. | Caring for Our Colleagues |
| Training and Education | G4-LA10 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings. | Caring for Our Colleagues |
| Training and Education | G4-LA11 Percentage of employees receiving regular performance and career development reviews, by gender. | Caring for Our Colleagues |
| Diversity and Equal Opportunity | DMA | Caring for Our Colleagues |
| Diversity and Equal Opportunity | G4-LA12 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership. | Caring for Our Colleagues |
| Local Community | DMA | Supporting the Community |
| Local Community | G4-SO1 Percentage of operations with local community engagement. | Supporting the Community |
| Anti-corruption | DMA | Governance and Accountability |
| Anti-corruption | G4-SO4 Communication and training on anti-corruption policies and procedures. | Governance and Accountability |
| Anti-corruption | G4-SO5 Confirmed incidents of corruption. | Nil in 2014 |
| Product and Service Labelling | DMA | Caring for Our Guests |
| Product and Service Labelling | G4-PR5 Results of surveys measuring customer satisfaction. | Caring for Our Guests |
| Customer Privacy | DMA | Governance and Accountability |

