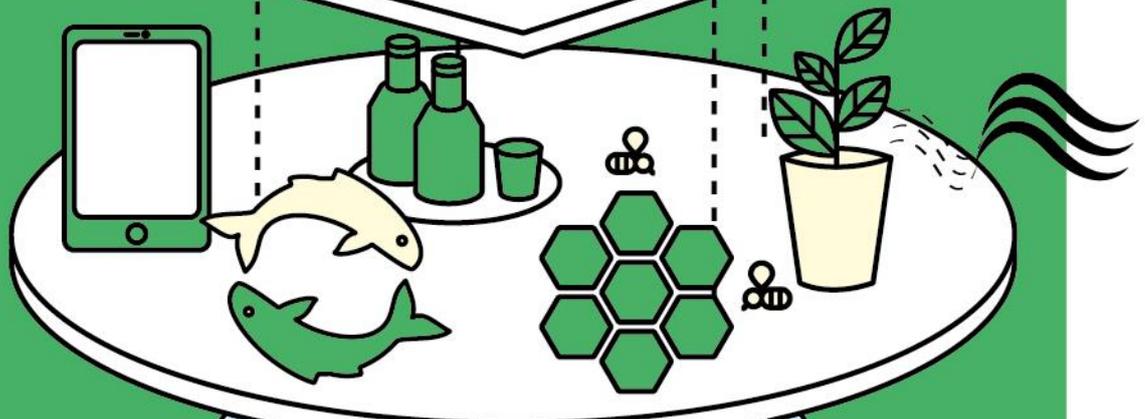
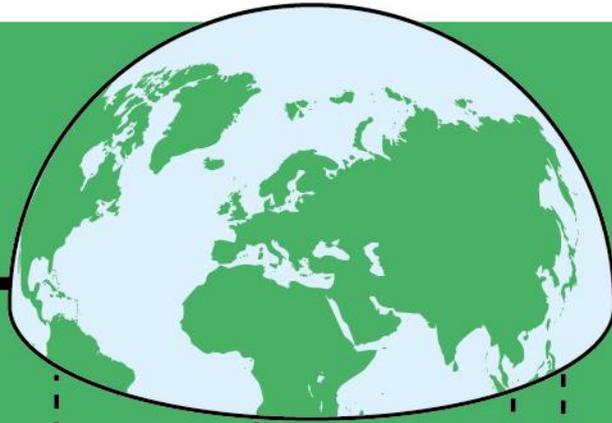


WE PROTECT OUR PLANET

A Decade
Review



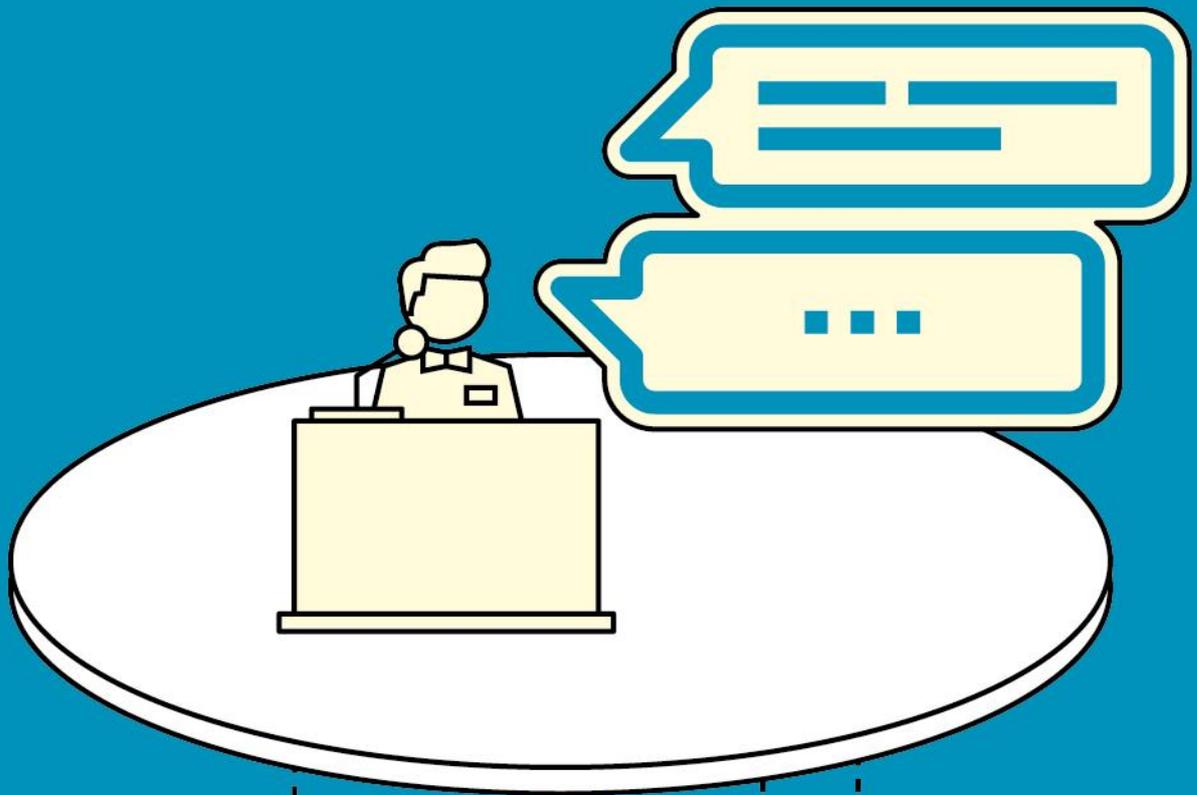
**LANGHAM
HOSPITALITY
GROUP**

Sustainability
Report 2017

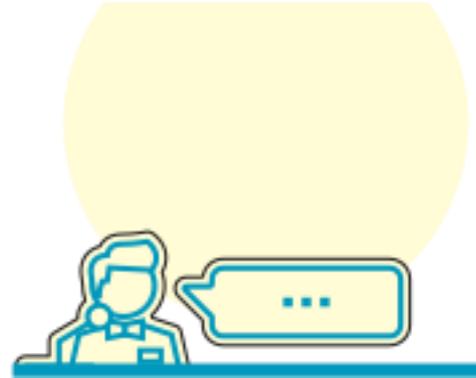
Table of Contents

Message from Executive Chairman	Page 2
Introduction	Page 4
Feature: Journey to Environmental Sustainability	Page 10
Caring for Our Community	Page 20
Caring for Our Colleagues	Page 27
Governance and Responsible Business	Page 33
Appendices	Page 37

MESSAGE FROM EXECUTIVE CHAIRMAN



MESSAGE FROM EXECUTIVE CHAIRMAN



In the time since our last Sustainability Report, Langham Hospitality Group has worked hard to align our hotels towards common CSR goals. It is our mission to be clear and honest in the communication of our objectives, goals and performance and we welcome dialogue with all our partners, guests and team members.

In 2017, Cordis, Auckland continued its upward trajectory in this important sustainability path with achieving EarthCheck Platinum certification and the hotel has been recognized with the New Zealand Hotel Industry Environmental Initiative of the Year award. In Chicago, The Langham is now a certified LEED Green Building, and in Asia Pacific, Cordis, Hong Kong leads the charge as one of the top environmental hotels in Hong Kong.

Clearly, balancing our environmental governance with our commercial responsibilities and community outreach activities is the way forward for our group. Our colleagues continue to make us proud by demonstrating their commitment to our core values whilst showing that doing the right thing makes good business sense. Moving ahead, we will step up our CSR efforts with the knowledge that this is a long-term pledge that will take us on the right path to create a more sustainable and responsible future.



A handwritten signature in blue ink, appearing to read 'KS Lo'.

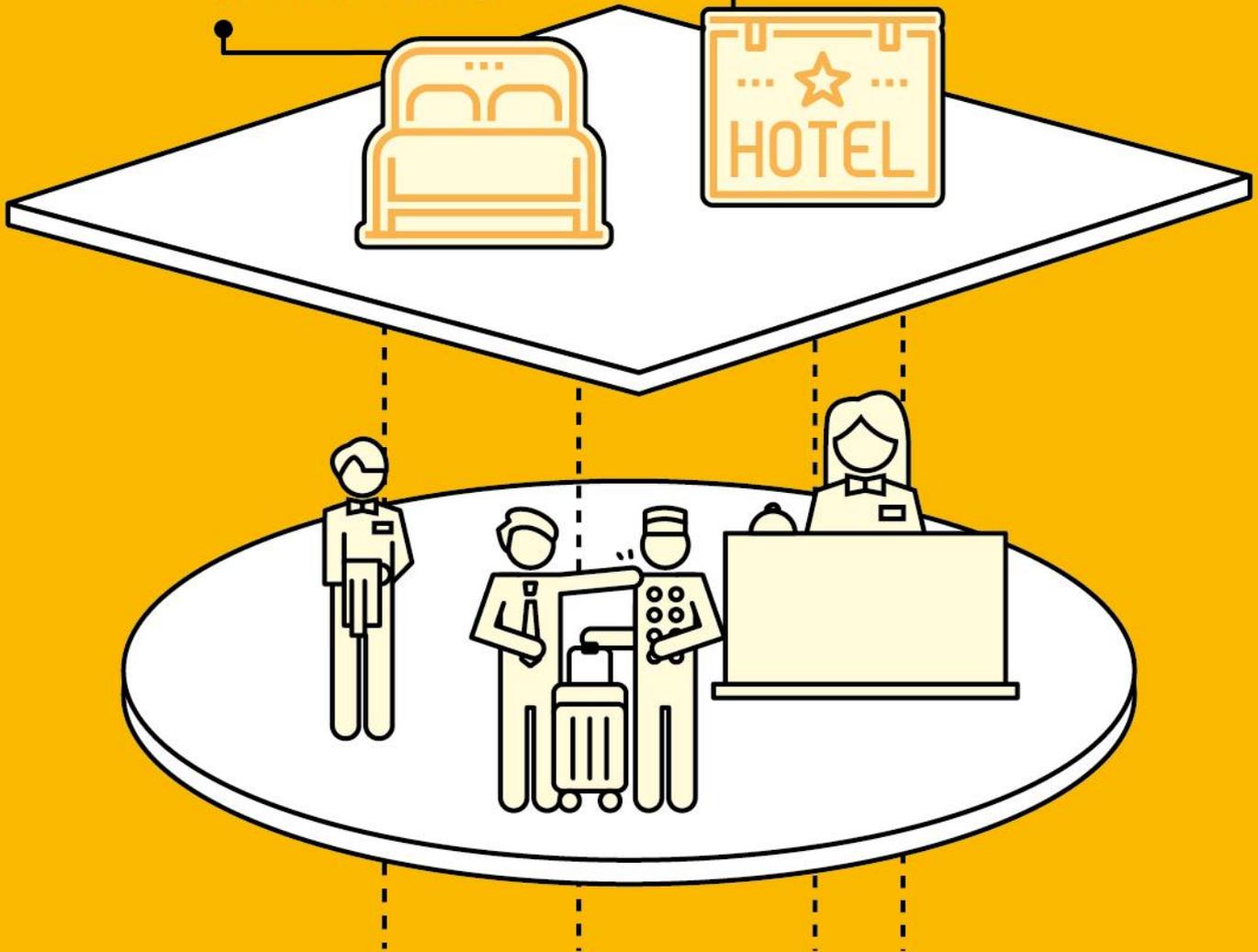
Dr. K S Lo

Executive Chairman

INTRODUCTION

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

Operate **21 Hotels** in Australia, Canada, China, Hong Kong, New Zealand, United States and United Kingdom **with approximately 950,000 sq m in floor area**



Asia

- | | | | |
|-------------------------------------|-------------------------------------|-----------------------------|---|
| 1. Cordis, Beijing Capital Airport | 4. The Langham, Haikou | 7. The Langham, Shenzhen | 10. Langham Place, Ningbo Culture Plaza |
| 2. Cordis, Hong Kong | 5. The Langham, Hong Kong | 8. Langham Place, Guangzhou | 11. Langham Place, Xiamen |
| 3. Cordis, Shanghai, Hongqiao (New) | 6. The Langham, Shanghai, Xintiandi | 9. Langham Place, Haining | 12. Eaton, Hong Kong |

Europe and North America

- | | |
|--|---|
| 13. The Langham, Boston | 16. The Langham, London |
| 14. The Langham, Chicago | 17. The Langham, New York, Fifth Avenue |
| 15. The Langham, Huntington, Pasadena, Los Angeles | 18. Chelsea Hotel, Toronto |

Pacific

- | |
|---|
| 19. Cordis, Auckland (former The Langham, Auckland) |
| 20. The Langham, Melbourne |
| 21. The Langham, Sydney |

INTRODUCTION



About Langham Hospitality Group

LANGHAM HOSPITALITY GROUP

Langham Hospitality Group encompasses a family of distinctive hotels under the Langham Hotels and Resorts and Cordis brands with more than 30 projects currently either confirmed or in a developed stage of negotiation from Asia, Europe and North America to the Middle East. The Group takes its name from the legendary Langham in London which was widely recognised as Europe's first Grand Hotel.

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

For more information, please access the website at www.langhamhospitalitygroup.com.

Our Vision and Commitments

Our [Vision](#) clearly states our long term strategy in expanding the group as an operator of luxury and upper upscale hotels in various markets globally. To achieve this sustainably, our business strategy embraces stakeholders' interests ensuring balanced commitments in the triple bottom line.

In 2017, the current vision, mission, objectives and values (VMOV) was reviewed to enhance the articulation of the company's direction, business & operations model and brand strategies. We believed that a strong culture of driving excellence is the crucial factor, to help us move from "Good" to the "Best". This concept was then introduced in the Global General Manager Conference in July 2017 with the theme "Journey to Excellence: Taking the Initiative for Success". All the hotels' general managers come together with our corporate management team to discuss and formulate the approaches for fostering the culture that would inspire our colleagues to take initiatives and perform better every day.

Global General Manager Conference 2017



Our Commitment to Guest

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

“Quality League”, the Total Quality Management system drives the best performance in our business. This team-oriented system is based on the renowned Malcolm Baldrige Performance Excellence Framework from the United States. It focuses on engaging every colleague towards the same goal from a systematic perspective of continuous improvement. Brand and Operational standards are our guiding principles to ensure excellent service delivery to guests by our colleagues across our portfolio. In 2017, we revamped our Branded Standard Operating Procedures (SOPs) to ensure the service basics to be delivered by our colleagues in accordance with our Brand requirements. Colleagues are trained on the SOPs that are relevant to their positions as part of the First60 Certification training programme.



Guests’ feedback is the most important information that we have for facilitating our continuous improvement. We adopted a holistic approach to capture the direct feedback from our guests. Various voice-of-the-customers (VOCs) channels including online surveys, mobile surveys, social media and feedback cards are deployed for collecting comments from our guests. Timely responses with quality and action-bias towards our guest opinions is one of the most direct and effective approach in engaging our guests in this fast-moving digital era. The platform with its real-time analysis on guest feedback helps our colleagues take total control of our guest experience along the customer journey, and ultimately helps us designing excellent guest service strategy and build guest loyalty.

Among all the VOC channels, the online guest satisfaction survey (GSS) provides us more important data on how our guests feel about us regarding different service touch points during their stay with us. We have measured Net Promotor Score (NPS) and Defect Free Index (DFI) based on the GSS since 2015. We measure NPS based on our guests’ response to the question – “how likely would you recommend this hotel to a friend or colleague?” The GSS results geared our focus on increasing the number of “promoters”. On the other hand, DFI helps us to promote a zero defect culture within our company through the identification of areas for improvement. Both NPS and DFI are our key performance indicators in service quality to ensure our focus on service improvement in response to our paying guests’ desire for the purpose of building guest loyalty.

NPS	2016	2017
Langham and Cordis	62.7	66.8

To ensure the consistency of our service delivery and provide every guest with the most professional services and memorable experiences, independent professionals in mystery shopping were invited to conduct a quality assessment at our hotels every year. Through these assessments, we obtain professional opinions to help ensure our services and facilities comply with our Brand standards.

Achievement in 2017

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

Condé Nast Traveler's 2017 Readers' Choice Awards:

- The Langham, New York – #1 Hotel in New York City (#2 in the U.S. and #30 out of the top 50 in the world)
- The Langham, Chicago – #2 Hotel in Chicago
- The Langham, Boston – #8 Hotel in Boston
- The Langham Huntington, Pasadena – #15 in Top Hotels in Los Angeles
- The Langham, London – #22 Top Hotels in London
- The Langham, Melbourne - #3 in Australia and New Zealand
- Cordis, Auckland – #12 in Australia and New Zealand

The Michelin Guide 2018:

- T'ang Court at The Langham, Shanghai, Xintiandi received Three Michelin Star Rating
- T'ang Court at The Langham, Hong Kong received Three Michelin Star Rating
- Ming Court at Cordis, Hong Kong received One Michelin Star Rating
- Yat Tung Heen (Jordan) at Eaton, Hong Kong received One Michelin Star Rating

Chefs at T'ang Court at The Langham, Hong Kong



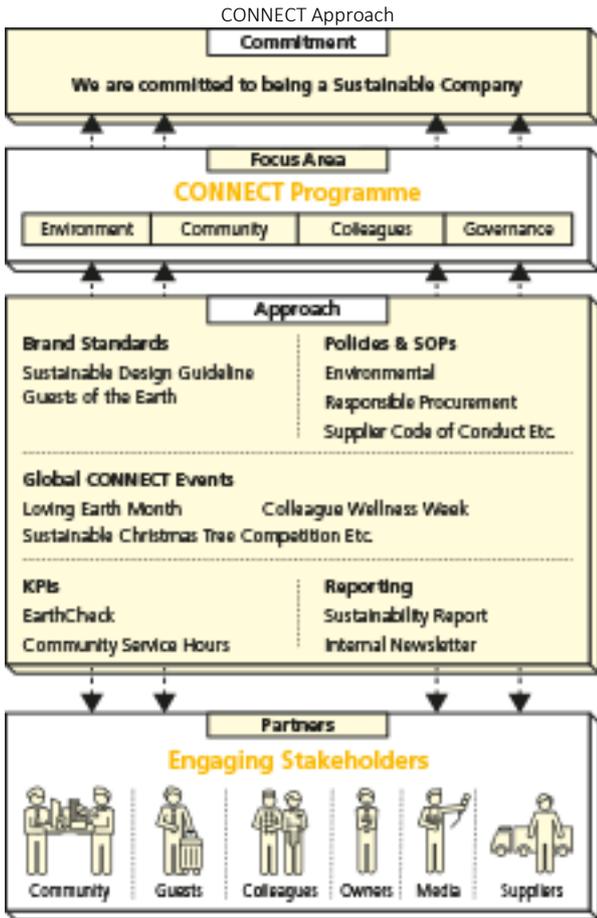
Our Commitment to Sustainability



CONNECT is our corporate sustainability programme which is founded based on our [commitment to being a sustainable company](#). We want our colleagues to realise the connection between our activities and the environment and society, so that we can all behave responsibly every day and contribute to the sustainable development of the neighbourhoods where we operate.

CONNECT Programme is composed of four focus area including Environment, Community, Colleagues and Governance which shape our balanced thinking and actions to lead us into becoming a sustainable company. CONNECT is implemented in the hotels by their CONNECT Champions and CONNECT Committees which must be represented by an executive committee member together with representatives from each function. Sustainability is one of the key performance indicators of our hotels supported by the group policies and the Global CONNECT events to foster the CONNECT culture in the company.

Since the introduction of the CONNECT Programme in 2011, we have laid a solid foundation to ensure compliance, enhance internal awareness at all levels, and become the industry's best practice. In 2017, we conducted a review and training on CONNECT implementation with our CONNECT Team members in individual hotels. The objectives not only strengthened the CONNECT culture in each property, but also identified the best practices and areas for improvement in our CONNECT Strategy. In 2018, we will conduct an extensive review on our CONNECT Strategy to meet not only the current, but also the future stakeholders' expectations. We will share the new CONNECT Strategy in the next report.



Our Engagement with Stakeholders

We cherish the relationships with our stakeholders along our sustainability journey. Our Group Steering Committee identified Colleagues, Community, Guests, Media, Owners, and Suppliers to be our key stakeholders. We discussed our relationships and engagement approach with our key stakeholders in the Sustainability Report 2014. Since 2015, we have introduced a stakeholder engagement model to our hotels and focused our engagement exercises with two key stakeholder groups every year. Colleagues and Owners were our target stakeholder groups in 2017.

Colleague engagement event “Rotating Connections” at Chelsea Hotel, Toronto to involve our colleagues in devising the hotel’s CONNECT Programme for 2018.



CONNECT and SDGs

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

Colleague Survey on CONNECT Programme at The Langham, London



In 2018, we will conduct stakeholder engagement at group level as part of our strategy review exercise. We plan to obtain stakeholders' views on our CONNECT strategy, and incorporate their comments in our improvement action plans.

Our Partnership with Industry and Experts

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

Our Partnership with Suppliers

Suppliers are one of the most important industry partners for our hotels. We work with them in ensuring that they deliver products with higher sustainable value to our hotels. In addition to our Responsible Purchasing Policy and Guidelines, our Supplier Code of Conduct is included as part of the tendering process documents and also sent to our significant suppliers to obtain their acknowledgement. Moreover, EarthCheck certification requires our hotels to consider using green power and eco-labelled products, including paper products, cleaning chemicals, and pesticides.

We are also delighted to observe positive results from the previous stakeholder engagement exercises, in particular with our seafood suppliers. For our hotels with significant food and beverage operations located in Hong Kong, Europe, Pacific and North America regions, a range of 20%-90% of our seafood was sustainably sourced. Our hotels in China region had difficulties identifying reliable and sustainable seafood sources, but we observed that the public awareness on sustainable seafood was raised and we will continue to actively look for the right sustainable options in China.

Sustainable seafood supplier sharing and tasting session in Hong Kong.



With the expansion of our portfolio, we will look into sourcing local products and services in developing countries where child and forced labour are often identified. We will take further steps to enhance our supply chain management in the next few years.

FEATURE STORY: JOURNEY TO ENVIRONMENTAL SUSTAINABILITY

1 hotel achieve **EarthCheck Platinum** certification
(0 hotel in 2011)
7 hotels achieve **EarthCheck Gold** certifications
(1 hotel in 2011)

Consumed **205 MJ energy**
per Guest Night
(243 MJ per Guest
Night in 2011)

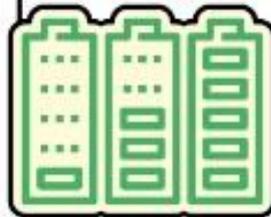
Consumed **416 L water** per Guest
Night
(391 L per Guest
Night in 2011)



67% of all our hotels achieved **EarthCheck** certifications at different levels

16% reduction in **Energy Intensity** as compared to our base year 2011

7% increase in **Water Intensity** as compared to our base year 2011

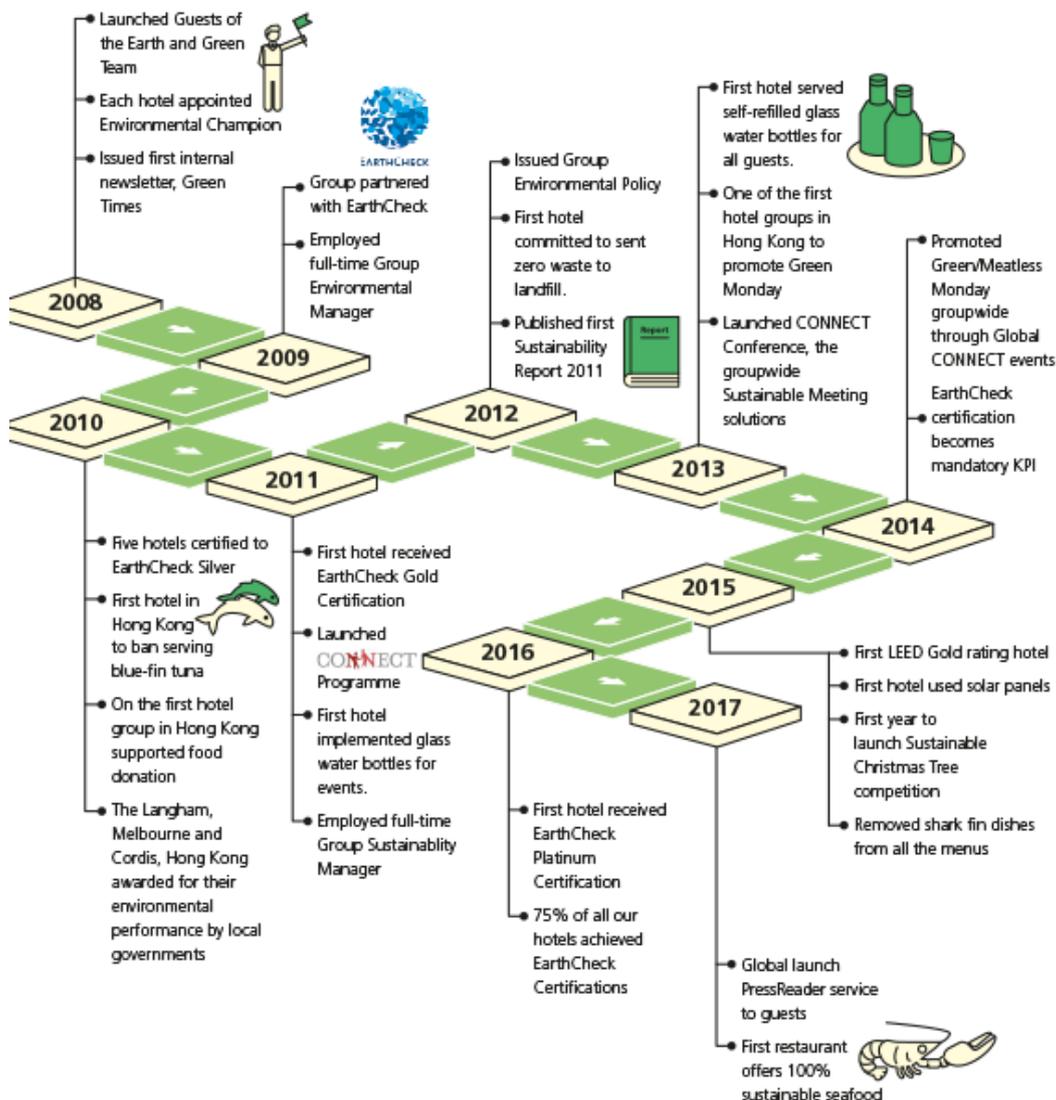


PROTECTING THE ENVIRONMENT



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

Protecting the environment has been the core value of our company and our colleagues since 2008, before the birth of the CONNECT Programme. In our [Sustainability Report 2012](#), we shared how we see our interaction with the environment and endeavoured to minimise our carbon footprint as far as possible. We reached our 10th year in preserving the environment and this section reviews our achievements and lessons learnt, and these guide us to evolve on our sustainability commitment. The timeline below shows our journey towards environmental sustainability in the last decade.



Approach

We believe that sustainability must be integrated into our business operation along the value chain across all brands and properties. “Walking the talk” is the core value to be embraced in our operations and our initiatives. We have stipulated our direction in the Group’s Environmental Policy and the mandatory key performance indicator for all our hotels – to achieve [EarthCheck](#) certification. Our hotels are therefore assessed and verified by independent third party auditors regularly to drive continuous improvement in sustainable operations.

Sustainable Hotel Design Guidelines as part of our Design Control Document define our requirements upon the project development and refurbishment of our hotels in different brands. The Responsible Purchasing Policy and Guidelines stipulated the way we should select products and services, where practical and possible, that have a minimum impact on the environment and welfare of the people and communities where the product / raw material is produced.

We extend our sustainability commitment to involve our key stakeholders along the process. We offer sustainable options to our guests such as “[CONNECT Conferences](#)” sustainable meeting and “Guests of the Earth” towel and linen reuse programme. We participate in [Earth Hour](#) and promote “Green Monday” globally every year through the [Loving Earth Month](#) campaign, to combat global warming together with our colleagues and guests. Nevertheless, we have introduced countless initiatives in the past decade and will highlight some of them as [business cases](#) in later sections.

EarthCheck

[EarthCheck](#) is the leading international sustainability benchmarking and certification service for the travel and tourism industry. The EarthCheck standards align with international frameworks such as the International

Organisation for Standardisation (ISO), Global Reporting Initiatives (GRI) and industry practices such as the Global Sustainable Tourism Criteria (GSTC).



In 2017, Cordis, Auckland attained its EarthCheck Platinum certification status which means their sustainability efforts have been recognised for at least ten years. In addition, there were seven hotels that were Gold Certified, and six hotels were Silver Certified.

EarthCheck Plaque Unveiling Event at Cordis, Auckland



Global CONNECT Events

Since the launch of Global CONNECT Events in 2013, we introduced one event in each CONNECT focus area to engage our colleagues and stakeholders in the CONNECT culture. Loving Earth month continues to be our annual environmental event. To encourage eco-friendly lifestyle, all hotels kicked off the month with [Earth Hour](#), the global “lights out” campaign, and then followed with meatless or sustainable seafood dishes promoted in their restaurants and colleague cafeterias.

Green Monday Promotion at Colleague Cafeteria in Haining



In addition to the 10,000 steps challenge, our hotels also organised an upcycling competition to encourage colleagues sharing ideas on upcycling waste materials. This was also inspired by our Sustainable Christmas Tree competition which was first introduced in 2015 and had become another annual environmental focus Global CONNECT Events in 2017.

Sustainable Christmas Trees Competition Showcase in [Pinterest](#)



Achievement in 2017

The following are highlights of our 2017 recognitions for our environmental protection efforts:

Green Leaders Programme by TripAdvisor

- The Langham, London – Gold Level
- Cordis, Auckland – Silver Level
- The Langham, Melbourne – Silver Level
- The Langham, Boston – Bronze Level

Cordis, Auckland received:

- New Zealand Hotel Industry Environmental Initiative of the Year Award at the annual New Zealand Hotel Industry Conference.
- Qualmark Enviro Gold Rating by Qualmark New Zealand



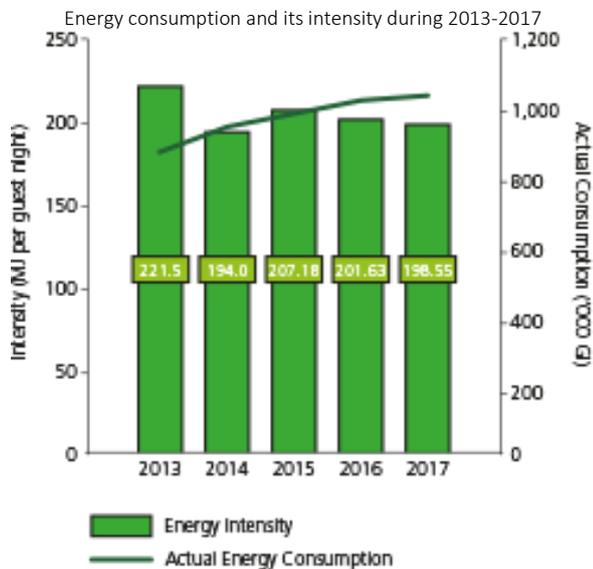
- Cordis, Hong Kong received U Green Awards 2017 - Outstanding Green Event Planning
- Eaton, Hong Kong received the 2016 Hong Kong Awards for Environmental Excellence - Hotels & Recreational Clubs Sectoral: Certificate of Merit by the Environmental Campaign Committee, HKSAR.

Energy and Greenhouse Gas

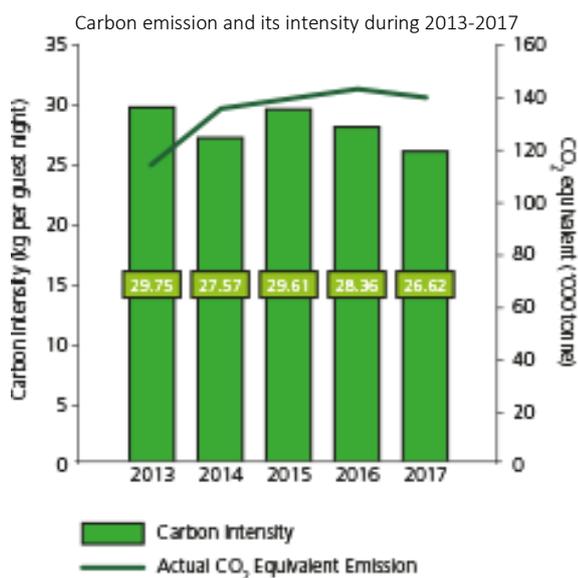
We aim to operate our hotels by maximising energy efficiency without affecting the quality of our services. We always identify energy saving opportunities through optimising the operational efficiency of plant and equipment, and upgrading systems when there is a major refurbishment. In 2017, our hotels continued to focus on LED light retrofitting and HVAC systems upgrading which helped to improve the electricity efficiency significantly.

Our energy consumption is primarily composed of electricity from grid, natural gas, diesel, purchased steam and chilled water in our 21 properties. In 2017, the overall energy consumption increased by 1% over 2016 due to the addition of one hotel. Energy intensity is measured by the energy

consumed per guest night in our hotels. Our energy intensity in 2017 decreased by 2% from 2016 as a result of energy efficient improvement projects.



In 2017, carbon equivalent emissions associated with our energy used decreased by 4% and the carbon intensity decreased by 6% as compared with the previous reporting year. Shifting to the use of cleaner energy might not drop the total energy consumption, but emission are reduced.

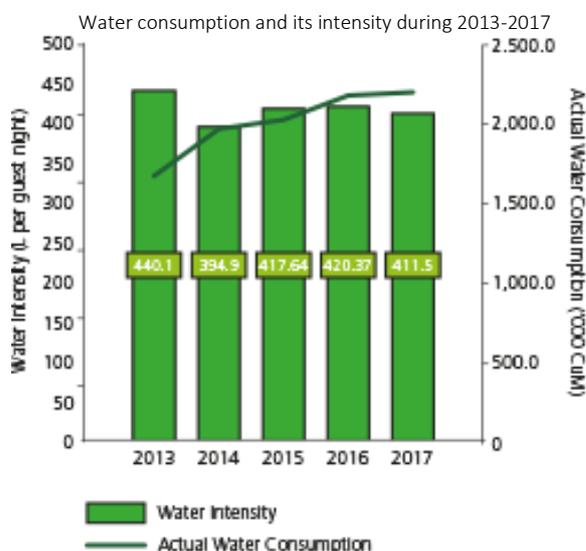


Our commitment to minimise our carbon footprint is progressing and we saw the reduction of our carbon intensity by 14% and energy intensity by 18% compared to 2011 baseline.

Water and Waste

Accessibility to clean water becomes a pressing global issue and hotel operations heavily rely on water for hygiene and cooking purposes. We are responsible for reducing our water footprint by installing water-efficient equipment across our properties, and raising staff awareness on water conservation. EarthCheck also requires us to pay attention to the inclusion of water saving fixtures in our guest rooms, public toilets and kitchens. Our hotels in Boston and Pasadena, Los Angeles upgraded their laundry systems with a more efficient model and waste water recycling function.

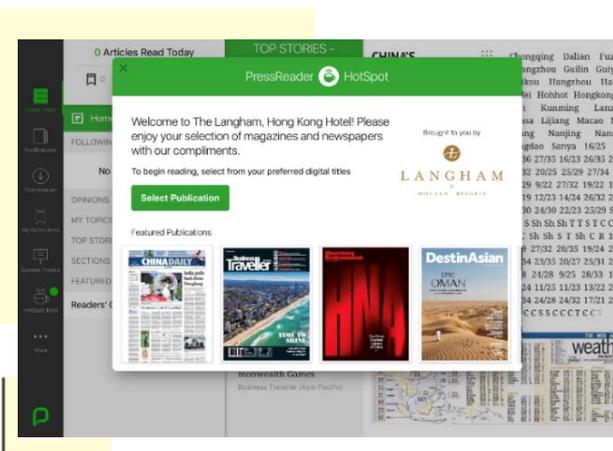
In 2017, our total annual water consumption for all hotels has increased by 1% compared to prior year as we are reporting on 21 hotels instead of 20 hotels in 2016. Water intensity is also measured by water consumed per guest night, and this decreased by 2% even though we realise that the water intensity in 2017 is 2% higher than in 2011. This is an improvement in water efficiency of our hotels in the past year, and we will continue to drive more water conservation initiatives in next few years.



Waste Reduction

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

In 2017, we launched the partnership [PressReader](#) – market leader in digital newspaper and magazine delivery – to further enhance the guest experience in a paperless option which will reduce wastage and cost. We offer this service in lieu of our current print paper delivery on a complimentary basis, and guests are able to download and save as many newspapers and magazines as they like to take home or continue reading on their journeys. The service will be available via each property's wifi network by visiting PressReader's website or downloading the PressReader app on a smart phone or tablet.



In addition to paperless options, we are pursuing our waste reduction commitment into plastic and food waste for the future. We cascaded our direction to all our hotels during the 2017 General

Manager Conference. We will report our strategy in these two focus waste areas in the future.

In reviewing of our environmental management approach and performance since 2011, our commitment to protecting the environment is proven with a strong record, and at the same time some areas for further improvement were identified. We would also like to take this opportunity to select and share some great examples of our properties which joined our sustainability journey at different stages in the past ten years.

Case Studies

Cordis Auckland – where our journey began

Cordis, Auckland is where our sustainability journey began. The hotel's environmental journey started in 2007 when a colleague working as a steward at the time recognised the need and opportunity for the hotel to address its environmental responsibility. He shared his vision with the General Manager and initiated the first steps, developing and implementing the hotel's first Environmental Policy. This initiative grew resulting in our first environmental audit by Green Globe, which is now called EarthCheck, in December 2007. Cordis, Auckland was then the first accommodation property in New Zealand to be Environmentally Certified. Cordis, Auckland have since been certified by EarthCheck for ten consecutive years and received the prestigious EarthCheck Platinum level of certification making us the first Platinum-certified hotel in Australasia and the third in Asia-Pacific.

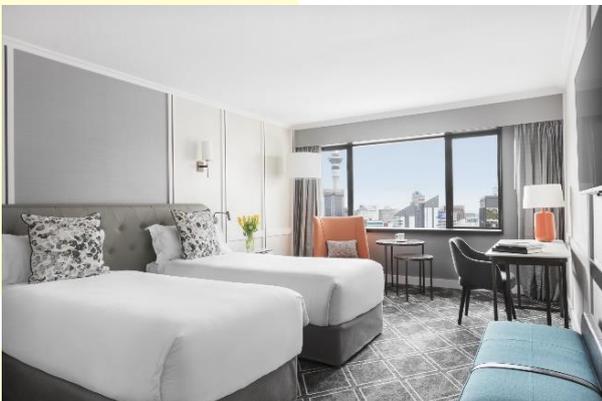
Earth Hour Event at Cordis, Auckland in 2010



Each year, Cordis, Auckland submits 12 months of operational data to EarthCheck for benchmarking. Since 2006, the hotel saved 25 million MJ in energy consumption through on-going energy monitoring and retrofitting projects; and minimised 332,000 litres of landfilled waste through recycling. Along the year, these initiatives added-up equate to nearly NZD\$ 700,000 in financial savings.

The hotel went through a comprehensive renovation of its public areas and guest rooms in 2017. All of the guest room and corridor lighting was replaced and now 100% of lights are LED. The new sink tap has a restrictor in the aerator, lowering the water flow to 6 L/min. New waste bins with 2 bays were implemented in the renovated rooms, allowing waste segregation in all guest rooms to further facilitate recycling.

Refurbished Guestroom



Being on the sustainability journey for ten years would not stop us from taking initiatives to push our boundaries further, by embracing eco-friendly lifestyles for our colleagues and guests. Vehicles offered by the hotel were first upgraded to hybrid limousines a few years ago, and recently they introduced electric bikes for guests so that they can explore the vibrant neighbourhood in a low-carbon way. We also partnered with WWF New Zealand and our suppliers to source much of our seafood sustainability. We also kept our own beehives on the rooftop to harvest our own flavoured honey. With all these great initiatives, the hotel will continue to remain a leader, in terms of sustainability, in New Zealand.

Electric Bikes offered by Cordis, Auckland



The Langham, London – Legendary and Sustainable

Opened in 1865, The Langham, London is Europe's first 'Grand Hotel', and has recently completed a remarkable restoration of all rooms and suites in 2017. The project was aimed at not only enhancing the overall guest experience, but also improving efficiency through the installation of energy and water conservation features such as LED light fittings, a newly installed energy efficient hot water system, and water saving flush systems and sanitary fittings for bathrooms. Compared to 2011, the hotel's energy consumption in 2017 reduced by 19% and the energy intensity dropped by 25%.

Renovated Guest Room



The Langham, London was the first luxury hotel in Europe to achieve EarthCheck Gold Certification, in addition to Green Tourism Gold and [Tripadvisor GreenLeader Gold](#) rating. Green Tourism is the largest and most established sustainable grading program in the world and is independently validated by the International Centre for Responsible Tourism (ICRT). To be honoured with these outstanding achievements, the hotel spearheaded several initiatives driving their standard of sustainability to a higher level. In 2011, they became our first hotel to engage our conference and events guests to “meet greener” by offering Langham branded glass bottled water. An in-house water-bottling plant is used, instead of using disposable plastic water bottles.

Serving Glass Bottled of Water for Meetings



Since 2012, the hotel had committed to zero waste to landfill. Recyclable waste was segregated for recovery whilst the residual non-recyclable waste was taken to the local waste-to-energy recovery facility. In the same year, the hotel was the first hotel in the United Kingdom to sign the Sustainable Fish Cities Pledge, promising

to take the appropriate steps to buy sustainable seafood. In 2017, the hotel purchased 70% of seafood from sustainable sources.

Cordis, Hong Kong – Sustainability Pioneer

Cordis, Hong Kong, formerly known as Langham Place, has been the leader in environmental best practices in the hospitality industry of Hong Kong. The hotel is one of the only two hotels in Hong Kong honoured twice with the prestigious Gold Award from the Environmental Campaign Committee for the Hong Kong Awards for Environmental Excellence. The hotel adopts a holistic systematic approach in managing the environmental aspects for this 600+ guestrooms property with third party certifications in both EarthCheck and ISO 14001.

Gold Award of the Hong Kong Awards for Environmental Excellence in 2011



The hotel has also been a pioneer piloting different environmental initiatives. It was the first hotel who had partnered with Green Monday to promote vegetarian dishes in 2012, and later embarked on a joint promotion pushing Green Luck Banquet – a programme offering a green wedding banquet option. Together with our two sister hotels in Hong Kong, we were the first hotel group to initiate the donation of vegetable trimmings from our Michelin Starred Chinese restaurants to Food Angel in 2012.

Building on the adventurous spirit, we introduced the upcycling concept to our guests by partnering with St. James' Settlement, a local charity organisation. We acted as the contributor by collecting and donating used wine corks from our restaurants and banquets at the beginning of the partnership in 2012. These wine corks were upcycled into pens so we took a further initiative to play an additional role as the buyer, by selling these pens at the hotels retail shop. In 2015, Cordis, Hong Kong turned its gift shop into a pop-up store selling upcycled products made by members of St. James' Settlement's Sheltered Workshop. Profits generated from the pop-up store helped fund the members' training allowance. This partnership not only promoted upcycling concept but also allowed both parties to understand more about the local market for upcycling products.

Pop-up Shop for Promoting Upcycling Products



Cordis, Shanghai, Hongqiao – Embrace Wellness Design

Cordis, Shanghai, Hongqiao is strategically located at The Hub that revolves around a major transportation interchange – directly connected to Shanghai Hongqiao Railway Station and Metro lines, and minutes from Shanghai Hongqiao International Airport. All the buildings at The Hub adopted a district heating and cooling system, efficient electrical and mechanical systems, a rainwater and grey water recycling system, and a total heat recovery system. Our Hotel also

obtained China Green Building Design certification, fully meeting the 2 Star standards of green buildings.

Polar Bear Artpieces



In line with Cordis' brand essence of devotion to the well-being of our guests, the hotel invested in the latest filtration system technology which maintains the indoor air quality within US EPA PM2.5 standards. The air quality is continuously monitored in every single guestroom, ensuring that the air quality stays optimum and the in-room TV displays real-time air quality index of both outdoor and indoor air for the benefit of all guests. The effort in keeping the indoor air clean is in line with the Shanghai government's initiative to promote a smoke-free environment.

Indoor and outdoor air quality index display in guest room



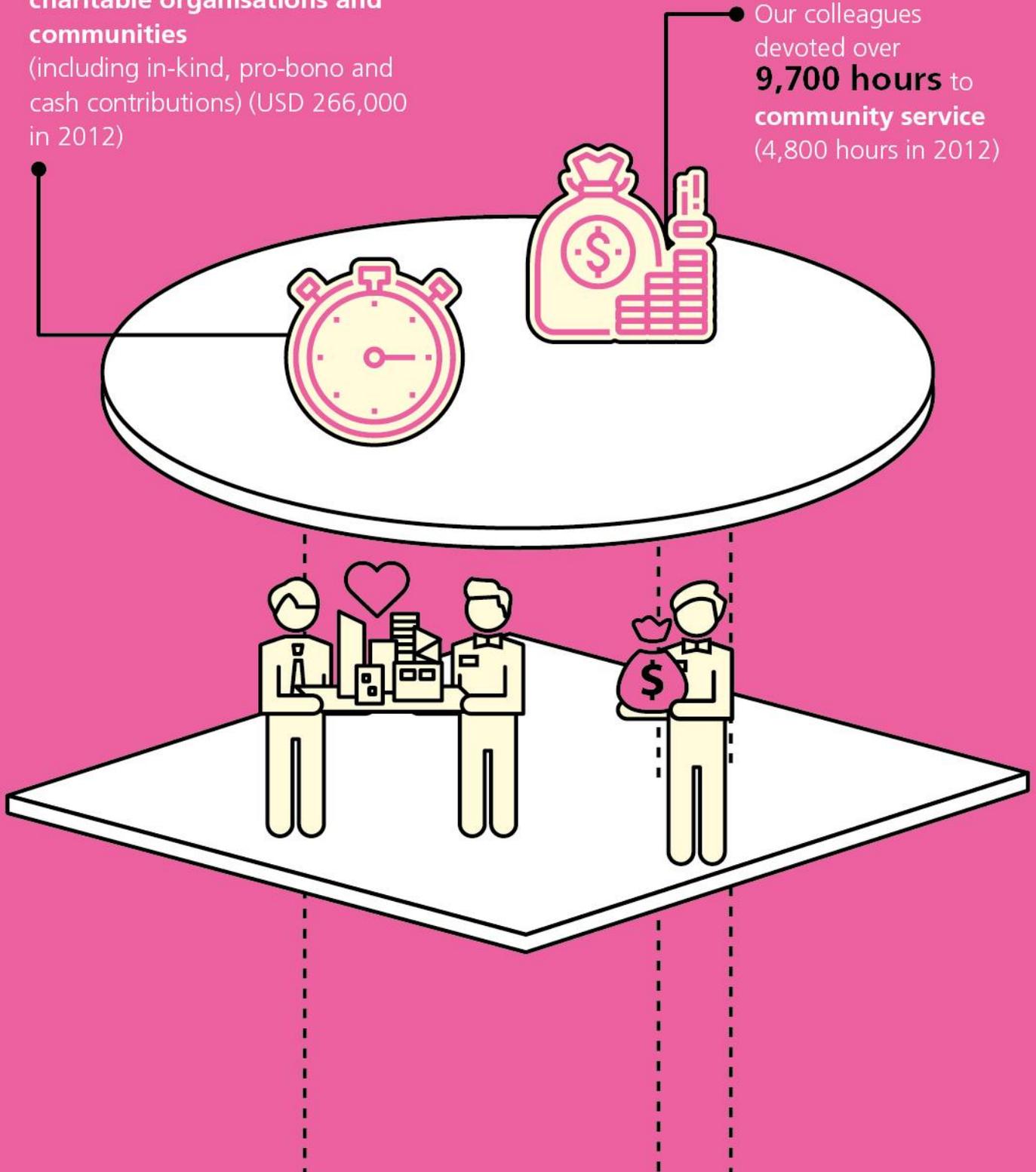
The Hotel also installed the Winnow system which helps chefs measure, monitor and reduce food waste. Kitchens using Winnow know exactly what they put in their bins through the use of a touch screen tablet. The meter is connected to cloud

software, which records and analyses the day's waste. This gives chefs the information necessary to drive improvements in their production processes to cut food waste in half, saving money and reducing their environmental footprint at the same time. The data helps chefs make better decisions, engage staff and give them a clear focus by setting targets for continuous improvement a minimum impact on the environment and welfare of the people and communities where the product / raw material is produced.

CARING FOR OUR COMMUNITY

Hotels and colleagues contributed over **USD 395,000** to **charitable organisations and communities** (including in-kind, pro-bono and cash contributions) (USD 266,000 in 2012)

Our colleagues devoted over **9,700 hours** to **community service** (4,800 hours in 2012)



CARING FOR OUR COMMUNITY



Approach

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

To further anchor the group's commitment to the community, we issued our Community Engagement Policy and defined one of the key performance indicators to be serving the community by our colleagues. Hotels have not only maintained on-going relationships with local community organisations, and also worked together within the region to build regional community partnerships with the purpose of driving bigger impacts on the wider community.

The following are highlights of our 2017 recognitions in our community support efforts:

- Langham Hospitality Group and the three hotels in Hong Kong received Caring Company Award by Hong Kong Council of Social Service. The Langham, Cordis and Eaton in Hong Kong received 10 years plus.
- The Langham, Melbourne received Service to the Community Award at 2017 HM Awards for Hotel & Accommodation Excellence organised by Hotel Management magazine.

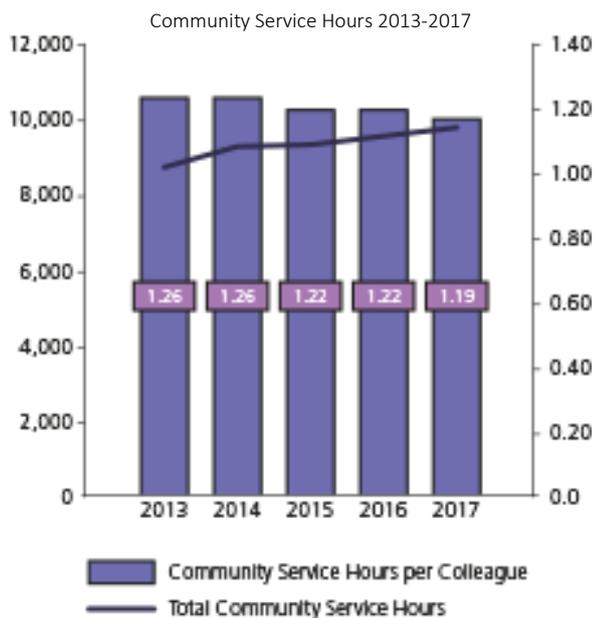
We are committed to making positive and lasting impacts on the communities in which we work and live.

Engaging Colleagues in the Community

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

As part of the 2017 Global CONNECT Events, our hotels rolled out internal recognition schemes to honour the colleagues who have contributed their time, effort and love to their local communities through the community service activities organised by our hotels. In 2017, we also conducted a Community Strategy Workshop at individual hotels to inspire the senior management and CONNECT Teams to strike for more strategic partnerships that bring positive social impacts to the community.

In 2017, our colleagues have contributed an average of 1.19 hours per employee to the community, which means over 9,700 hours in total. Even though the average community service hours have exceeded our target in past five years, we aim for more impactful results from our community service activities instead of increasing the target hour. Some stories of our employee volunteering activity will be shared in a later section of this Chapter.



Making a Difference through Partnerships

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

With “Cody” the red panda as their kids’ ambassador, Cordis Hotels work with local organisations to support the conservation of Red Panda. For example, Cordis, Hong Kong invited guests to celebrate International Red Panda Day on the third Saturday of September. The Place, hotel’s all-day dining restaurant, featured a booth exhibiting information on red pandas to educate young guests about this adorable but endangered species and their conservation challenges. Each Cordis Kid were invited to join the complimentary handicraft session to turn some of the hotel’s recyclables into toys. Plush toys of Cody were available for sale with all proceeds going towards the Ocean Park Conservation Foundation, Hong Kong, to support the conservation of wildlife including red pandas and their habitats. As part of the opening celebration of Cordis, Auckland, Cody donated AUD \$1000 to the Red Panda Network. We were delighted to have a representative from Auckland Zoo who received the donation on their behalf.



Locally, our hotels work with local partners on different social issues. In addition to supporting the active involvement of our colleagues, we contribute to local communities through donations and visits, free or in-kind sponsorships and cause marketing. Our hotels are highly encouraged to make use of our strengths and our resources to help organisations. In 2017, our hotels sponsorships were worth approximately US\$ 395,000 to non-profit organisations.

Celebrate Breast Cancer Awareness Month in Melbourne



The Langham, Melbourne has been an official supporter of the Make A Wish Foundation and donated all of the money that is found in the hotel’s magnificent fountain to this worthy cause. We also helped making as many wishes come true as possible, and have often hosted families in need of respite care and a break from doctors’ appointments and hospital visits.

In 2017, The Langham, New York, Fifth Avenue established an on-going partnership with The HOPE Program which empowers New Yorkers to build sustainable futures through comprehensive training, jobs, advancement and lifelong career support. We believe that we should maximise the opportunity to utilise our knowledge and resources to support the community where we operate. We supported the students of The HOPE Program through a series of activities such as career talks, workshops to advance their skills for resume writing and job interviews. We hope to support the students to secure their job placement and therefore journeys to self-sufficiency.

Community Partnerships

In Hong Kong, we have been partnering with HOPE Worldwide Hong Kong since 2013. HOPE Worldwide is an international charity organisation with a local presence that operates a community centre serving children from underprivileged families. In 2017, forty children from local low-income families were invited to experience the life of a hotelier. Through the experience, the hotel colleagues demonstrated the importance of the “Six Pillars of Character” – Caring, Respect, Trustworthiness, Responsibility, Fairness and Citizenship of a hotelier.

Serving at Ronald McDonald House in Chicago



In China, our hotels have been championing “Adopt-a-School” in their communities. The Langham, Shanghai, Xintiandi partnered with Luwan Special Needs Education School whose vision is “everyone has the right to be educated”. They organized several festive celebrations with the students and explored further collaborations through internship opportunities for their students.



Like several of our hotels in China, Langham Place, Xiamen organised a party for autistic children to celebrate Children's Day. Aihui School has been the hotel's long term community partner since the hotel opened. On this day, the children, their parents and teachers were invited to this celebration with fun performance and delicious party food, providing a memorable day for the children and our colleagues.



Employee Volunteering

Art, Children and Environment are the key themes of our community engagement programmes. Apart from sponsorships and fund-raising opportunities, we are most passionate about motivating our colleagues to serve the community with their own hands. Following are the highlights of our employee volunteering programmes which we believe to be one of the more powerful ways to invest in our people and their communities.

Support of the Environment

Cordis, Auckland partnered with EcoMatters which is a local organisation with the aim at restoring and protecting the natural environment. Our colleagues volunteered to help with general duties such as mulching, planting and weeding. They also helped at the “Love your Stream” project which is which is a large restoration project revegetating streambanks with native trees to help with purifying the water.

Volunteer with EcoMatters in Auckland



In the Winter 2017, Langham Place, Haining launched an activity to have the Hotel team and their Guests donate second hand kids' clothing and shoes. Due to the severe climate in Tibet, especially in winter time, some children live below the poverty line with little caring from adults, as their parents work in other cities. Some of them do not even have enough money to go to school

with proper clothing and shoes. Therefore, the hotel collected all the used and 2nd hand items, washed them and tidily packed and couriered the boxes to the Tibetan Children Foundation to help the kids there get through the winter more comfortably. In total the hotel received more than two hundred pieces of clothes and shoes.

Christmas Celebration with Autism Children in Shanghai



Sharing our Love event at Haining, China



Celebrating Dragon Boat Festival with Migrant Children in Ningbo



Bike to Work Day Pit Stop in Los Angeles



Langham Place, Guangzhou has been supporting the Annual Sport Event for children with disabilities in Guangzhou every December. This year, they formed a volunteer team with 20 colleagues who were trained to support the event. On the event day, the children were accompanied by the hotel volunteers to play fifteen different games. They also prepared and served 260 delicious lunch boxes for all the children who participated in the event.

Support of the Arts and Children

Cordis, Shanghai, Hongqiao invited the Rainbow Autism school students to celebrate Christmas together at their newly-opened hotel. Colleagues mingled with the students and expressed the true meaning of Christmas with the angels and their families. There were more than 20 colleagues who joined the party celebrations with fun games, and painting with the angels.

Annual Sport Event for Disabled Children in Guangzhou



Support of the Local Community

In August 2017, Hurricane Harvey hit the Texas Gulf Coast damaging properties and displacing thousands of people from their homes. And in September, Puerto Rico, a US Territory, was hit by hurricanes Irma, Jose and Maria causing damage to properties and taking almost 100 lives. At the same time, an earthquake hit Mexico City. Some of our colleagues have families and friends in these areas. In our efforts to send some financial assistance to the victims, The Langham, New York, Fifth Avenue held two Bake Sales and funds raised were matched by the hotel management. The total amount of funds raised were divided between 3 organizations – American Red Cross, Unidos Por Puerto Rico and GlobalGiving.org.

In 2018, we will continue to strengthen our partnerships with the community, and also review our global community strategy and anticipate to drive greater social impacts.

JP Morgan Corporate Challenge 5K Run by TLBOS



Cordis, Auckland organised an awareness week around Domestic Violence through Shine in New Zealand which is a national domestic abuse charity that runs a domestic abuse helpline to help keep people safe from domestic abuse and family violence. Their Housekeeping team did a cook-up and sold plates to their colleagues to raise funds. They also had gift baskets and other prizes to help raise more funds.

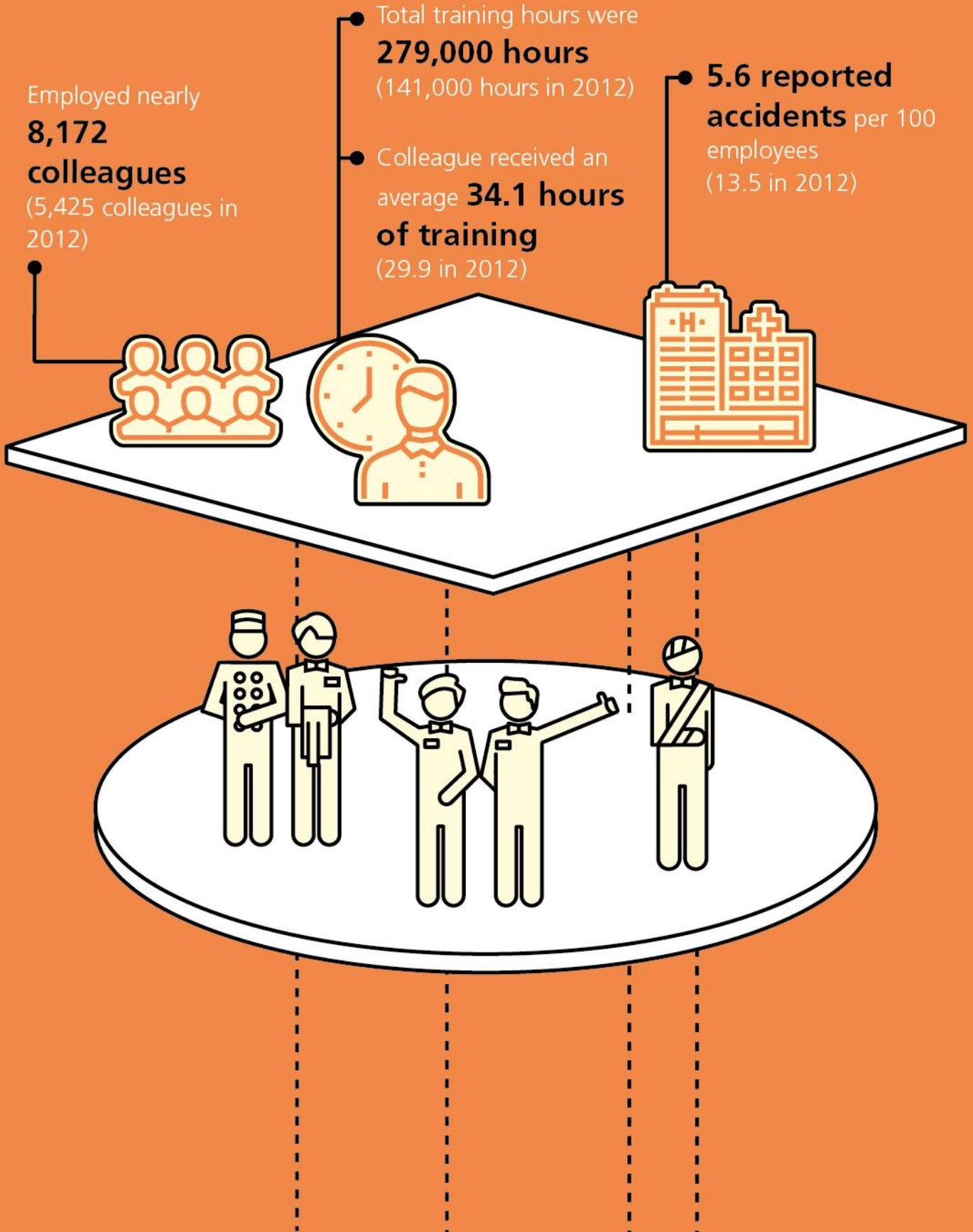
CARING FOR OUR COLLEAGUES

Employed nearly **8,172 colleagues** (5,425 colleagues in 2012)

Total training hours were **279,000 hours** (141,000 hours in 2012)

Colleague received an average **34.1 hours of training** (29.9 in 2012)

5.6 reported accidents per 100 employees (13.5 in 2012)



CARING FOR OUR COLLEAGUES



Approach

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

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

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

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

Fair and Inclusive Working Environment

Employee Rights and Equal Opportunities

Respect for employee rights is fundamental to our human resources principles. As clearly stated in our Group Employee Rights and Equal Opportunities Policy, we are committed to a fair working environment that is free of discrimination, harassment, bullying and victimisation.

We also promote equal access to employment. We recruit and develop individuals solely on the basis of their suitability for the job, regardless of gender, age, nationality, religion or disability. We monitor our diversity profile through our workforce profile report including the distribution of gender, minorities and local hiring information.

	2015	2016	2017
Workforce			
Total employees	7,642	7,796	8,172
Full time employees	90%	91%	92%
Permanent employees	100%	94%	95%
Gender			
Female employees	48%	49%	49%
Male employees	52%	51%	51%
Age			
<20	2%	3%	3%
20-29	38%	37%	36%
30-39	26%	26%	26%
40-49	18%	17%	18%
50 or above	16%	17%	17%
Total percentage of Expatriates from overall workforce	3%	3%	3%
Senior Executive	15%	14%	14%
General Workforce	2%	2.3%	2.7%
Total percentage of Senior Executive from overall workforce	3.8%	3.8%	3.8%
Female Senior Executive	2.4%	2.4%	2.3%
Male Senior Executive	1.4%	1.4%	1.5%
Total percentage of colleagues with disabilities from overall workforce	0.5%	0.7%	0.6%
Total percentage of colleagues under collective bargaining agreement	--	19.6%	16.0%

In 2017, 120 out of 309 (39%) senior executives were female whereas 189 (61%) were male. Two female members are on our group executive management team. This shows that we recruit and develop individuals solely on the basis of their suitability for the job, regardless of gender, age, nationality, religion or disability. We will continue to monitor gender diversity and improve our data collection, especially in training and turnover aspects, to strengthen people development and retention strategies in the next year.

Local Hiring and Diversity

We prioritise hiring the general workforce from the local community or country where the business is located. The proportion of expatriates in our senior

executive positions is 15%. We define expatriates as those colleagues who require a work visa. Their international hotel experiences and knowledge are critical to our business development and is essential to groom our local workforces for future success.

We continue to encourage the integration of employees with disabilities by offering them career opportunities and implemented initiatives to address their special needs in the workplace. For example, our hotels in Hong Kong have been partnering with Hong Chi Association, which is a non-profit making organization in Hong Kong dedicated to serving people of all ages and all grades of intellectual disabilities and their families.

In 2017, we employed 48 colleagues (0.6% of overall workforce) with disabilities in a variety of roles that could effectively draw on their talent and abilities.

Engaged Working Environment

Communication is one of our core values. We encourage open communication which creates a dynamic and enjoyable working environment for our colleagues. We ensure effective dialogue with our colleagues proactively by using a variety of communication channels such as SHOWTIME (daily briefing session), Daily Legend (daily newsletter), Townhall meetings and our intranet to align colleagues' objectives in a clear direction. We also engage with colleagues informally through social media, annual parties, and outings to enhance their sense of belonging.

We engage our colleagues more formally through the annual Colleague Satisfaction Survey at all hotels, conducted by an independent research company. The survey provides us an opportunity to obtain feedback from our colleagues on key issues, and measures employee engagement. In 2017, we measured colleague engagement level instead of their satisfaction level in order to help us to become a great place to work with engaged and committed colleagues. We invited all eligible

colleagues from all our hotels to participate in the 2017 My Colleague Survey and 94% responded. This survey found that levels of colleague engagement continue to remain high with a score of 89% which is above the Global Hospitality Norm by 22%.

Health, Safety and Wellness

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

Fire Extinguisher Training at The Langham, Boston



In 2017, we were pleased to observe a significant decrease in health and safety related measures compared with the previous two years, and there were no deaths due to work activities. We will continue monitoring the performance and enhance our employees' awareness in workplace health and safety.

KPI	2015	2016	2017
Lost time injury frequency rate (LTIFR) ¹	18.9	18.7	12
Incident rate ²	8.6	8.4	5.6

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

We promoted the wellness of colleagues globally through annual Global CONNECT events, such as 'Colleague Wellness Week' and the '10,000 steps challenge' during 'Loving Earth Month'. 'Colleague Wellness Week' replaced 'Workplace Health and Safety Week' to be the 'Global CONNECT Event' in 2017 as we see the importance of promoting the overall wellness of our colleagues, including their health and safety. This week was dedicated to enhancing staff awareness on their wellbeing and supporting them in developing a healthy lifestyle. Wellness promotion programmes included, colleague health screening, stress release and nutrition workshops, various exercises classes like Zumba, bodyweight circuits, & yoga. Healthy food was also included in the colleague canteen menu with rainbow coloured diet, superfoods, fresh fruit and smoothies finding their places on our staff menus.

Healthy soup served at colleague cafeteria in The Langham, Shenzhen



Some of the popular programmes during Health and Safety Week have become regular events in our hotels such as the 'Biggest Loser' weight loss competitions which were organised at our US properties. Chelsea Hotel, Toronto extended the Wellness Week to Wellness Month, packing October with activities aimed at improving both mental and physical health as well as overall enjoyment of life. We will continue organising the

Colleague Wellness Week and other employee wellness programmes so that our colleagues can feel they are working in a safe environment and know that we care about their wellbeing.

Great Corporate Health Challenge at Chelsea Hotel, Toronto



Learning and Career Development

We are committed to creating an environment for our colleagues to achieve their career aspiration, and at the same time nurturing a team of competent and motivated colleagues. Our groupwide learning and development programmes are made up of the First60 Certification programme, Langham Curriculum Certification (LCC), and Advanced Programme for Executives (APEX). These programmes help our colleagues gain new skills and experiences which they need to deliver their current and future jobs. The third intake for APEX was completed in 2017 with the fourth intake due to start in 2018.

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

to accumulate skills and experiences in wider disciplines.

CONNECT and key sustainability topics are integrated into the First60 Certification Programme for all colleagues at our corporate office and our hotels. CONNECT Champions and EarthCheck coordinators are required to complete tailored e-learning courses to support their roles in the hotels. In 2017, we conducted a series of CONNECT and EarthCheck refresher training at 14 hotels in China, London, the Pacific and North America regions.

Taking the Initiative Culture

In 2017, we organised a 3-day GM Conference in Hong Kong inviting all the General Managers and Managing Directors of our hotels around the world. “Take Initiatives” was the key focus of the Conference, with the purpose of inspiring our colleagues to create guest memories and enhance guest experiences, which in return will drive guest loyalty and our brand success. We also prepared a story book to collect the outstanding stories on how our colleagues took initiatives to create a unique guest experience. The story book can pass on to inspire our fellow colleagues and engage them to “Taking the Initiative to Build Guest Loyalty”. Following the GM Conference, our hotels continued to put a training focus on enhancing the excellent experience for our guests in all areas, with a new focus on engaging our colleagues in the “Taking the Initiative” culture.

Cordis, Hong Kong developed the “Cordis’ Guest • My Guest” Training which aimed to ensure our colleagues provide our Cordis-branded service experience to delight every one of our guests, and also driving the enhancement of our Net Promoter Score. The training designed was focused on passing the responsibility for interactions with our guests to all colleagues, and giving confidence to our colleagues to initiate any necessary actions in order to take care of our guests at the moment. Top management was heavily involved in this

training to engage our colleagues and establish a new service culture in the hotel.



In 2017, The Langham, Hong Kong initiated the “+1 Service Campaign” to encourage our colleagues going for extra miles in guest service for the purpose of exceeding our guests’ expectations. The campaign promoted monthly +1 story sharing by various departments with best practice case studies including the guest compliments and learning highlights. The stories are communicated through their Daily Legend (our daily newsletter), posters and screen savers in the hotel. Recognition is to be reinforced with a year-end best of the best story selected by Management.

To summarise our overall performance in 2017, we provided approximately four days of training per colleague. There is an increase in the training hours per employee compared to the previous two reporting years due to the launch of Taking the Initiative cultural programme and new hotel openings. The percentage of employees receiving performance reviews is slightly lower than previous two years due to major renovations at some hotels.

KPI	2015	2016	2017
Training hours per employee	32.9	32.3	34.1
Senior Executive	-	21.5	24.8
General Workforce	-	32.7	34.5
% employee received performance review	88	92	87

In review of our 2017 performance, we have also received several recognitions for our programmes for employee relations and training:

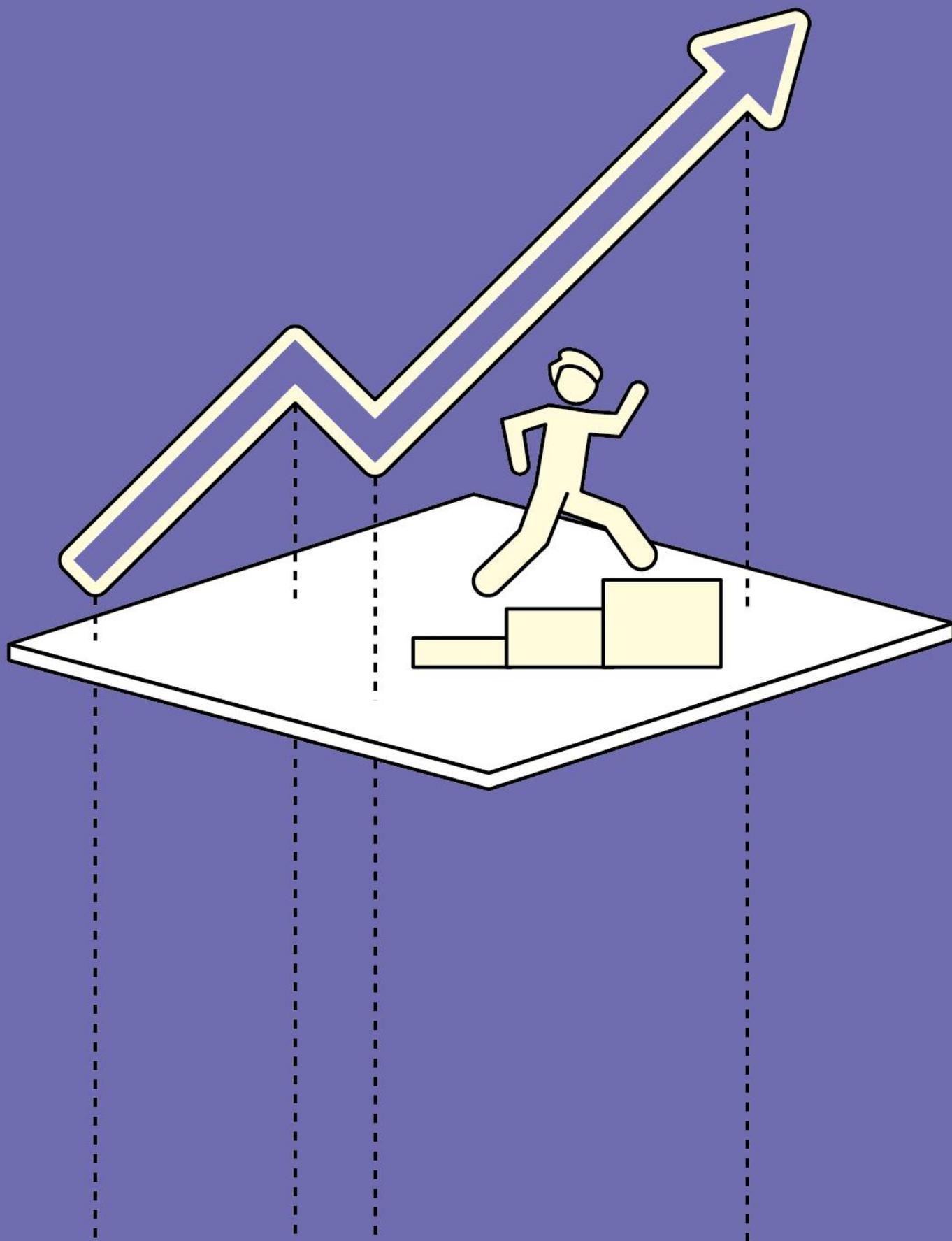
- Langham Hospitality Group and three hotels in Hong Kong continued to be recognised with the award of “Manpower Developer” by the Employees Retraining Board (ERB) Hong Kong.
- Three hotels in Hong Kong participated the Talent-Wise Employment Charter and Inclusive Organisations Recognition Scheme by Labour and Welfare Bureau
- Chelsea, Toronto received Spirit Awards – Lifetime Achievement Award by The Greater Toronto Hotel Association.
- Cordis, Auckland received Sales and Marketing Associate of the Year at 2017 [HM Awards](#) for Hotel & Accommodation Excellence organised by Hotel Management magazine
- The Langham, Melbourne received Concierge of the Year at 2017 [HM Awards](#) for Hotel & Accommodation Excellence organised by Hotel Management magazine
- Cordis, Hongqiao received the [2017 Best Employer of Hospitality Industry Award](#) organised by Very East, a national reputed recruitment website.
- Chelsea Hotel, Toronto received [Spirit Awards - Accounting Ambassador of the Year](#) organised by Greater Toronto Hotel Association

Michael Shah of Cordis, Auckland received Sales and Marketing Associate of the Year at 2017 HM Awards



We evaluate our people development strategy from time to time to ensure an effective system is in place to build our pipeline of people and nurture our colleagues.

GOVERNANCE AND RESPONSIBLE BUSINESS



GOVERNANCE AND RESPONSIBLE BUSINESS



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

We believe that good governance defines how we conduct ourselves as a business and our approach to the assessment of relevant risk and ethical matters. More than just compliance with codes of practice, good governance is having a strong sense of value and a desire to do what is right for our stakeholders including our guests, suppliers, colleagues, governments, regulators and non-governmental organisations. Integrity and trust continue to be more important than ever in today's business world. We must ensure that we always conduct our business in an ethical and responsible manner.

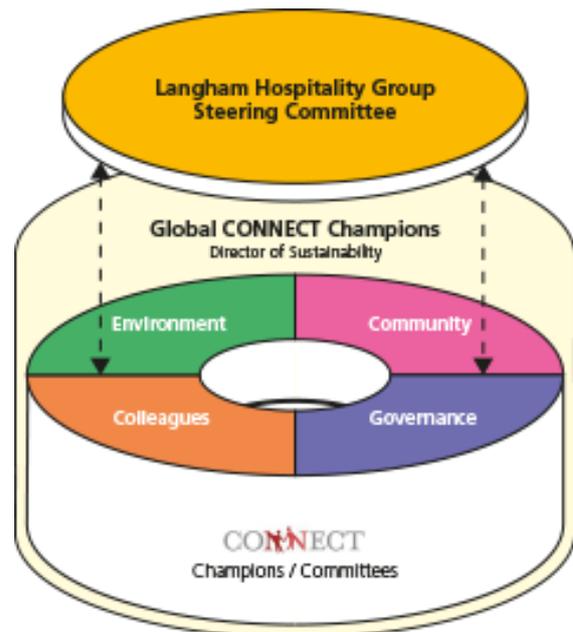
Governance Structure

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

Management Approach

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

The Steering Committee is responsible for monitoring and reviewing the overall corporate environmental, social and governance (ESG) arrangements and approving relevant policies. It plays a central support and supervisory role in the Company's ESG duties and leads the CONNECT Programme.



To ensure compliance with legislation, industry best practices and company policies and procedures, the Steering Committee is also responsible for the implementation of the Group's internal control, risk management, and financial reporting. It reviews the remuneration structure at high level and the compensation and benefits packages of senior management. Langham Hospitality Group also abides by the internal control systems of Great Eagle Holdings Limited.

Corporate Ethics

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

Training and Awareness

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

they have a duty to report any breaches of our Code of Ethics.

In addition to the standardised training programme at hotels, there is a Global CONNECT Event relating to an internal review and refresher training on a selected topic concerning corporate ethics across the group. Practices and training on anti-corruption, data privacy, and employee rights & equal opportunities were reviewed and refreshed in recent years. In 2017, we invested over 9,400 hours on corporate ethics training. We will continue monitoring the effectiveness of our training programme and modify it to keep it relevant to current issues.

Topics	2017
Environmental	1,164
Anti-discrimination and diverse workforce	871
Health and safety	6,680
Anti-corruption	330
Data privacy	370

Risk Management in Hotel

Risk management in hotels is not simply crisis and disaster preparedness, but is also the handling of all types of risks that can pose harm to our guests, colleagues and other stakeholders. In 2017, we reviewed the Food Hygiene and Safety system at hotels across the group as part of the Global CONNECT Event. We have thousands of people including guests and colleagues having meals in our properties every day. It is important to develop and regularly check the hotel's Food Safety Management System (FSMS) to prevent foodborne illness. An internal review of the hotels' FSMS and relevant training was conducted. All our hotels were required to conduct and pass the FSMS audit by external parties annually.

Food Safety Training in The Langham, London



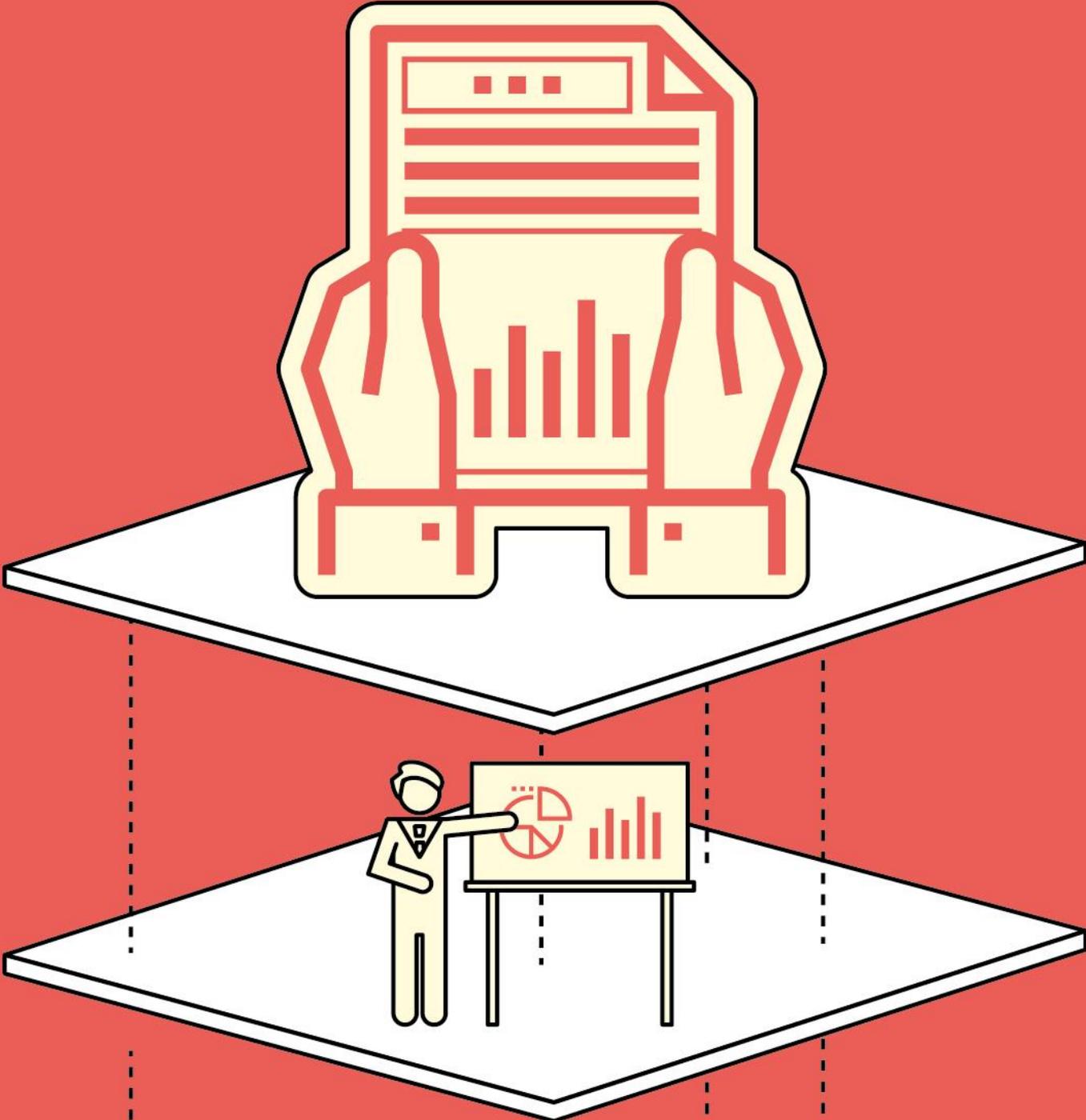
We also conducted specialised training programmes to enable our colleagues to better protect people and property across our hotels. For example, anti-terrorism and fire drills were organised every week at Langham Place, Xiamen so that we were well-prepared for the upcoming BRICS Summit 2017 in Xiamen.

Anti-terrorism Drill at Langham Place, Xiamen



We appreciate that the world is increasingly more volatile, uncertain, complex and ambiguous. We understand the importance of forward planning to make our business more resilient to such threats. Therefore, risk management will be one of the major focus areas to be discussed internally as part of the CONNECT Strategy Review process in 2018.

APPENDICES



APPENDICES



Appendix 1 – About the Report

This is the seventh sustainability report for Langham Hospitality Group (LHG), which contains Standard Disclosures from the Global Reporting Initiatives (GRI) Sustainability Reporting Guidelines version 2016. The report also covers the actions we have taken during the calendar year 2017 to strengthen sustainability values that are important to LHG and its key stakeholders. This report reviews our current systems and performance, and sets out our environmental and social objectives for the coming years.

The report also focuses on the sustainability issues material to Langham Hospitality Group's commercial activities. We have identified and evaluated the environmental and social impact associated with our business operations, and the hospitality industry in general. Based on the GRI Sustainability Reporting Guidelines version 2016, EarthCheck standards for the accommodation sector, and Hong Kong Exchange Clearing's Environmental, Social and Governance Reporting Guide, we have identified the most material environmental and social aspects, of which we should be reporting on our approach and performance in this report. For more details about the materiality of the report, please refer to the 2015 Sustainability Report. The list of the GRI Standard Disclosures and their location in this report is provided in [Appendix 2](#).

The report covers all properties in full operation, under the management of Langham Hospitality Group, during the reporting period. Quantitative data and qualitative information cover all our direct business activities unless otherwise indicated. This account of our activities does not include data from our development and investment activities, and properties that were no longer under our management during the reporting period. Links to information regarding our financial and corporate governance policies and performance are provided through the corporate website (greateagle.com) as well as past annual reports.

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

Appendix 2 – List of GRI Standard Disclosures

This following table provides cross-references to the Global Reporting Initiatives Sustainability Reporting Guidelines version 2016. It is a framework of internationally accepted guidelines and principles for companies and organisations to report on corporate responsibility and sustainability performance.

General Standard Disclosures

General Standard Disclosures		Report Sections / Comments
102-1	Name of the organization	About Langham Hospitality Group
102-2	Activities, brands, products, and services	About Langham Hospitality Group
102-3	Location of headquarters	Hong Kong, SAR
102-4	Location of operations	Introduction
102-5	Ownership and legal form	About Langham Hospitality Group
102-6	Markets served	Introduction Corporate Website
102-7	Scale of the organization	Introduction Corporate Website
102-8	Information on employees and other workers	Caring for Our Colleagues
102-9	Supply chain	Our Engagement with Stakeholders
102-10	Significant changes to the organization and its supply chain	Nil
102-12	External initiatives	Our Engagement with Stakeholders Feature: Journey to Environmental Sustainability
102-13	Membership of associations	Our Engagement with Stakeholders
102-14	Statement from senior decision-maker	Message from Executive Chairman
102-16	Values, principles, standards, and norms of behaviour	About Langham Hospitality Group Governance and Responsible Business
102-18	Governance structure	Governance and Responsible Business
102-40	List of stakeholder groups	Our Engagement with Stakeholders
102-41	Collective bargaining agreements	Caring for Our Colleagues
102-42	Identifying and selecting stakeholders	Our Engagement with Stakeholders
102-43	Approach to stakeholder engagement	Our Engagement with Stakeholders
102-44	Key topics and concerns raised	Our Commitment to Sustainability Our Engagement with Stakeholders
102-45	Entities included in the consolidated financial statements	About Langham Hospitality Group Corporate Website
102-46	Defining report content and topic Boundaries	About this Report
102-47	List of material topics	Our Commitment to Sustainability
102-48	Restatements of information	Nil
102-49	Changes in reporting	Nil
102-50	Reporting period	About this Report
102-51	Date of most recent report	2017
102-52	Reporting cycle	About this Report
102-53	Contact point for questions regarding the report	About this Report
102-54	Claims of reporting in accordance with the GRI Standards	About this Report
102-55	GRI content index	List of GRI Standard Disclosures
102-56	External assurance	Partial data by EarthCheck
103-1	Explanation of the material topic and its Boundary	Our Commitment to Sustainability Our Commitment to Sustainability Feature: Journey to Environmental Sustainability
103-2	The management approach and its components	Caring for Our Community Caring for Our Colleagues Governance and Responsible Business
103-3	Evaluation of the management approach	Our Commitment to Sustainability

Specific Standard Disclosures

Material Aspects	Disclosures on Management Approach (DMA) and Indicators		Report Sections / Comments
Economic	201-1	Direct economic value generated and distributed	Refer to Annual Report 2017 of Great Eagle Holding Ltd.
Market Presence	202-2	Proportion of senior management hired from the local community	Caring for Our Colleagues
Anti-Corruption	205-2	Communication and training about anti-corruption policies and procedures	Governance and Responsible Business
Anti-Corruption	205-3	Confirmed incidents of corruption and actions taken	Governance and Responsible Business
Energy	302-1	Energy consumption within the organization	Feature: Journey to Environmental Sustainability
Energy	302-3	Energy intensity	Feature: Journey to Environmental Sustainability
Energy	302-4	Reduction of energy consumption	Feature: Journey to Environmental Sustainability
Water	303-1	Water withdrawal by source	Feature: Journey to Environmental Sustainability
Emissions	305-1	Direct (Scope 1) GHG emissions	Feature: Journey to Environmental Sustainability
Emissions	305-2	Energy indirect (Scope 2) GHG emissions	Feature: Journey to Environmental Sustainability
Emissions	305-4	GHG emissions intensity	Feature: Journey to Environmental Sustainability
Emissions	305-5	Reduction of GHG emissions	Feature: Journey to Environmental Sustainability
Occupational Health and Safety	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Caring for Our Colleagues
Training and Education	404-1	Average hours of training per year per employee	Caring for Our Colleagues
Training and Education	404-2	Programs for upgrading employee skills and transition assistance programs	Caring for Our Colleagues
Training and Education	404-3	Percentage of employees receiving regular performance and career development reviews	Caring for Our Colleagues
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Caring for Our Colleagues
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	Caring for Our Community
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	Governance and Responsible Business



**LANGHAM
HOSPITALITY
GROUP**

www.langhamhospitalitygroup.com

©2018 Langham Hospitality Group all rights reserved.