

Roadmap to CONNECT 2030

Sustainability Report 2019

Langham Hospitality Group

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Message from Executive Chairman

In 2019, we made big progress in our sustainability efforts for the year and put in place, a rigorous plan for the future, reinforcing our commitment in protecting the environment we live in.

With the vision of integrating sustainability into the core purpose of our business, Langham Hospitality Investments closed a sustainability-linked four-year term loan, revolving credit facility amounting to HK\$7.5 billion, which attracted participations from 11 banks in Britain, China, Hong Kong S.A.R., Japan and Singapore. This syndicated loan is the first that is raised by a listed company in the Asian hospitality sector and the initiative reflects the group's commitment in creating positive environmental change and binds us financially accountable on the impact our business has on the environment.

As our business develops and expands, high standards of ethical behaviour and establishing excellence in environmental responsibility are key fundamentals as we continue to expand the number of hotels and elevate The Langham and Cordis brands within Langham Hospitality Group.

At the hotel level, I am also very proud that we are increasingly recognised for our sustainability efforts. In addition to the EarthCheck certifications, one of the key highlights was The Langham,

London being named “Sustainable Hotel of the Year” at the Hotel Cateys Award 2019 for having taken innovative steps to neutralize its impact on the environment in the United Kingdom.

While we have made noteworthy strides in mapping out the future strategy of our CONNECT programme, global events and trends may continue to influence our priorities and we must remain focused on achieving longer-term success in sustainability issues. As a global company, I am confident we will continue to see success with the continual expansion of the CONNECT programme and in creating a more sustainable future.

Dr. K.S. Lo
Executive Chairman



Message from CEO

Langham Hospitality Group (LHG) continues to make major progress in our sustainability efforts in 2019.

We reinforced our commitment and ownership of CSR issues by aligning ourselves with international standards, especially through our partnership with EarthCheck. We are very proud that 16 of our hotels have received EarthCheck certification and that four of them - The Langham hotels in London and Pasadena, as well as the Cordis hotels in Auckland and Hong Kong – have achieved the coveted Platinum status.

In May 2019, we opened Cordis Dongqian Lake, our first Cordis resort in China, commenced the renovation project at The Langham, Boston and extended a new tower at Cordis, Auckland. Even as our company grows, we hold steadfast to the LHG corporate values and our CONNECT programme objectives – to continue to improve our practices, reduce waste and protect the environment, support local communities, nurture our colleagues and inspire our guests.

In addition to phasing out single use plastics and putting in place a rigorous data protection plan, I am pleased that we have made inroads mapping out a long-term strategy. We are strongly committed as a sustainable company to implement

our CONNECT 2030 road map focusing on the key areas of environment, community, colleagues and governance. Our ambition is to reduce the group's impact on the environment by 50 percent, create a shared value community, operate as an accountable, trustworthy and transparent company with strong ethical business practices, and to be employer of choice, which includes fostering an engaging, inclusive, collaborative and respectful work environment and enhancing a fair and equal working environment for our colleagues.

We understand there is always room for improvement and I would like to thank all who have contributed to our successful CONNECT journey this year. I look forward to achieving more milestones with the team and striving towards our goal as a forward-thinking, trustworthy sustainability leader in the hospitality industry.



Stefan Leser
Chief Executive Officer



About Us

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.

2019 Snapshot



+ 600K

Floor Area (sqm) in 2019 vs 2011



+ 3,000

Number of colleagues in 2019 vs 2012



16 out of 22 hotels

EarthCheck Certified (4 Platinum, 4 Gold, 6 Silver and 2 Bronze)



The Langham, London is recognized as the “Sustainable Hotel of the Year” at the 2019 Hotel Cateys awards.



- 34%

Energy intensity (MJ per sqm) in 2019 vs 2011



+ 62%

Average Training Hours per colleagues in 2019 vs 2012



+ 95%

Total Community Service Hours in 2019 vs 2012



Regional Vice President, Canada & Managing Director, Chelsea Hotel, Toronto, has been awarded the W.H. Baxter Lifetime Achievement Award.



- 27%

Carbon intensity (kg per sqm) in 2019 vs 2011



- 48%

Incident Rate in 2019 vs 2012



+ 26%

Sponsorships to Non-profit Organisations in 2019 vs 2012

Langham Hospitality Group in Hong Kong continued to be recognised with the award of “[Manpower Developer](#)” organised by the Employees Retraining Board (ERB) Hong Kong. (valid 1 Apr 2018 – 31 Mar 2020)

Our Sustainability Strategy

Background

CONNECT is our corporate sustainability programme which is founded based on our strong [commitment to become a sustainable company](#). CONNECT Programme is composed of four focus areas including Environment, Community, Colleagues and Governance which shape our thinking and actions leading our journey in becoming a sustainable company.

Our CONNECT journey started from 2008, at our hotel in Auckland. Unlike many other companies, it was a “grassroot” movement among our hotels to introduce guests and colleagues programmes with the first objective to reduce our impact on the environment. The programme expanded in the past decade together with the growth of Langham Hospitality Group (from 10 hotels to 22 hotels in 2019). We have laid a solid foundation to engage colleagues at all levels, ensured compliance, and become the best practice for the industry. We are one of the very few global hospitality companies that has introduced Sustainability performance as one of the Key Performance Indicators since 2012. Through the annual Global CONNECT Events, all our stakeholders are invited to celebrate and embrace the CONNECT culture.

In 2018, we observed two things – the world (and the climate crisis) is developing much more rapidly; and our colleagues are prepared to challenge themselves in

this evolving world. We therefore conducted an extensive review of our CONNECT Strategy to meet not only the current, but also the future stakeholders’ expectations. A series of workshops and interviews were held and a survey was done with our key internal and external stakeholders to shape our 10-year sustainability strategy to lead our growth and development towards 2030 sustainably.



How we define sustainability

Sustainability means striking a balance between the continuous development of our business and people and protecting our environment.

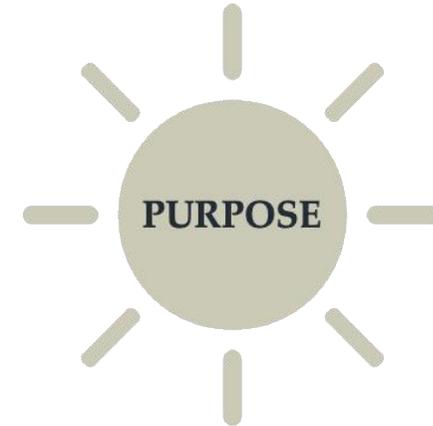
Sustainability is not marketing. We do not accept any greenwashing in our business, and therefore, our action must walk the talk.

Sustainability is not static, it must be adaptive to the evolving world – climate change, social and political instability, globalisation and cultural shift, disruptive business model.

Sustainability is everyone’s responsibility and therefore, must integrate into every business activity, so that it incorporates into the key decision-making processes.

Sustainability should create shared values with our colleagues, society and the environment to co-exist in the future world.

Our Purpose, Vision and Goals



Our purpose is to *enhance the social interaction and bonding in an evolving world*

Our Sustainability Governance

Sustainability is embedded into the company governance structure and managed as part of the integrated management system. 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 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 endorses the CONNECT Programme.

Working closely with the CEO and Group CONNECT Champions, the Group Director of Sustainability is responsible to lead and implement the Group's sustainability vision and strategy together with the relevant function heads, including climate-related risks and opportunities. The Executive Committee is consulted and updated on a regular basis and provides direction and allocate resources accordingly.

CONNECT is implemented in the hotels by hotels' CONNECT Champions and CONNECT Committees which must be represented by an executive committee member together with representatives from each function. They drive implementation of the CONNECT programme in their hotels.

The performance against key sustainability indicators is reported to Executive Committee annually and reviewed with CONNECT Champions at least three times a year during the regular regional CONNECT Champions meetings. During this regional meeting, key initiatives, challenges and learnings are shared with the Champions.

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

Foster Sustainable Culture

Five Global CONNECT Events related to environment, community, colleagues and governance are selected every year. All our hotels are required to participate at these selected events for the purpose of fostering the group-wide "CONNECT" power. The main objective of these events is putting CONNECT into action when we design the activities. We believe it is important to ensure our colleagues embrace sustainability not only in their daily work, but also as part of their lifestyle.

We share our hotels' sustainability initiatives internally through our quarterly CONNECT newsletter, and

social media channels such as Facebook Group and WeChat group. This helps to maintain the momentum of driving new initiatives and creative ideas flowing through the company.

Global CONNECT Events – Loving Earth Month



Global CONNECT Events – Colleague Wellness Week



Being an Ethical Business

STAKEHOLDERS HAVE CONFIDENCE IN OUR BRANDS

Strategy and Goals

Being ethical means doing the right thing. This is the foundation of being a sustainable company. We have clearly stated our principles in our Code of Ethics which explains the basic standards of behaviour expected of our colleagues in connection with their official duties. Like many other companies, a set of policies, standards, and standard operating procedures are maintained to provide further guidance on the operating practices. Training and regular audits by functions support and monitor the implementation of our requirements.

In recent years, we have been growing at a pace and into destinations that require us to consider how we make an impact for our stakeholders including our guests, suppliers, colleagues, regulators and non-governmental organisations. We also noticed that as the world evolves more rapidly, a more agile and sophisticated approach is vital to ensure we are doing the right thing at the right time.

We will align and enhance our current corporate guidelines and management system to meet international standards in areas such as anti-corruption; operational risks (e.g. fire, life, safety and food safety); data privacy and cyber security; human rights (e.g. labour practices, harassment); crisis and

business continuity (e.g. natural disaster, pandemic crisis). Walking the talk is our core belief in practicing sustainability, therefore we are committed to ensure all our hotels achieve the international standards and verified by third party on regular basis.

Integrity and trust continue to be more important than ever in today's business world, we must ensure we always conduct our business in an ethical and responsible manner. Transparency is the key to build trust and enable stakeholders to make conscious decisions. It is also an important driver for improved performance and creation of stronger impact across our value chain, and accelerate more sustainable practices. We aim to be a transparent and trustworthy company internally and externally.

We can't operate responsibly without inclusion of our supply chain. We appreciate our partnerships with suppliers for better efficiency, innovation and sustainability as described in our Supporting Locals and Sustainable Sourcing chapters. We would also need to drive the best ESG risk management practices along our supply chain.

All hotels achieved the **INTERNATIONAL STANDARDS** and **VERIFIED BY THIRD PARTY**

Drive **BEST ESG RISK MANAGEMENT PRACTICES ALONG OUR SUPPLY CHAIN**

ZERO INCIDENT reported or monitored

Integrated Management System to meet International Standards

Company Standard System

Hotels are prone to all different types of risks that can pose harm to our guests, colleagues and other stakeholders. We are always responsible for protecting the people and assets in our hotels in case of undesirable incidents occurrences. With the information explosion era and the wide applicability of technology, we need a simple and effective "live" integrated management system. In the following year,

we will simplify and revamp to build a “Company Standard” system to enable our colleagues to do the right thing at the right time.

Building the Culture

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

In addition to the standardised training programme at hotels, there is a Global CONNECT Event relating to an internal review and refresher training on a selected topic concerning corporate ethics across the group. Practices and training on anti-corruption, data privacy, and employee rights and equal opportunities were reviewed and refreshed in recent years.

Starting in 2019, we modified the Global CONNECT Event format. We organised the first internal Risk Preparedness Video Competition which aims to develop the culture on risk preparedness in hotels for our colleagues and relevant stakeholders. Governance and risk preparedness can sometimes be a boring topic. Therefore, we encouraged our hotels to create fun videos to promote how colleagues can prepare and

manage risks so that they think it through and understand the process to help minimise risks to life and safety and are prepared if any incidents happen.

Our 2019 Progress

- Natural disaster was the theme of the first Risk Preparedness Video Competition as part of the Global CONNECT Events. The commonly found natural disasters as identified by our hotels included earthquake, typhoon, hurricane and snowstorm.

Cordis, Hong Kong (Typhoon) is one of the Best Video Awardees



- We continued our global awareness programmes on Data Protection and General Data Protection Regulation (GDPR) in 2019. All colleagues across all our hotels participated in awareness training sessions. Two tiers of training were delivered - general awareness for all colleagues and an advanced version for managers and relevant colleagues who might have the opportunity to handle personal data. The training has also been

incorporated into our new colleague onboarding training. During 2019, we also deployed consent management tools on our websites to allow visitors to customize and tailor our use of cookies for them.

- Our hotels in Hong Kong arranged the anti-corruption talks annually by the Independent Commission Against Corruption (ICAC) to ensure our relevant colleagues receive the most updated information on anti-corruption in the hotel industry.
- Our hotels in Europe and North America (London, New York and Pasadena) conducted trainings to help increase awareness on human rights related topics (e.g. human trafficking, bullying, and harassment) for colleagues.
- In summary, we spent nearly 32,000 hours on corporate ethics training on different topics in 2019.

Topics	2018	2019
Environmental	2,604	1,990
Anti-discrimination and diverse workforce	2,982	2,464
Health and safety	15,716	15,291
Anti-corruption	981	915
Data privacy	1,117	11,199
Total Hours of Training	23,400	31,859

Moving Forward

- We will establish company standard and monitoring systems that are aligned with international standards to protect guests,

- colleagues, external vendors, asset, reputation and environment.
- We will prioritise our material issues and review our guiding principles for disclosure in the future to improve the transparency of our sustainable operations.
 - We will continue to enhance the systems, processes and tools that we use in the areas of data protection and information security to ensure we are responsible custodians of the personal data that our guests, colleagues and other stakeholders entrust to us. We also continue with ongoing awareness communications and training, to ensure that our colleagues are well equipped to be our first line of defense when it comes to data protection and information security.

Supply Chain Management

We begin with choosing the suppliers who can provide the sustainable products or services based on our Responsible Purchasing Guidelines and Sustainable Hotel Design Guidelines. You may read more details in the Sustainable Sourcing and Sustainable Hotel Design sections.

We also recognise that through leadership and monitoring along the supply chain, we can promote adoption and support of business integrity, fair labour practices (such as prevention of child and forced labour, human rights and health & safety) and environmental protection. In order to manage the social

and environmental risks in our supply chain more systematically, the Supplier Code of Conduct is formulated and communicated to the suppliers through tendering documents and also sent to our significant suppliers to obtain their acknowledgement.

We also introduced a supplier self-assessment checklist to monitor the environmental and social performance status for our selected suppliers at Group level. The suppliers are required to fill in the checklist every three years to keep us informed on their compliance status and any improvement.

Our 2019 Progress

- We researched about the supply chain management approach in the hospitality sector, in the region, and also in other sectors to learn more about the best sustainable practices.

Moving Forward

We will first review our internal policies and guidelines based on the CONNECT 2030 strategy, and how these are reflected on our existing Supplier Code of Conduct and assessment. We must work closer with our current suppliers and explore innovative partners in order to achieve our 2030 goals. In the long term, our supply chain management approach will be more advanced with technological support and the collaboration with the industry.

Caring for Our Colleagues

COLLEAGUES ARE PROUD OF WORKING WITH US

Strategy and Goals

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 that set out the guiding principles, review our performance, promote an open dialogue culture, and grow our talents and put them in the right direction to advance their careers.

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

We have around 8,000 colleagues in 2019. Our company has been growing and creating an average of

500 direct employed jobs every year. We also observe the challenges of retaining our talents and attracting new people into the hospitality sector as the world changes and our industry transforms. We must continue to adapt to remain competitive and relevant.

We will reinforce our company employer branding through engaging our colleagues contractually, experientially and emotionally through the entire employment life cycle. Eventually, we want our colleagues to be proud of working with us and we remain employer of choice.



In the coming years, we will focus on the following three critical components:

ENHANCE A FAIR AND EQUAL WORKING ENVIRONMENT to attract and retain modern talents

CULTIVATE A LEARNING MINDSET amongst colleagues that enable them to stay relevant and confident

FOSTER A CARING, INCLUSIVE AND COLLABORATIVE WORKPLACE CULTURE where synergy comes from diversity of thoughts and mutual respect

Fair and Equal Working Environment

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.

We prioritise hiring the general workforce from the local community or country. We sometimes recruit expatriates meaning those colleagues who require a work visa. Their overseas' hotel experiences and knowledge are critical to our business development and are 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 also implemented initiatives to address their special needs in the workplace. Hong Chi Association in Hong Kong is our long-term partner with our hotels in Hong Kong. They are a non-profit making organization in Hong Kong dedicated to serving people of all ages and all grades of intellectual disabilities and their families. Some of their trainees are our long serving employees in the company.

The Langham, Huntington, Pasadena partners and recruits through Ability First, which helps people with disabilities achieve their personal best throughout their lives.



2019 Progress

- 119 out of 311 (38%) senior executives were female whereas 192 (62%) were male. One female member was 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 employed 55 colleagues (0.7% of overall workforce) with disabilities in a variety of roles that could effectively draw on their talent and abilities.

	2017	2018	2019
Workforce			
Total employees	8,172	8,574	8,148
Full time employees	91%	92%	91%
Permanent employees	95%	93%	96%
Gender			
Female employees	49%	50%	49%
Male Employees	51%	50%	51%

	2017	2018	2019
Age			
<20	3%	4%	4%
20-29	37%	35%	35%
30-39	26%	27%	26%
40-49	18%	18%	18%
50 or above	16%	16%	17%
Total percentage of Expatriates from overall workforce	3%	3%	3%
Senior Executive	14%	14%	14%
General Workforce	2.8%	2.9%	2.8%
Total percentage of Senior Executive from overall workforce	3.8%	3.8%	3.8%
Male Senior Executive	2.3%	2.6%	2.4%
Female Senior Executive	1.5%	1.7%	1.5%
Total percentage of colleagues with disabilities from overall workforce	0.6%	0.7%	0.7%

Moving Forward

We will review our policies and guidelines to ensure consistent delivery of a fair and equal working environment for our colleagues across the whole group. We will conduct market benchmarking to identify areas for improvement to enhance our compensation competitiveness to attract and retain talents. We will also look into gender representation parity for global company workforce.

Professional & Personal 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 in their current and future jobs.

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 and a high potential database. Peak performers are given exposure to different functions, taking up special assignments to accumulate skills and experiences in wider disciplines.

2019 Progress

- The fifth intake for APEX commenced in 2019 with eight candidates from various hotels which focused

on the development of future Hotel Managers and General Managers.

- We provided approximately five 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 “Data Protection Awareness Training” and new hotel openings.
- The percentage of employees receiving performance reviews is slightly higher than previous year to keep up with our PRIDE system.

KPI	2017	2018	2019
Training hours per employee	34.1	36.0	44.0
Senior Executive	24.8	23.3	22.2
General Workforce	34.5	36.6	45.9
% employee received performance review	87	78	84

Group Corporate Office organised Dialogue Experience - Dark Workshop aimed at enhancing empathy, communication, innovation, and collaboration



The Langham, Hong Kong organised the Graduate Trainee and Food & Beverage Supervisory Trainees Programmes in 2019 to develop and retain younger talents.



Moving Forward

We will continue to update our signature training programmes such as LCC and APEX, not only the content but also the technology enabling more interactive approach in a timely manner. We will also introduce more group wide compliance trainings such as anti-corruption and human trafficking.

Caring, Inclusive and Collaborative (CIC) Culture

Caring for our colleagues begins with the health, safety and wellness of our colleagues. Our Group Occupational Health and Safety Policy ensures that all hotels maintain their health and safety systems that are consistent with local operating conditions and legislation, ensuring that our colleagues are able to 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 can effectively analyse the data, detect problem root causes, run improvement action plans and follow up on the results.

We promoted the wellness of colleagues globally through annual Global CONNECT events, such as Colleague Wellness Week and the 10,000 steps challenge during Loving Earth Month. The Colleague Wellness Week, for example, was dedicated to promoting a wellness culture and engaging colleagues in becoming happier, healthier, and more energetic people at the workplace. Wellness promotion programmes included, colleague health screening, info sessions on financial wellness and mental health, distance health challenge, and various exercises classes like Zumba, Salsa, meditation and yoga. Healthy food was also included in the colleague canteen menu with rainbow coloured diet, superfoods, fresh fruit and smoothies.

Communication is one of our core values. We encourage open communication to create an inclusive and collaborative workplace culture 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), Town hall meetings and our intranet to communicate clearly. We engage with colleagues informally through social media, annual parties, and outings to enhance their sense of belonging.

Townhall Meeting at Cordis, Beijing Capital Airport



We also engage our colleagues more formally through the annual Colleague Satisfaction Survey at all hotels, conducted by an independent research company. The survey provides us with the opportunity to obtain feedback from our colleagues on key issues, and measure employee engagement.

2019 Progress

- We are pleased to observe a slight drop in lost time injury frequency rate however an increase in the incident rate. There were no deaths due to work activities.

KPI	2017	2018	2019
Lost time injury frequency rate (LTIFR) ¹	12.2	13.1	12.9
Incident rate ²	5.6	5.5	7.2

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.

Colleague Wellness Week in Shanghai with teams from both Cordis and The Langham.



- Colleague Wellness Week 2019 was successfully organised at each hotel. For example, The Langham, London packed the week with activities that promote physical, mental and emotional wellbeing with steps challenge, 'Peaceful Escape' room, dog therapy, couch/chair/Thai massages, chiropody, yoga, self-defence class, healthy eating

workshop and donation of unwanted items to Passage, the charity for the homeless.



Colleague Wellness Week at Langham Place, Haining.



- We measured colleague engagement level in order to continue 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 2019 My Colleague Survey and 95% responded. This survey found that levels of colleague engagement continue to remain high with a score of 90% which was 2% points higher than the 2018 score.
- Founding of Diversity and Inclusion Party, which is our internal council working together in developing our Diversity & Inclusion priorities, policies and programmes for the company.

Moving Forward

Consistent and effective communications amongst colleagues with the group is vital. We will develop and activate a more focused cultural programme to engage our colleagues in embracing the Caring, Inclusive and Collaborative mindset and advocate living these values daily.

Caring for Our Community

CREATE SHARE VALUE WITH THE COMMUNITY

Strategy and Goals

We take our community investment seriously. We may have a presence in major cities around the world, but our hotels operate locally and have built long-term relationships with their neighbourhoods. We formalised our community investment programme by the issuance of Community Engagement Policy in 2013. “Environment, Children and Art” became the key themes of our community projects. We also defined “community service hours by colleagues” as a key performance indicator for all our hotels. Our community partnership programme flourishes in each location.

Total Community Service Hours 2012 vs 2019

+95%

Total Donations (USD) 2012 vs 2019

+26%

We see how our teams 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. Our partnerships have addressed various social problems which are significant to local society, including underprivileged families, child development, youth education, homelessness, elderly issues, women’s rights, children with disabilities, environment, and cancer research among others. Whilst continuing our support for these partnerships, we re-structured our group community strategy to embrace our CONNECT purpose with more focus on the impact outcome.

Impact Driven

However, we also question our work to date. *Does more hours or more money donated mean we have made a change?* We first restricted the definition of community service hours that could be accountable for the KPI because we want our hotels to make use of these hours to create impactful projects. Our team spent more time understanding the needs of our local partners and partnerships evolved subsequently were more meaningful. From then on, we had more positive stories. Employee volunteering with a powerful impact is a key factor to create shared value with the local community and our colleagues. We will also aim to establish the best way to maximise our capabilities to meet the local needs.

Purpose Driven

Our CONNECT purpose is *“to enhance the social interaction and bonding in an evolving world.”* We are

in a business that is passionate about people. We house travellers who explore a destination away from home. We cultivate the best dining and banquet experience for our guests and their companions. We hold the space for creative events to derive business opportunities and social networking. We bring in customers so they can interact with our neighbours. To achieve these, we have a team of committed colleagues striving for excellence in both service and products.

As the world evolves with accelerated globalization, technological advancement, social and cultural shifts, people have more options to travel, celebrate, dine, and network with each other. Excellence in service and products only, are not good enough. We are responsible to ensure our neighbourhood is an attractive location to welcome people from everywhere. We are **supporting locals** by sourcing local products and services, showcasing the uniqueness of our neighbourhood including the history, culture and nature.

Not only places, we also believe that people are unique. We respect every individual and believe that this is the essential value of bringing different individuals together. We want to share our global knowledge and local experiences to **inspire millions of youth and future talents to embrace differences** who are our future guests, colleagues and neighbours.

We travel much more often than the past generations had and see the tourism business boom of the last few decades. Our industry is contributing to the various social and environmental problems such as overtourism, cultural conflict, and climate crisis. Tourism cannot be sustainable if we travel like business as usual. Conscious travellers should go mainstream. We are committed to **inspire millions of people to be conscious travellers**.

Most importantly, we want to inspire positive change for our society and environment. We want to create shared values amongst our colleagues, stakeholders and wider community through our operations and influence on others.

COLLEAGUE VOLUNTEERING FOCUS ON IMPACT- AND SKILL-BASED

SUPPORT LOCALS

INSPIRE MILLION YOUTH AND FUTURE TALENTS TO EMBRACE DIFFERENCES

ENGAGE MILLIONS PEOPLE TO BE CONSCIOUS TRAVELLERS

Colleague Volunteering

Colleague volunteering is an integral part of our CONNECT culture to drive social bonding internally and stimulate interaction with the local community. Art, Children, Environment and Local Issues are the key themes of our volunteering programmes. In the past decade, we have introduced several measures to build this culture within the group. Key drivers are a key performance indicator (community service hours) and the annual Global CONNECT Events.

The result was very encouraging and certain benefits of employee volunteering were observed: stronger teamwork with better internal communication, improved colleague engagement, and the building of brand awareness. Hotels have also maintained strong relationships with local community organisations.

Global CONNECT Event 2016 (CONNECT Partnership Award)



Global CONNECT Event 2018 (CONNECT to Community Day)



Our 2019 Progress

- In 2019, we set the group-wide goal at 1.0 hour of community service per full-time employee per year. We reached 1.12 hours, which means over 9,100 hours in total.

Soap-cycling volunteer activity in Shenzhen



- Our hotels also implemented a pilot project to conduct a community impact assessment on their partnership as the annual Global CONNECT Event 2019.

Community Impact Assessment Pilot Project by The Langham, New York, Fifth Avenue with their partner the HOPE Program which empowers underprivileged New Yorkers to build sustainable futures through comprehensive training, jobs, advancement and lifelong career support.



Langham Hospitality Group and the two hotels in Hong Kong received Caring Company Award by Hong Kong Council of Social Service. Both The Langham and Cordis in Hong Kong received 10 years achievement.

Moving Forward

As our average community service hours have exceeded our target in the past five years, our passionate colleagues have successfully built a strong culture of giving back to the community. We will focus

on more impact and purpose-driven programmes in the coming years.

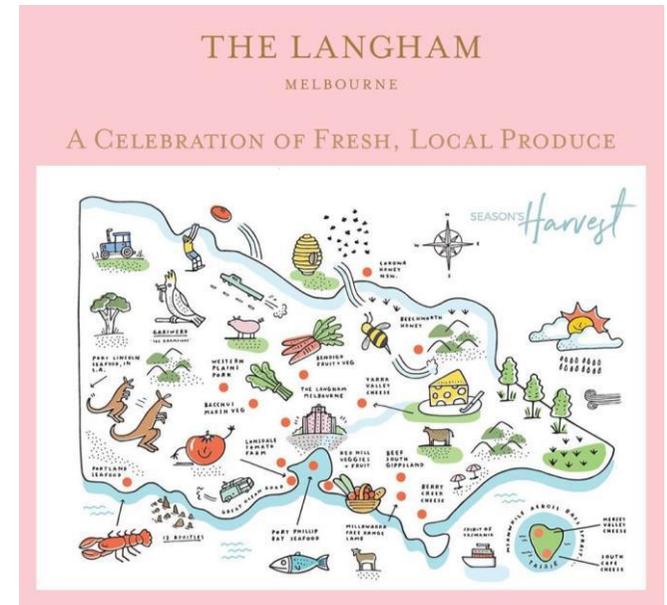
Supporting Locals

We support local communities through our operations and charity partnerships. We encourage recruiting the right talents, and buying products and services from the local area for our hotels. This is professionally evaluated by the EarthCheck benchmarking exercise every year. We also work closely with local charity partners like local food rescue charities to collect the surplus food from our kitchens to make delicious meals for the less fortunate.

Whilst we will continue our local charity works, we would like to expand our support to local businesses by sourcing our food produce locally. Local food sourcing not only helps support the small business holders in the area and but also minimises the carbon footprint of our dishes. We are committed to have **at least 50% of our menu to be sourced from local farm, fisheries or homegrown.**

Our 2019 Progress

- The Langham, Melbourne's Melba Restaurant introduced [Season's Harvest](#) at breakfast, lunch & dinner, which celebrates and promotes fresh & local produce from all over Victoria, Australia. More than 70% of the fresh produce served at Melba Restaurant are from Victoria. Diners will be able to see where many of the ingredients come from by reading the labels at Melba's open kitchen.



- The Langham, Chicago organised a collaborative [dinner at Granor Farm](#) using the best ingredients grown on this farm. A portion of proceeds benefited Plant Chicago in supporting their market and education programme.
- Cordis, Auckland also successfully harvested their exclusive Cordis Honey from our very own rooftop beehive.

Moving Forward

We will first have to conclude the definition of local sourcing which varies from region to region. We would also like to explore the opportunity in supporting local start-ups that are food-related, such as plant-based alternatives, and modern agriculture technology.

Engaged with Conscious Travellers

We are all guests of the Earth. More than a decade ago, every hotel began with the standard towel and linen reuse card to invite our guests joining our journey to save the environment. Five years later, we offered “[CONNECT Conferences](#)” sustainable meeting options to our meeting clients. But we have not advanced our guests engagement in sustainable travel ever since.

2018 project partnership between the United Nations Development Programme and Ctrip our hotels in China encouraged guests to reuse hotel in-room daily amenities.



Do you know tourism is responsible for 8% of global greenhouse gas emission¹? According to a recent study on [Future Traveller Tribes 2030](#), it suggests that Ethical Travellers segment is one of the six new tribes of travellers in the future. With these insights, this is

¹ <https://www.carbonbrief.org/tourism-responsible-for-8-of-global-greenhouse-gas-emissions-study-finds>

the best time to invite and influence more people to be conscious travellers.

Our 2019 Progress

- Our annual Loving Earth month events aim at encouraging an eco-friendly lifestyle to our guests and colleagues. All hotels kicked off the month with [Earth Hour](#), the global “lights out” campaign, followed by meatless or sustainable seafood dishes promoted in their restaurants and colleague cafeterias throughout the Loving Earth month.

Yoga in the dark with guests during Earth Hour at The Langham, Haikou



- Cordis, Hong Kong launched the new “Green Meetings by Cordis” program, offering meeting planners sustainable meeting solutions that offset environmental and social impacts from their events. This program features green meeting venues, sustainable food and beverage, and carbon-

neutral meetings. The carbon footprint of the conference is calculated and offset via our partner. A carbon-neutral certificate will be presented to the company at the start of the meeting.

- To encourage our guests to bring their own reusable water bottles, Cordis, Hong Kong installed a “Water for Free” refilling station in the hotel lobby.



- Cordis, Hong Kong was the venue sponsor and host of the first [G.R.E.E.N. Hospitality Conference](#) in Hong Kong, which promotes dialogues between all related industries in the hospitality sector, to improve sustainability measures.

- The Langham, Sydney set-up two branded reusable to-go coffee cups for our guests to use throughout their stay.
- Langham Place, Guangzhou introduced JUST plant-based eggs to the city. The plant-based eggs are made from mung beans, which contain zero cholesterol, and effectively reduces carbon emissions and water usage.



Moving Forward

We will engage both our colleagues and guests to be conscious travellers. We will activate our internal colleague engagement programmes and some of our guests programmes (such as Guests of the Earth and CONNECT Conferences) to embrace this issue. The primary focus of these programmes is on how we can travel more climate-friendly and waste (plastic)-free.

Inspire to Embrace Differences

We welcome everyone to visit our hotels or join us as a team member. It is in our culture DNA to respect individual as well as embrace the differences amongst us. However, we understand that differences are not only limited to religion, sex, ethnicity, race, disability, age, gender identity, or sexual orientation. We are responsible to grow our business to be more inclusive and share our values with our next generation.

By leveraging on our local influence, coupled with global experience, we will take a proactive approach to ensure our values and commitment to diversity and inclusion reflect in the way we do our business. We hope to positively have an impact on the lives of our future talents and inspire millions of our guests and business partners.

We will first focus on these three commitments in our workplace:

- **Multi-generation:** we have four or five generations (e.g. baby boomer, Generation X, Gen Y or Millennials, Gen Z) working side by side for the first time in history.
- **Gender:** we have an average 50/50 gender parity in our workplace but not in certain roles and functions.
- **People who are physically or mentally challenged:** a few of our hotels have their long service colleagues who are physically or mentally challenged. We appreciate and proactively engage this group of potential talents to join our company.

We will build collaborative relationships to maximise colleagues' potentials in a motivated working environment.

Our 2019 Progress

- Founding of Diversity and Inclusion Party, which is our internal council working together in developing our Diversity & Inclusion priorities, policies and programmes for the company.
- The Langham, Sydney along with Pink Hope, hosted an event called "Women who Lead". The event brought together a group of five inspirational and powerful women on a panel to discuss life and women's health.



- Luwan Special Needs School is our long-term community partner with The Langham, Shanghai, Xintiandi. We invited their students to have two sessions of professional job skills trainings such as shirt-folding and bed-making by our volunteers. We hope to equip students with the hospitality skills, which will be useful for them when they join the workforce.



- The Langham, Huntington, Pasadena included “Transgender Rights in the Workplace” into the Preventing Workplace Harassment and Decimation training for our colleagues. This session provided detailed scenarios and responses to adequate means to support transgender guests and colleagues.

Moving Forward

With the support of the newly established Diversity and Inclusion Party team, we first need to align our expectation and definition on diversity and inclusion internally by developing our policy and guidelines. We would also cultivate group-wide awareness on workplace inclusiveness to ensure we walk the talk before influencing our partners and future talents.



Protecting Our Environment

REDUCE OUR IMPACT ON THE ENVIRONMENT BY HALF

Strategy and Goals

Protecting the environment has been the core value of our company and our colleagues since 2008, before the birth of the CONNECT Programme. We now operate our hotels more energy efficiently and are more resource conscious as compared to 10 years ago because of the stronger environmental commitment among our leaders, colleagues, guests and business partners.

However, we experienced more frequent extreme weather events, which were the result of climate change as explained by many researchers. Our colleagues organised repeated clean up because the beaches, rivers, and ocean are covered by more plastic waste than ever. We, together with our guests and stakeholders, must take a step forward in order to keep the Earth inhabitable for our future generations.



In the next decade, we will focus on four critical areas to reduce our impact on the environment by half.

REDUCE CARBON INTENSITY BY HALF to be in line with the Paris Agreement Targets.

REDUCE WATER INTENSITY BY HALF particularly for hotels at water stressed areas.

ZERO WASTE TO LANDFILL and significantly reducing waste intensity by at least half within our operations.

COMMIT TO SUSTAINABLE SOURCING BY HALF including food and seafood, paper, textiles, chemicals, and personal care products.

We believe that sustainability must be integrated into our business activity along the value chain across all brands and properties. In the coming years, we will enhance our policies, standards and guidance

throughout our entire business life cycle from site selection, design and build, procurement, operation and disposal in order to achieve these environmental goals.

Sustainable Operations

“Walking the talk” is the core value to be embraced in our systems and our initiatives. Since 2012, we have stipulated our direction with the mandatory key performance indicator for all our hotels – to achieve [EarthCheck](#) certification.



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). Our hotels are therefore assessed and verified by independent third party auditors regularly to drive continuous improvement in sustainable operations. Some of these environmental goals will be embedded into EarthCheck certification system.

Sustainable Hotel Design

We will revamp the Sustainable Hotel Design Guidelines which is part of our Design Control Document. The Guidelines define our minimum sustainable design requirements upon the project development and refurbishment of our hotels and resorts for the different brands. We will also require our future hotel development projects to meet the International and/or Local Green Building Standards such as EarthCheck Building Planning and Design Standard and USGBC LEED Certification, adding to our portfolio² of green design hotels.



Climate Change

Climate crisis is the biggest global challenge in the current century. If an average global temperature increase of more than 2 °C from pre-industrial levels, we will encounter catastrophic consequences for human beings and nature. Scientists have warned us that we have already reached 1°C and we do not have much time to reach the tipping point. All of our emissions must be reduced by at least 50% by 2030 and reach nearly net zero carbon emissions by 2050 to stay within the 2 °C trajectory.

For more than a decade, we have been focusing on operating our hotels with maximising energy efficiency to minimise our greenhouse gas emission. From time to time, our Engineers identify energy saving opportunities through optimising the operational efficiency of plant and equipment, and upgrading systems when there is a major refurbishment. On-site renewable energy sources such as solar panels have been installed in a number of our new built hotels and resorts in China. Since we first monitored our energy performance in 2011, our energy intensity (energy use per square meter) decreased by 34% in 2019 as compared to that of 2011 even though the number of hotels were increased by more than twofold.

Carbon intensity 2011 vs 2019

-27% kg per sqm

Energy intensity 2011 vs 2019

-34% MJ per sqm

In the next ten years or so, we must go beyond simply cutting our emissions. We are setting targets to minimise our direct and indirect carbon emissions, in line with the Paris Agreement to help our planet stay below the 1.5 °C global warming limit. We want to become Climate Net Zero hotel operators eventually, and **we will first reduce our carbon emission per floor area by at least 50% by 2030**. We may not have all the decarbonisation solutions yet, but we have identified the following three key priorities for action in the coming years.

- 1st Priority is to increase efficiency to reduce energy intensity by at least 50%;
- 2nd Priority is transition to electrified equipment in phases; and
- 3rd Priority is to switch to green power and on-site renewable energy.

² The Langham, Chicago is USGBC LEED Gold Rating and Cordis, Shanghai, Hongqiao received China Green Building Design Certification (2 Star).

We also believe in that our influence to our stakeholders, especially our guests and supply chain, can boost the climate action altogether. One of our community partnership focus is to inspire a million people to be conscious travellers. We will work with different partners to help spread the low-carbon travel messages and most importantly, turn these messages into action.



For example, we understand that meatless and dairy-free diet can contribute to greenhouse gas reduction. Therefore, we have been partnering with Green Monday in Hong Kong to advocate plant-based living since 2013. In 2019, our partnership was extended to the Greater China region. We introduced “Omnipork” as the black-boxed item at the Rising Star Chinese Culinary Competition, which is our annual event to enhance the professionalism of the young Chinese chefs

at our hotels. Our talented chefs demonstrated their creativity in using this brand new plant-based alternative in the market for traditional Cantonese dishes. However, we are committed to do a lot more to achieve our 2030 goals – at least 50% of our menu to be plant-based.

Our 2019 Progress

Our energy consumption is primarily composed of electricity from grid, natural gas, diesel, purchased steam and chilled water in our 22 properties. In 2019, the overall energy consumption decreased by 0.5% over 2018 due to the closure of our hotel in Boston for full renovation, although we had the addition of our first resort in China.

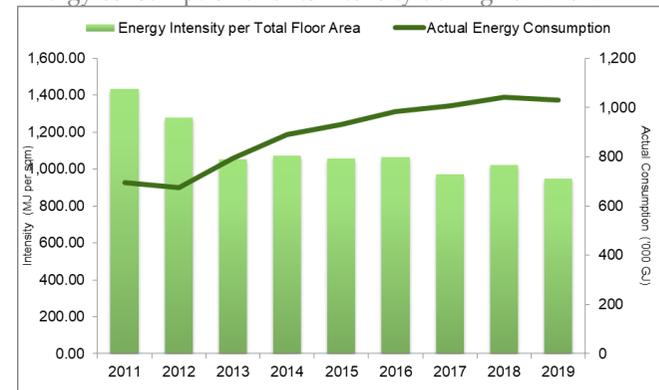
Beginning in 2019, we changed the measurement of energy intensity to the energy consumed per total floor area in our hotels, instead of per guest night. We have identified that the energy consumption is more dependent on the floor area we operated as the substantial energy use is the 24/7 heat ventilation and air-conditioning (HVAC) system. Our energy intensity in 2019 decreased by 7% from 2018 due to our energy efficient improvement projects.

In 2019, carbon equivalent emissions (Scope 1 and 2³) associated with our energy used increased by 3% and the carbon intensity decreased by 3% as compared with the previous reporting year. The trend is different from the energy use because The Langham, Boston has been

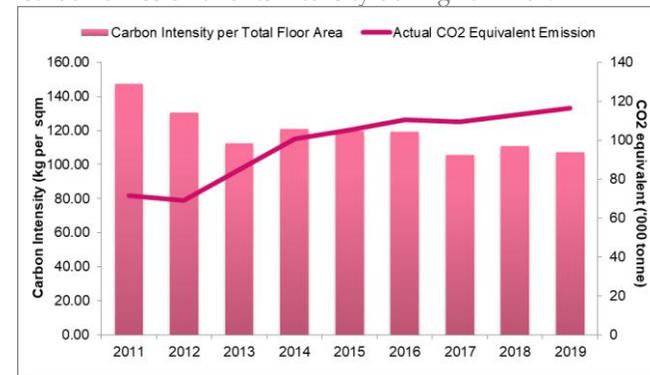
controlled by the company; Scope 2 accounts for GHG emissions from the generation of purchased electricity consumed by the company.

using green electricity and is a contributor in our total carbon emission.

Energy consumption and its intensity during 2011-2019



Carbon emission and its intensity during 2011-2019



In 2019, our hotels continued to focus on LED light retrofitting and HVAC systems upgrading which

³ According to the [Greenhouse Gas Protocol](#), Scope 1 emissions is Direct GHG emissions occur from sources that are owned or

helped to improve the electricity efficiency significantly. The following are the highlights:

- Cordis, Hong Kong upgraded the Building Management System (BMS) to manage the chiller plant more efficiently and installed the heat recovery system for laundry steam boiler for heat exchange.
- The Langham, Hong Kong installed over 2,000 LED lights and enhanced the air-conditioning system in the guestroom area.
- The Langham, Huntington, Pasadena has decommissioned the aged laundry system, installed VFD Drives in the Central Plant, upgraded dishwasher and Hot Water Recirculation System which enhanced overall efficiencies.

Moving Forward

Climate Change will be the top priority of the Group's Strategy. Together with the help of expert scientific organisations such as EarthCheck, we will identify our Science Based Targets. But first, we need to ensure the accuracy and completeness of our emission data, especially Scope 3 emission⁴ (including purchased goods and services, employee commuting).

As we continue to increase the energy efficiency of our operations at the same time, new opportunities are difficult to find unless another break-through technology like LED lighting is introduced in the next few years. We will accelerate the renewables uptake in

our energy demand side at locations where fossil-free alternatives are available.



the company, but occur from sources not owned or controlled by the company.

Water

Water crisis are in the top global risks. According to the UN Environment study, demand for fresh water is likely to exceed supply by 40% in 2030, and half of the world's population will be living in areas of severe water stress by this time. The impacts of climate change including extreme droughts and floods has increasingly threatened local water availability.

Our hotels are located in top travel destinations, which can be those most prone to water shortage, particularly where the tourist season overlaps with the driest months. Hotel operations heavily rely on water for hygiene, cooking and air-conditioning purposes. Therefore, water use per guest in hotels often exceeds that of the local population.

In the past decade, we have worked to reduce our water footprint by installing water-efficient equipment across our properties, and raising staff awareness on water conservation. However, we could not deliver the results as we expected. We tracked our water usage for the entire portfolio since 2011 and our water intensity (water use per guest night) increased by 9% in 2019 as compared to that of 2011.

The development of modern luxury hotels and resorts includes larger swimming pools, spa, food and beverage area, and larger, indulgent bath and shower facilities in guest rooms. All these add up to boost the

⁴ According to the [Greenhouse Gas Protocol](#), Scope 3 emissions (other indirect GHG emissions) are a consequence of the activities of

water use per guest night. On the other hand, over 90% of our hotels are and will be operating at high water stressed area in the next ten years based on our water risk analysis. Our hotels are likely prone to water shortage that will have significant impact on our service delivery.

We cannot simply follow the conventional approach of monitoring water consumption and efficiency. We must take bolder actions to make our hotels ready for the future. **We are committed to reducing our water use per guest night by 50% in 2030.** We have identified the following three key priorities to ensure we achieved our goal in the coming years.

- 1st Priority is overall water risk assessment on our current and upcoming properties;
- 2nd Priority is to increase operational efficiency to reduce our overall water intensity by at least 25%, with higher reduction goal in extremely high water stressed area;
- 3rd Priority is collaboration and transition to water circularity on-site or locally by phase 2.

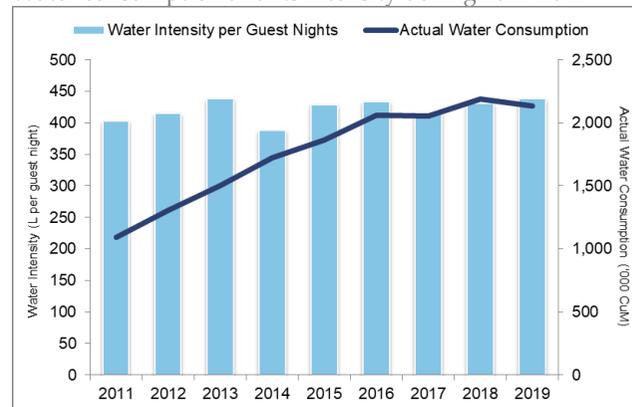
We will carefully plan our internal water operational efficiency programme through retrofitting, major renovation and new built eco-friendly design to meet our enhanced efficiency requirement. We will also work with industry groups and experts to accelerate wider progress on water use and circularity.

Our 2019 Progress

Our fresh water is primarily sourced and discharged via the local municipal water facilities as our properties are located in urban or suburban areas. Our hotels in Hong Kong, together with most of the businesses and residents, use seawater for toilet flushing as part of the public infrastructure. Grease trap is installed typically in our hotels to pre-treat water discharged from food and beverage areas before it is disposed of at the municipal sewer systems.

In 2019, our total annual water consumption for all hotels has decreased by 2% compared to prior year due to the closure of our hotel in Boston for full renovation, although we had an addition of our first resort opening in China. Water intensity (water consumed per guest night) is increased by 2%. We observed the continuous improved efficiency among our hotels in North America, Europe and the Pacific regions along the years, but not yet in the China and Hong Kong regions.

Water consumption and its intensity during 2011-2017



Some highlights of our water saving initiatives in 2019:

- Cordis, Hong Kong replaced the shower heads in the guest rooms with a more water efficient type, with a reduction in flow rate to 9.5 litres per minute.
- The Langham, London implemented a Leak management program and changed the handheld showers in guest rooms with flow restrictors.
- The Langham, Huntington, Pasadena modified to subterranean irrigation, and adopted drought-tolerant landscaping. The hotel also decommissioned its aging laundry facility.



Moving Forward

Water is often not considered a valuable resource in many locations where we operate, and often being under-valued. Our experience told us that the Return on Investment (ROI) in water efficiency initiatives takes a much longer time to achieve when compared to energy efficiency or waste recycling projects. We will work with experts to better understand our local water risks and contexts.

We also identified that the luxury hospitality sector tends to be higher water intensive than other hotel types. There are opportunities for innovation to reduce water use and introduce water recycling while maintaining the high quality of our guest experience.

Waste Management

Proper waste management has always been our prime concern since the beginning of our sustainability journey. Our waste stream is divided primarily into the following areas:

- **Operational waste** – from the kitchen (organic food waste, packaging, aluminium cans, plastic/glass bottles, wine corks and cooking oils), guestrooms (newspaper, plastics water bottles, coffee capsule, packaging, used soap and amenities), public areas (general refuse), and back of house areas (hazardous waste, chemical containers, toner cartridges, paper and cardboard waste, food waste);
- **Refurbishment and renovation projects** – furniture, white goods, computers, household electronic equipment (hair dryer, steam iron, television, speakers), mattresses, pillows, cushion, and textiles (bed linen and towels, curtains, staff uniforms).

In the last decade, recycling was our focus with the aim to ease waste management problems. This did not help much in protecting the environment, particularly to our

marine system. We saw thousands and millions of pieces of plastic floating on our ocean, beaches, and rivers. We also understood that sending waste to other countries for recycling or other treatments is not the best solution. We must take a different approach.

We launched the 'phase out' plan of single use plastics among all our hotels two years ago. Instead of recycling, we must look into the "Reduce" and "Reuse" options first. This is the key principles when our hotels search for the eco-friendly alternatives to replace those single-use plastic items. By end of 2019, all our hotels have phased out eleven plastic items including straws, cocktail sticks, stirrers, takeaway containers/cutlery/bags, coffee cup lids, etc.. **We aim at phasing out all the remaining disposable plastic items including amenities and bottled water in guestrooms by 2022.** We will also look into eliminating other applicable single use disposable items by 2025.

Another waste component that we will focus on is food waste, which is also the heaviest portion of our regular waste stream. We are also keen on minimising our food waste being disposed of at landfill or incineration. From menu reengineering to surplus food donation, we are determined to minimise the food waste generation. For organic material which are not edible, we either apply food waste management technology or food waste collector to compost our food waste into environmental safe water, animal feed or soil conditioner. **We will send zero food waste to landfill by 2022.**

Our ambition is sending zero waste to landfill by 2030. This means we minimise our waste generation at all times including those from our daily operations, and the bulky and construction waste during renovation. **We are therefore also committed to reduce our waste intensity and food waste generation by half in 2030.** This will leave us minimal waste which will be recycled, composted, and lastly incinerated.

Another critical factor to achieve our ambitious 2030 goal is working closely along our value chain including our guests and suppliers. Not only will we engage them to be part of our zero waste journey, but also bring in circularity in products and packaging. Our community theme "Engaged with Conscious Travellers" and "Sustainable Sourcing" to be described in next chapter will go hand in hand with our operation. By creating a circular economy around resources, rather than a linear one, we can all benefit from improved environmental outcomes.



Our 2019 Progress

Like many other businesses, we have been implementing waste minimisation 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). The remaining waste is being sent to the local municipality facilities for landfill and/or incineration.

We have been collecting waste-related data across our portfolio since 2011. However, the overall data quality on both the waste to landfill and recycled materials is mixed. For some hotels, the compilation of accurate data with proof from various waste and recyclable collectors can be very challenging. This will be our primary focus in 2020 to establish a robust and transparent waste data collection system to improve the overall data quality.

Based on the current available dataset, our total annual waste disposed of at landfill for all hotels was nearly 6.4 tonnes in 2019. This shows a decrease by 3% compared to prior year due to the closure of our hotel in Boston for full renovation since March 2019.

Some highlights of our waste reduction initiatives in 2019:

- Starting in 2019, our hotels located in certain regions in China (e.g. Shanghai, Guangzhou, Ningbo) provide disposable in-room amenities (e.g. toothbrush, toothpaste, nail file, razor, shaving

cream, comb) to guests only upon request with the new local government requirements. It is a significant step in the right direction to reduce waste and be mindful of the role hotels play in this important journey towards sustainable luxury.



- All our hotels continued phasing out the single-use plastics items. We also conducted some trials on the new design of plastic-free alternatives to understand the guest feedback, including dispenser in guestrooms, and umbrella dryer machines in public area.

- Sustainable Christmas Tree Competition is the finale of our annual Global CONNECT Events. Our hotels designed and built Christmas trees using recycled/waste materials collected from the hotels. This year winners are our hotels in Haikou, London, Melbourne, and Shanghai Xintiandi.

Moving Forward

We understand the waste issues and are determined to find solutions to prevent all different types of waste from being sent to landfill. Many of our wastes could be valuable resources for others. We will need to eliminate those unnecessary wastage, and maximise circularity along the value chain to stop deteriorating our natural habitat. We cannot do it alone but we will team up with innovative solution providers, industry players and local community and work together to address this global issue.

Sustainable Sourcing

Sustainable sourcing is not new to us but this focus area has become a much more important component to enable us to be a sustainability leader in the industry. We have developed our Responsible Purchasing Policy and Guidelines since 2013. Additionally, EarthCheck certification requires our hotels to consider local sourcing and using green power and eco-labelled products, including paper products, cleaning chemicals, and pesticides.

We have started to work closely with our seafood suppliers for years to increase the procurement of seafood sourced sustainably. Like many other hotels and restaurants, we started our sustainable seafood journey by firstly, not serving endangered species like blue fin tuna and shark fin dishes. Our hotels also partnered with local green groups and suppliers to increase the use of sustainable seafood on the menu. Alibi at Cordis, Hong Kong is our first restaurant which offers 100% sustainable seafood.

We will align the seafood sourcing practices among all our hotels and together, we are **committed to use 75% of total seafood (fresh, frozen, can, dry) that are sustainably sourced with certificates by 2030**. We do not claim 100% due to the complexity of seafood origin in the fresh and dry seafood markets in Asia, particularly for seafood items used in Chinese cuisine. We will actively continue to look for the right sustainable options and certifications in China, while boosting the holistic sustainable seafood offer in non-Chinese cuisine.

In addition to seafood, we are also committed to source most of our agricultural food produce sustainably and locally. Practicing what we preach, our hotels offer farm-to-table events, we grow our own herbs and even nurture rooftop beehives. We tested them out at selected locations and they worked. We now will expand these initiatives throughout our entire portfolio. **We commit to using 100% caged-free eggs by 2025, and 100% sustainably sourced coffee, tea, cocoa, animal protein, sugar, and dairy by 2030. By 2030, 50% of the produce on our menu will be sourced**

from local farm/ fisheries/ home grown, supported by at least **half of our properties growing their own food produce**. Collaboration with the suppliers, local farmers/fishermen and NGOs to define “sustainably sourced” and product availability locally to enable us to work towards a more responsible food supply chain with higher level of transparency and traceability.



We use many textiles in our operations, including our staff uniforms, bed linens and towels, down comforters, and leather sofa/fixtures. In the past, we tried to look for sustainable alternatives, which are not widely available, especially with luxury and locally/regionally options. In recent years, we observed an increasing number of the global fashion leaders promising to use sustainable textiles. We would do our part too. **We are committed to use 100% sustainable cotton by 2025 and 100% overall textiles are organic, recycled or more sustainable by 2030**. Ideally, we can contribute to the circularity of non-food materials regionally. This means we move from a linear model – buy, use, dispose – to a circular model where we can maximise our resources, use and reuse, so that nothing is wasted.

Paper is another material frequently used in hotel operations. All our marketing materials require FSC-certified paper as per our brand standard. Many of our hotels use FSC paper products such as toilet paper, paper napkins. **We are committed to using 100% paper items that are FSC certified and concurrently, we move towards paperless.**

In summary, we **commit to sustainable sourcing by half in 2030**. We seek to source materials that do not harm the environment and welfare of people and communities. We will take a progressive approach to sustainable sourcing with an updated policy, guidelines and capacity building internally. Innovation and collaboration with others are essential to our success.

Our 2019 Progress

We have started some foundation work to support our teams learning more about sustainable sourcing. Some highlights of our initiatives in 2019:

- We partnered with Lever Foundation to conduct a webinar introducing caged-free eggs to our hotels. We reviewed our consumption of meat, dairy and egg products that might have impacts on animal welfare. The survey results helped to shape our sustainable sourcing strategy.
- The Langham, New York, Fifth Avenue and The Langham, Melbourne launched their own gardens growing herbs and selected fruit items.
- Alibi at Cordis, Hong Kong is one of the founding members of Food Made Good in Hong Kong.

Moving Forward

Sustainable sourcing is a broad topic and it is fortunate that we have identified some quick wins on many materials under our direct procurement control. In short term, we will update our policies and guidelines, and raise our internal awareness and understanding on this issue. We will integrate the sustainable and balanced mindset into our procurement decision making processes at different levels to ensure we walk the talk and reach our committed goals by 2030. In the long run, we need the right partnerships to support our operation teams and also suppliers/ famers/ fishermen/ small business owners locally to co-create a sustainable sourcing solution.



Appendices

Appendix 1 – About Our Sustainability Report

This is the ninth sustainability report for Langham Hospitality Group (LHG). We have modified our reporting approach which includes:

- This **standalone Sustainability Report** introduces our 10-years sustainability strategy with key goals and targets set for 2030, and relevant programmes and performance data.
- **Group website content** (to be updated) contains our long-term sustainability strategy, guiding principles and programmes.
- **Social media channels** share more details on our progress and initiatives on specific sustainability issues.
- **Annual Reports** of Great Eagle Holdings and Langham Hospitality Investments Ltd. include sustainability related content of our portfolio.

The report focuses on the sustainability issues material to Langham Hospitality Group’s commercial activities.

We have identified and evaluated the environmental, social and governance impacts associated with our business operations, and the hospitality industry in general. Please refer to Appendix 2 – Materiality Matrix for more details.

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

Scope

This annual sustainability report summarises our strategies, goals, challenges, activities and performance. It highlights the progress and our next steps for the reporting year.

This 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 available on the corporate website (greateagle.com) as well as past annual reports.

Framework

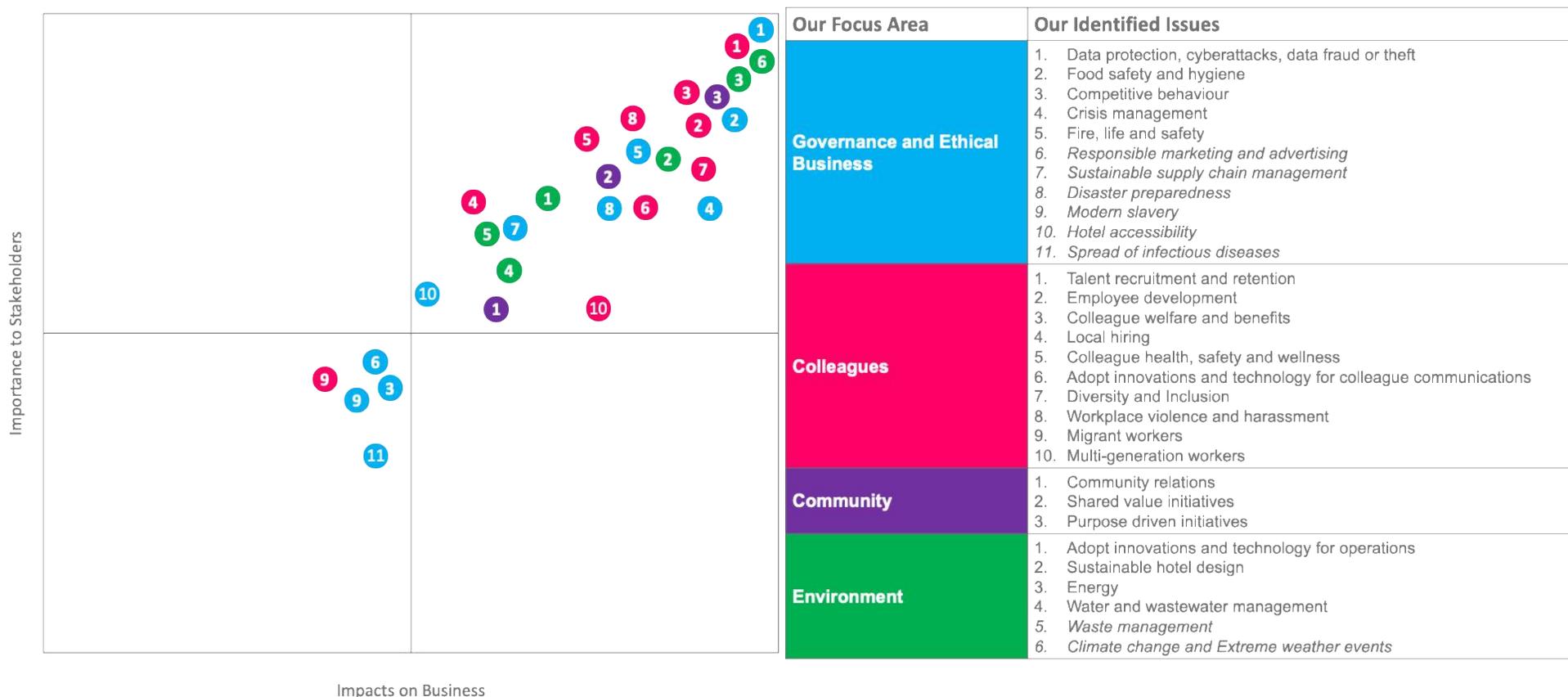
This report contains Standard Disclosures from the [Global Reporting Initiatives \(GRI\) Sustainability Reporting Guidelines version 2016](#). The list of the GRI Standard Disclosures and their locations in this report are provided in Appendix 5 – List of GRI Standard Disclosures.

We have prepared this report with reference to the [EarthCheck standards for the accommodation sector](#), [International Tourism Partnership \(ITP\) Goals](#) and [Hong Kong Exchange Clearing’s Environmental, Social and Governance Reporting Guide](#).

Appendix 2 – Materiality Matrix

To plan our 10-year sustainability strategy, we conducted a full materiality assessment during 2018-2019.

Benchmarking: Benchmarking exercise on the sustainability strategies of the international and local industry players, and material issues identified by the industry professional organisations such as EarthCheck and International Tourism Partnerships. **Opinion Survey:** CONNECT Strategy Review Opinion Survey asked our leaders and managers to rank the impacts of various Environmental, Social (Colleagues and Community), and Governance (ESG) issues on our hotels. **Strategy Review Workshop:** One-day strategy review workshop with 30 leaders and function heads from Corporate Office to review the CONNECT Strategy. We identified important ESG issues and developed the mid- and long-term goals on each ESG issue. **Stakeholders’ Roundtable:** Around 20 professionals from different sectors (including commercial, NGOs, consultants) and expertise on different subjects participated in our roundtable. They reviewed and validated our 10-year sustainability strategy and shared their opinion with our Executive Committee members.



Appendix 3 – Engaging with Stakeholders

We cherish the relationships with our stakeholders along our sustainability journey. At the hotel level, all our EarthCheck certified hotels are required to conduct stakeholder engagements locally.

In 2018, we conducted an extensive review on our CONNECT Strategy to meet not only the current, but also the future stakeholders' expectations. A series of workshops, interviews and survey with our key internal and external stakeholders were completed to shape our 10-year sustainability strategy to lead our growth and development towards 2030 sustainably.

Colleagues

Every year, we seek our colleagues' opinions on our sustainability performance through our annual Colleague Satisfaction Survey. In 2018, we conducted a comprehensive survey to invite their views on various Environmental, Social and Governance (ESG) issues on our hotels now and in the next 10 years. We appreciate their fruitful inputs and expect to conduct opinion surveys on ESG issues regularly.

Guests

Guests' feedback is the most critical information that we use for facilitating our continuous improvement. We utilised a robust voice-of-the-customers (VOC) system to collect the guests' feedback and tailor services and products, including our sustainability aspects.

Experts

We have built and maintained partnerships and on-going dialogues with industry stakeholders and experts. Their insights and expertise help us to prioritise our CONNECT initiatives so that we use and invest our resources in the best possible way. We also maintained on-going dialogue with international and local sustainability organisations such as ADM Foundation, Business Environment Council, Food Made Good Hong Kong, Forest Stewardship Council (FSC), Green Monday, Lever Foundation, The Mekong Club, and WWF Hong Kong, which are essential to us in our sustainability efforts.

Industry Partners

Through our partners like EarthCheck, G.R.E.E.N. Hospitality, and International Tourism Partnerships, the industry network enables us to challenge each other and work together to enhance the overall environmental and social standards across our industry.

EarthCheck Inner Circle Forum 2019 at Brisbane, Australia.



Appendix 4 – UN Sustainable Development Goals

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. The relevant SDGs were integrated in our 10-years CONNECT Strategy Review.

UN SDGs	CONNECT				EarthCheck Company Standard (Version 4.0May 2018)									
	Governance	Colleagues	Community	Environment	GHG emissions	Energy Efficiency, Conservation & Management	Management of Freshwater Resources	Ecosystem Conservation & management	Social & Cultural Management	Land Use Planning and Management	Air quality protection	Wastewater management	Solid Waste Management	Environmentally harmful substances
1. No Poverty			✓						✓					
2. Zero Hunger			✓	✓			✓	✓	✓	✓				
3. Good Health and Well-being	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓
4. Quality Education			✓						✓					
5. Gender Equality		✓	✓						✓					
6. Clean Water and Sanitation				✓			✓		✓	✓		✓	✓	✓
7. Affordable and Clean Energy				✓	✓	✓				✓				
8. Decent Work and Economic Growth	✓	✓							✓					
9. Industry, Innovation and Infrastructure	✓		✓	✓	✓	✓		✓	✓	✓				
10. Reduced Inequalities		✓	✓						✓					
11. Sustainable Cities and Communities			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
12. Responsible Consumption and Production	✓			✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
13. Climate Action				✓	✓	✓	✓	✓	✓	✓	✓			✓
14. Life below Water				✓		✓	✓	✓				✓		✓
15. Life on Land				✓	✓	✓		✓		✓	✓	✓	✓	✓
16. Peace, Justice and Strong Institutions			✓						✓	✓				
17. Partnerships for the Goals	✓		✓	✓					✓	✓				

Appendix 5 – 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

Disclosure number	Disclosure title	Report Pages	Comments
102-1	Name of the organization	4	
102-2	Activities, brands, products, and services	4	
102-3	Location of headquarters	See comments	Hong Kong, SAR
102-4	Location of operations	4	See also Corporate Website
102-5	Ownership and legal form	4	
102-6	Markets served	4	See also Corporate Website
102-7	Scale of the organization	5	See also Corporate Website
102-8	Information on employees and other workers	5 and 13	
102-9	Supply chain	11	
102-10	Significant changes to the organization and its supply chain	See comments	Nil
102-11	Precautionary Principle or approach	9 and 23	
102-12	External initiatives	34	
102-13	Membership of associations	34	
102-14	Statement from senior decision-maker	2 and 3	
102-15	Key impacts, risks and opportunities	6, 9, 12, 17 and 23	
102-16	Values, principles, standards, and norms of behaviour	7	See also Corporate Website
102-18	Governance structure	8	
102-40	List of stakeholder groups	34	
102-41	Collective bargaining agreements	12	
102-42	Identifying and selecting stakeholders	34	
102-43	Approach to stakeholder engagement	34	
102-44	Key topics and concerns raised	6 and 33	
102-45	Entities included in the consolidated financial statements	4	See also Corporate Website
102-46	Defining report content and topic Boundaries	32	
102-47	List of material topics	6 and 33	
102-48	Restatements of information	See comments	Nil
102-49	Changes in reporting	32	
102-50	Reporting period	32	

Disclosure number	Disclosure title	Report Pages	Comments
102-51	Date of most recent report	2019	
102-52	Reporting cycle	32	
102-53	Contact point for questions regarding the report	32	
102-56	External assurance	See comments	Partial environmental data by EarthCheck
103-1	Explanation of the material topic and its Boundary	6 and 32	
103-2	The management approach and its components	6, 9, 12, 17 and 23	
103-3	Evaluation of the management approach	6	

Specific Standard Disclosures

Material Aspects	Disclosures on Management Approach (DMA) and Indicators	Report Pages	Comments
Economic	201-1 Direct economic value generated and distributed	See comments	Refer to Annual Report 2019 of Great Eagle Holding Ltd.
Market Presence	202-2 Proportion of senior management hired from the local community	12	
Anti-Corruption	205-2 Communication and training about anti-corruption policies and procedures	10	
Anti-Corruption	205-3 Confirmed incidents of corruption and actions taken	See comments	Nil
Energy	302-1 Energy consumption within the organization	24	
Energy	302-3 Energy intensity	24	
Energy	302-4 Reduction of energy consumption	24	
Water	303-3 Water withdrawal	26	
Emissions	305-1 Direct (Scope 1) GHG emissions	24	
Emissions	305-2 Energy indirect (Scope 2) GHG emissions	24	
Emissions	305-4 GHG emissions intensity	24	
Emissions	305-5 Reduction of GHG emissions	24	
Occupational Health and Safety	403-9 Work-related Injuries	15	
Training and Education	404-1 Average hours of training per year per employee	14	
Training and Education	404-2 Programs for upgrading employee skills and transition assistance programs	14	
Training and Education	404-3 Percentage of employees receiving regular performance and career development reviews	14	
Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	13	
Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	17	
Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	9	