



Sustainability Progress Report 2020

Langham Hospitality Group

Message from Executive Chairman

2020 was an unprecedented year where the world struggled with uncertainties as we fight against COVID-19.

Despite the challenges, we continued to move forward with our sustainability efforts and held steadfast to our pledge in integrating sustainability into the core purpose of our business and to protect the world we live in for future generations.

Climate change continues to be a main focus and forms the core of our sustainability roadmap. The food we eat can have a significant impact on the environment and promoting a plant-based diet can make a big difference. I am proud that Langham Hospitality Group's Michelin starred Cantonese restaurants in Hong Kong are leading the way in developing innovative plant-based dishes providing a healthier and more sustainable dining option for our guests.

As our business continues to develop and expand globally, high standards of ethical behavior and commitment to excellence in environmental responsibilities are key fundamentals as we continue to expand the number of hotels and elevate The Langham and Cordis brands. The Langham, Venice, a property we announced in 2020, will be built sustainably adhering to guidelines related to climate change. In addition, we are also exploring opportunities to develop net zero energy eco-resorts within our portfolio.

As global events and trends continue to influence our priorities which may impact the progress of our CONNECT programme, we must stay focused on achieving longer-term success in sustainability issues. Together with the colleagues and our partners, 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



An Ethical Business

REINFORCING STAKEHOLDERS' CONFIDENCE IN OUR BRANDS

Integrated Management System and Supply Chain Management

We are keen to implement a simple yet effective groupwide 'Company Standard' integrated management system to enable our colleagues to do the right thing at the right time. We also nurture a culture where colleagues understand that we expect them to uphold the Company Standards through regular training and interactive programmes. We extend our influence to our suppliers and partners who share our vision for a more sustainable industry.

2020 Highlights

- The framework of the 'Company Standard' integrated management system was revamped to facilitate our company's operation and ensured it is aligned with international standards to protect guests, colleagues, external vendors, assets, reputation and environment.
- Our 'Risk Preparedness Video Competition' is an important platform to develop the culture on risk preparedness in hotels for our colleagues and relevant stakeholders. In 2020, our hotels created fun videos to promote how colleagues can be prepared and to minimise and manage the risks to health and hygiene during the COVID-19 pandemic.



- We continued our global awareness programmes on Data Protection and General Data Protection Regulation (GDPR). We also engaged an external consultancy firm to support the establishment and rollout of new data protection standards based on General Data Protection Regulation (GDPR) for all of the hotels and the global and regional offices. In the technology aspect, to mitigate the security risk resulting from the increased demands for remote access, additional measures were put in place to strengthen user authentication to systems and network security. Furthermore, phishing exercises and a crisis simulation had been performed to raise the information security awareness of all colleagues and the corporate management team.
- In summary, we spent nearly 28,000 hours on corporate ethics training on different topics in 2020.

Topics	2019	2020
Environmental	1,990	1,100
Anti-discrimination and diverse workforce	2,464	694
Health and safety	15,291	24,404
Anti-corruption	915	435
Data privacy	11,199	1,375
Total Hours of Training	31,859	28,009

- Guests and colleagues safety continues to be at the top of our agenda in this unprecedented year. Some of the internal projects were delayed due to the business interruptions caused by COVID-19.

Caring for Our Colleagues

COLLEAGUES ARE PROUD TO WORK WITH US

Fair and Equal Working Environment

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

Respect for employee rights is fundamental to our principles of human resources and promote equal access to employment. We encourage the integration of employees with disabilities by offering them career opportunities and also implemented initiatives to address their particular needs. Gender representation parity for our global workforce is one of our top priorities in the coming years.

2020 Highlights

- 118 out of 291 (41%, 35% in 2019) senior executives are female whereas 172 (59%, 62% in 2019) are male. We currently have a female senior executive management team member in the group and two female General Managers at our hotels. We are committed and will continue to recruit and develop individuals solely based on their suitability for the job, regardless of gender, age, nationality, religion or disability.
- We employed 46 colleagues (0.7% of the overall workforce) with disabilities in various roles that could effectively draw on their talent and abilities.

	2018	2019	2020
Workforce			
Total employees	8,574	8,148	6,960
Full time employees	92%	91%	92%
Permanent employees	93%	96%	97%
Gender			
Female employees	50%	49%	49%
Male Employees	50%	51%	51%
Age			
<20	4%	4%	4%
20-29	35%	35%	31%
30-39	27%	26%	27%
40-49	18%	18%	19%
50 or above	16%	17%	19%
Total percentage of Expatriates from overall workforce	3%	3%	3%
Senior Executive	14%	14%	13%
General Workforce	2.9%	2.8%	2.8%
Total percentage of Senior Executive from overall workforce	3.8%	3.8%	4.1%
Male Senior Executive	2.6%	2.4%	2.5%
Female Senior Executive	1.7%	1.5%	1.7%
Total percentage of colleagues with disabilities from overall workforce	0.7%	0.7%	0.7%



Langham Place, Guangzhou attended a 'Simulation Job Fair' that supports people with disabilities.



Students from Rainbow School were invited to the Chef Appreciation Week at Cordis, Shanghai, Hongqiao.

- Chelsea Hotel, Toronto was awarded the "Award of Excellence - Human Resources" at the annual Hotel Association of Canada's Hall of Fame Awards.



Langham Curriculum Certification (LCC), and Advanced Programme for Executives (APEX).

2020 Highlights

- COVID-19 Safety and Hygiene Procedures Training was our focus in 2020 to ensure our colleagues and guests are safe in our hotels. We updated the standards for new protocols to address Coronavirus that include hygiene and cleaning procedures.
- We launched a series of online learning programmes to engage our colleagues, "Learning Anywhere, Anytime". We partnered with eCornell to offer leadership certificate courses and LinkedIn Learning for all colleagues. We also transformed our standard Train-the-Trainer (on-the-job training) programme to a virtual version for our hotels. Our virtually certified learning and development leaders can deliver and certify their hotel's departmental trainers – from online to offline.



Virtual training

- We provided approximately three days of training per colleague. There is a decrease in the training hours per employee compared to the previous two reporting years. The percentage of employees receiving performance reviews is lower than the previous year due to the suspension of operations in some of our hotels.

Professional & Personal Development

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

We are committed to creating an environment for our colleagues to achieve their career aspirations and, at the same time, nurture a team of competent and motivated colleagues. Our learning and development programmes are the First60 Certification programme,



Physical training

KPI	2018	2019	2020
Training hours per employee	36.0	44.0	25.2
Senior Executive	23.3	22.2	9.8
General Workforce	36.6	45.9	16.1
% employee received performance review	78	84	68

Caring, Inclusive and Collaborative (CIC) Culture

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

Caring for our colleagues begins with ensuring the health, safety and wellness of our colleagues. Apart from ongoing training, we promote colleague wellness globally through our annual Global CONNECT events. We also encourage open communications to create an inclusive and collaborative workplace culture for our colleagues.

2020 Highlights

- Our Annual Colleague Wellness Week was dedicated to enhance colleagues' awareness of their wellbeing and to support them in developing a healthy lifestyle. Health promotion programmes included nutritious meals at the colleague cafeteria, stress management, mental health, financial workshops, as well as ensuring there is fun and humour at work. Wellness activities included yoga and Zumba classes, a table tennis tournament, and a plank challenge.
- Health and Wellness is a priority for all of us during the COVID-19 pandemic. We organised the global fitness challenge to spread positivity. Our CEO took the lead and passed the challenge to our colleagues around the world. In addition to passing-on the challenge and spreading the

message on staying positive, hotels incorporated the concept into a holistic series of wellness programmes for our colleagues and guests.



Fitness Challenge by The Langham, Melbourne team

- Our hotels further developed internal programmes and communications to promote a positive mindset during the pandemic outbreak, which included initiatives to show our appreciation to highly committed colleagues with outstanding contributions during this challenging year.



Internal posters to appreciate our "heroes" by Cordis, Shanghai, Hongqiao

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

KPI	2018	2019	2020
Lost time injury frequency rate (LTIFR) ¹	13.1	12.9	13.7
Incident rate ²	5.5	7.2	5.8

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 enhanced our annual colleague survey with a new focus – colleague experience. We measured colleague experience levels to supporting us in achieving our goal to become the employer of choice in coming years. The company strives to be a great place to work with engaged and committed colleagues. The first-year data would serve as our baseline to guide our continuous improvement.
- A local diversity and inclusion committee was formed among our hotels in North America to leverage our expertise and resources to drive regional programmes.

Caring for Our Community

CREATE SHARED VALUE WITH LOCAL COMMUNITIES

Colleague Volunteering

COLLEAGUE VOLUNTEERING FOCUS ON IMPACT- AND SKILL-BASED

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 to make a difference.

2020 Highlights

Due to the social distancing measures in most of our operating locations, the community partnership programmes were forced to be suspended. Instead, our volunteers offered our best support to meet the local needs at various times in the year, from donations of surgical masks, hygiene kits and food; to spreading our positive energy and show our gratitude to the everyday heroes. The following are some highlights of our activities:

- We launched "Race to London/Hong Kong" to encourage a healthy lifestyle whilst raising funds to support a local charity to support the vulnerable during the pandemic. This challenge was a virtual journey of over 10,000 km between our luxury

flagship hotel in London or corporate office in Hong Kong and vice versa. Our colleagues were encouraged to walk, run, and cycle in support of this event.

- To mark their 155th birthday, The Langham, London, team worked together to package 155 Afternoon Tea gift boxes and hand-delivered them to London's everyday heroes, including NHS workers, carers, bus drivers and emergency services.



- During the first COVID-19 outbreak, our hotels in China came forward to support the local community during the lockdown period. Hotel volunteers joined the local government programme to help to check the health code, measure the residents' body temperature in the neighbourhood,

clean the streets to maintain a healthy living environment, and prepared and delivered meal boxes for the frontline medical workers.



Langham Place, Haining team, visited the local hospital

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

Supporting Locals

SUPPORT LOCALS

We support locals by sourcing local products and services, showcasing our neighbourhood's uniqueness, including history, culture, and nature.

In an unprecedented time like 2020, we were grateful to our local healthcare professionals worldwide.

2020 Highlights

- In the U.S., The Langham Hotels & Resorts coordinated the distribution of 40,000 surgical masks to area hospitals in Boston, Chicago, New York City and Los Angeles as a small way to thank our medical professionals for their work. These masks will be used by the hospital staff and patients as they fight on the front lines of the pandemic.
- Our hotels in the U.S. also united with other members of the hospitality industry to participate in Buy One Give One Stay. With each Bed & Breakfast package booking, a complimentary room night would be donated to the American Nurses Association. The donation would then be distributed to medical professionals who can use them toward future leisure stays so they can truly enjoy time with their loved ones.
- The Langham Huntington, Pasadena has unveiled its newly restored and rehabilitated iconic Picture Bridge, a historic 90-year-old landmark feature on the grounds of the urban resort, with paintings added in 1933 that serve as a living storybook for the state of California.



Engaged with Conscious Travellers

ENGAGE WITH MILLIONS OF PEOPLE TO BE CONSCIOUS TRAVELLERS

Our industry contributes to various social and environmental problems such as over-tourism, cultural conflict, and climate crisis. Tourism cannot be sustainable if we do not start travelling mindfully. We are committed to inspiring millions of people to be conscious travellers.

2020 Highlights

- We launched a partnership for The Langham with the leading travel and lifestyle brand TUMI. With both brands' collective focus on sustainability, The Langham and TUMI launched the collaboration

with the "Celebrate The Perfect Journey" staycation package in Greater China. The staycation package featured the pre-launched first recycled hardside V4 Suitcase made from plastic bottles, curated exclusively for The Langham with a dedicated pink TUMI accents kit.



Langham and TUMI partnership

- 'The Colours of Travel' exhibition was organised to celebrate Cordis's 5th Anniversary. The brand partnered with renowned Chinese singer and sustainability influencer, Huang Yali and Shanghai-based Donghua University, an internationally acclaimed fashion and design innovation institution to join forces and breathe new life into hotel waste to create sustainable art.



"The Colours of Travel" exhibition

Inspire to Embrace Differences

INSPIRE MILLIONS OF YOUTHS AND FUTURE TALENTS TO EMBRACE DIFFERENCES

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** who are our future guests, colleagues and neighbours **to embrace differences**.

2020 Highlights

- Rainbow School in Shanghai is Cordis, Shanghai, Hongqiao's community partner. This year, we organised various activities from a charity bazaar for fundraising, school visits during the festive seasons, hand-made workshops, etc.



Rainbow School Charity Bazaar

- Luwan Special Needs School is our long-term community partner with The Langham, Shanghai, Xintiandi. We were invited to deliver professional job skills training such as flower arrangements by our volunteers to their students after the campus has re-opened for the public after the pandemic period. We hope to equip students with hospitality

skills, which will be helpful for them when they join the workforce.



- The Langham Huntington, Pasadena has won in the 2020 [GayTravel Awards](#)' Luxury Hotel category. They are recognised by their spirit of diversity and inclusiveness where they continuously improve their amenities, safety protocols, and service excellence.

Protecting Our Environment

REDUCE OUR IMPACT ON THE ENVIRONMENT BY HALF

Climate Change

Our 2030 Goal
REDUCE CARBON INTENSITY BY HALF
 to be in line with the Paris Agreement
 Targets.

Our current carbon emission accounting is based on the energy consumption of hotel operations. The energy consumption is primarily composed of electricity from the grid, natural gas, diesel, purchased steam and chilled water in our 24 properties.

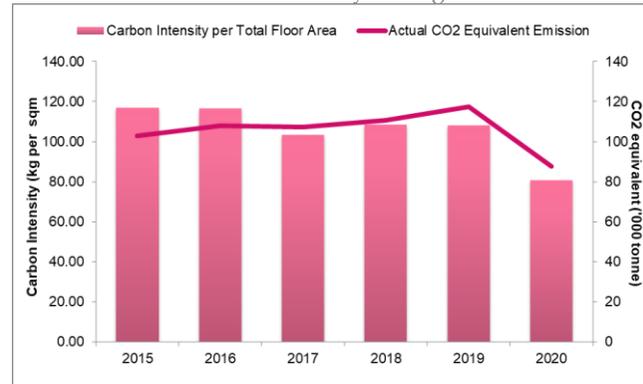
2020 Highlights

In 2020, the energy intensity (per square meter) decreased by 29% over 2019 (36% over 2015). Despite the addition of two new hotels, the decrease was due to the business interruptions caused by COVID-19 and the closure of our hotel in Boston for a complete renovation.

In 2020, carbon equivalent emissions (Scope 1 and 2¹) associated with our energy used decreased by 25%, and

the carbon intensity decreased by 25% compared with the previous reporting year.

Carbon emission and its intensity during 2015-2020



In 2020, our hotels continued to focus on various energy efficiency measures such as LED light retrofitting and HVAC systems upgrading. The following are the highlights:

- We conducted our first groupwide virtual webinar on Climate Change. We believe that climate change is causing adverse impacts on us, and it is everyone's responsibility to protect the planet for sustainable growth for our future generations. We shared the science and impacts of climate change

and how we, as individuals, can contribute to fighting climate change together.

- Our hotels added more vegetarian/vegan options in their offerings, from afternoon tea to Michelin Star Cantonese cuisine. In Hong Kong, our support for Green Monday and advocacy for plant-based living continued in 2020. We supported and hosted their new product (Omnipork Strip and Omnipork Luncheon) launch media event at Cordis Hotel in Hong Kong.



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

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

- Our hotels participated in the annual global green event – Earth Hour, which went digital in 2020. Our hotels turned off all non-essential lighting and designed heart-shaped lighting to spread the "positive power" message and our wish that everyone to stay healthy in this particular year.



Water

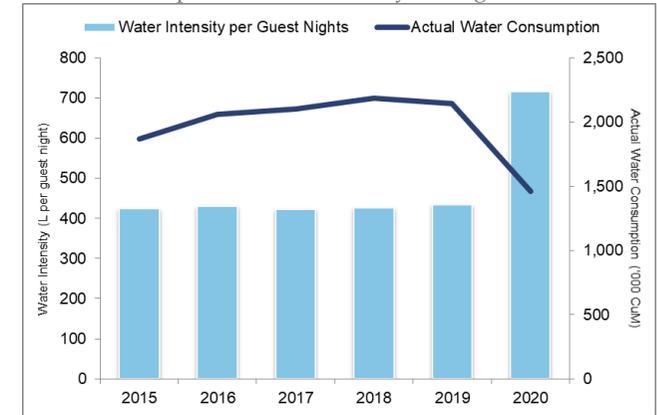
Our 2030 Goal
REDUCE WATER INTENSITY BY HALF
 particularly for hotels at water stressed areas.

Our freshwater is primarily sourced and discharged via the local municipal water facilities as our properties are located in urban or suburban areas. Together with most of the businesses and residents, our hotels in Hong Kong use seawater for toilet flushing as part of the public infrastructure. A 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.

2020 Highlights

In 2020, our total annual water consumption for all hotels had decreased by 32%. In 2020, our water intensity (water consumed per guest night) was increased by 65% compared to the prior year (68% over 2015) due to the business interruptions caused by COVID-19. Also, the water used for the air conditioning system to maintain the thermal comfort of the building remained in some locations despite lower guest nights.

Water consumption and its intensity during 2015-2020



We learnt that the efficiency of our modern HVAC system has a significant dual effect – energy and water use. We will consider both energy and water efficiency upon the HVAC system upgrade.

Waste Management

Our 2030 Goal
ZERO WASTE TO LANDFILL and
 significantly reducing waste intensity by at least half within our operations.

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.

2020 Highlights

Due to the business interruption caused by COVID-19, we will complete the revamp of the waste data collection system in 2021 to improve the overall data quality. Based on the current available dataset, our total annual waste disposed of at landfills for all hotels was nearly 2,400 tonnes in 2020. This shows a decrease of 91% compared to the previous year.

Some highlights of our waste reduction initiatives in 2020:

- Our China hotels successfully implemented waste segregation and recycling programmes as part of China's city-wide mandatory waste classification programme.
- We continued to phase out single-use plastics (SUP) items with a focus on identifying new branded in-room amenities with a plastic-free design to be launched in 2021.
- Alibi in Cordis, Hong Kong, was one of the first pilot restaurants to participate in the Oyster Reef Restore Programme organised by The Nature Conservancy Hong Kong. This programme collects oyster shells from our restaurant to build an artificial oyster reef along the coast of Hong Kong. The oyster reef saves the baby oysters, improves the ocean water quality and maintain the marine ecosystem.
- 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's winners are our hotels in Guangzhou, Ningbo Dongqian Lake, Shanghai Xintiandi, and Toronto.



Sustainable Sourcing

Our 2030 Goal
COMMIT TO SUSTAINABLE SOURCING BY HALF including food and seafood, paper, textiles, chemicals, and personal care products.

Sustainable sourcing is a broad topic, and we have identified the primary focus on materials under our direct procurement control. Our approach is guided by our Sustainable Sourcing Policy and guidelines with an

ongoing monitoring system internally and externally certified by EarthCheck.

2020 Highlights

We have started some foundation work to support our teams in learning more about sustainable sourcing. Some highlights of our initiatives in 2020:

- The groupwide Sustainable Sourcing Policy and guidelines were under review and expected to be issued in 2021.
- Alibi at Cordis, Hong Kong, is shortlisted as one of the Food Made Good HK Awards –Environment Award finalists. The restaurant also partnered with ecoSPIRITS to implement zero-waste packaging for six spirits.
- Cordis, Ningbo, Dongqian Lake harvested their locally grown, organic waxberries and plums for the first time in 2020. This fresh produce was served as part of the "farm-to-table" breakfast offering for our guests.

