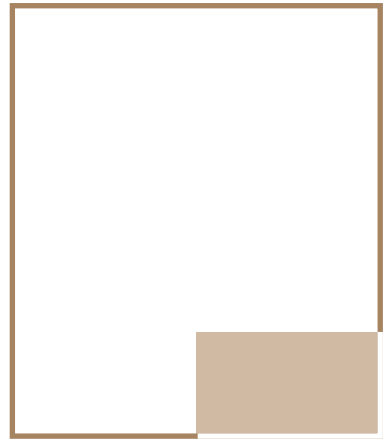


# CORPORATE SOCIAL RESPONSIBILITY



JP Morgan Corporate Challenge



Group Basketball Competition



KIDS Chelsea Playground Cleaning Volunteering

# CORPORATE SOCIAL RESPONSIBILITY

At Great Eagle, CSR is a concept whereby we would integrate social and environmental concerns in our business operations. Our commitment to this concept is long-standing as we believe that CSR could:

- create long-term value for our stakeholders; and
- improve the quality of life in our workplace, the local community as well as the world at large.

Based on the above belief, we have crafted “*Create Value, Improve Quality of Life*” as our CSR vision. We also support the UN Global Compact which encourages business worldwide to adopt CSR policies.

This CSR report focuses on the Group’s environmental and social performance of our major businesses which include development, investment and management of hotels and properties. It makes reference to the Environmental, Social and Governance (“ESG”) Reporting Guide which is issued by the HKEX. The report is structured according to the four ESG subject areas as stipulated in the Guide:

- Employment and Labour Practices
- Environmental
- Operating Practices
- Community

In addition to these four ESG subject areas, we have documented on how we make and implement decision in pursuit of our CSR objectives in section “CSR Management”. Selected key performance indicators are also supplemented to illustrate our CSR performance.

Our committed efforts in CSR are reflected in being selected as a constituent member of Hang Seng Corporate Sustainability Benchmark Index for seven consecutive years. The ESG performance rating company for the selection, Hong Kong Quality Assurance Agency, has granted us “AA-” rating, making us one of the top thirty performers among Hong Kong listed companies. Other than this notable achievement, our subsidiaries received numerous prestigious CSR related awards and recognition in 2017 as listed in the following sections of this report.

Our Hotels Division, Langham Hospitality Group, will continually issue their sustainability report in the second quarter of 2018. The report will review their current systems and performance, as well as set out their environmental and social objectives for the coming years.



Constituent Member of Hang Seng Corporate Sustainability Benchmark Index

## CSR MANAGEMENT

### Management Framework

Supporting our CSR vision is a strong CSR Management framework which encompasses the following elements:

- The CSR Steering Committee: the Committee is responsible for enabling our Group to take responsibility for CSR impacts of our decisions and activities, and for integrating CSR throughout the organisation. The Committee comprises members from the Board and management from key areas of the Group, serving as a senior level working group for determining the Group’s CSR direction;
- The Group CSR Policy: the Policy provides a robust framework and direction to implement CSR and embed CSR into our organisational culture; and
- Risk Assessment & Strategy: the Committee regularly conducts risk assessment in order to sort out priorities of our material CSR issues. A CSR strategy is developed to enable the Group to focus our efforts on managing these issues.

**Stakeholder Engagement and Risk Assessment**

We recognise that engaging our stakeholders is vital for understanding the impact of our operations on different groups, as well as material issues that may impact us or them. Therefore, we periodically conduct stakeholder engagement with our key stakeholders such as employees, tenants, suppliers, investors and media. The results of the engagement are taken into consideration when we prioritise our material issues and review our existing CSR strategy at the CSR Steering Committee Meeting.

Based on the latest results of the stakeholder engagement and risk assessment, we have identified “Community Involvement” and “Communication” as our two CSR material issues and a CSR strategy has been formulated to manage them.

In Community Involvement:

- we partner with non-profit organisations to launch impactful community projects according to our three major sponsorship themes, namely Art, Children Education and Environmental Protection (please refer to section “Community”); and
- we encourage our colleagues to actively participate in the community projects by attending the project events or joining related volunteering.

In Communication:

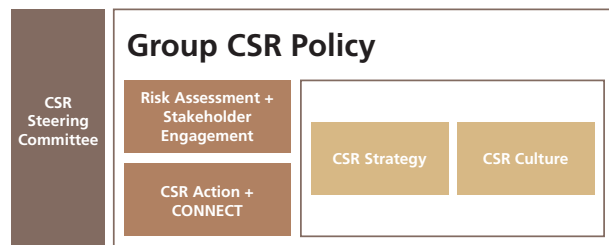
- internally, we communicate our CSR updates to the colleagues through the intranet forum, monthly CSR tips, orientation and training sessions; and
- externally, we communicate our CSR efforts to the tenants, customers, investors and media through the annual CSR Report, community projects, newsletters and briefing sessions.

**CSR Culture**

In addition to establishing a CSR Management framework, we believe a CSR culture in our Group is a crucial factor to achieve our CSR vision. To this end:

- we convey CSR in a friendly and funny way by branding our CSR approach as “CSR Action”, which consists of seven “Great Action” icons to represent our CSR commitments in human rights, labour practices, the environment and so forth;
- based on the “Great Action”, a CSR awareness workshop has been developed. It educates colleagues about the Group’s CSR vision and approach through interesting lecture and interactive games;
- our Hotels Division has established a CSR programme called “CONNECT”, which implies the connection among their initiatives, the environment and society. Following the programme, the Division could collectively act responsibly every day and contribute to the sustainable development of the neighbourhoods where they operate; and
- based on the four priorities of “CONNECT”, namely Governance, Environment, Community and Colleagues, the Division could prioritise the CSR efforts they would take and the resources they invest in so as to amplify the impact of the collective actions.

**CSR Vision**



CSR Management Structure

## EMPLOYMENT AND LABOUR PRACTICES

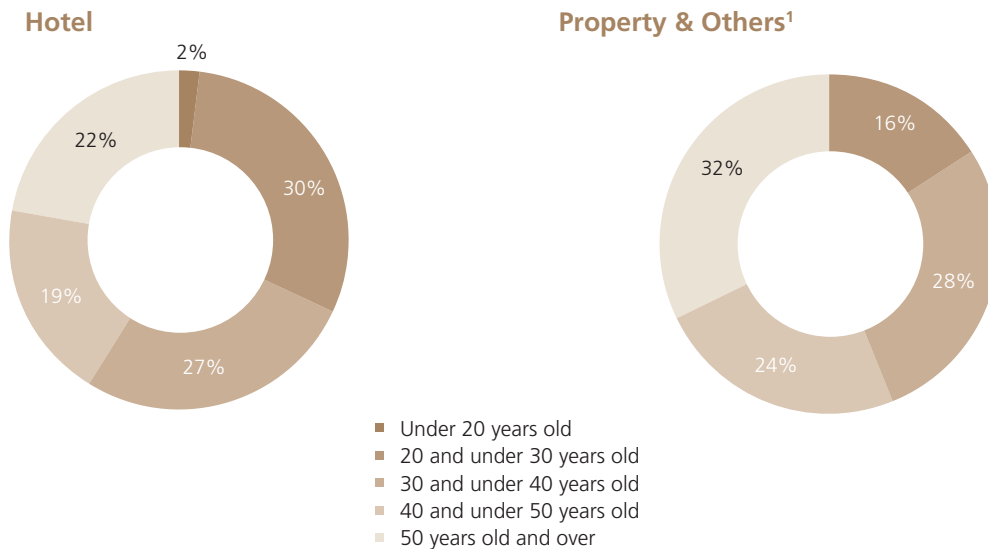
### Employment

The Group is committed to providing lawful and proper employment that signifies human development. As such, we have established the Employee Handbook which sets out our policies relating to recruitment, promotion, working hours, rest periods as well as other benefits and welfare. The policies comply with the relevant employment laws and regulations. We are also committed to providing a fair working space by adhering to all anti-discrimination laws and encouraging a diverse workforce. Our Equal Opportunity Policy ensures that no job applicant or employee receives less favourable treatment or is disadvantaged by sex, pregnancy, disability, marital status or family status when applying for a position with the Group or during employment.

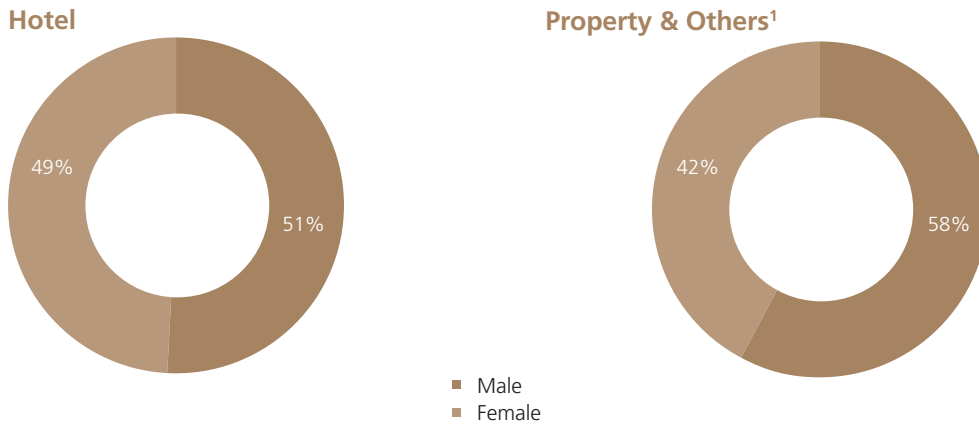
Supporting employment of persons with disabilities, we have participated in Labour and Welfare Bureau’s Talent-Wise Employment Charter & Inclusive Organisations Recognition Scheme. One of our practices is the partnership of our Hotels Division with Hong Chi Association whose trainees work in hotels’ back of house areas and support day-to-day operations (e.g. housekeeping, cleaning and laundry services). The teamwork between the trainees and the colleagues has successfully built a culture of respecting people differences in the workplace.



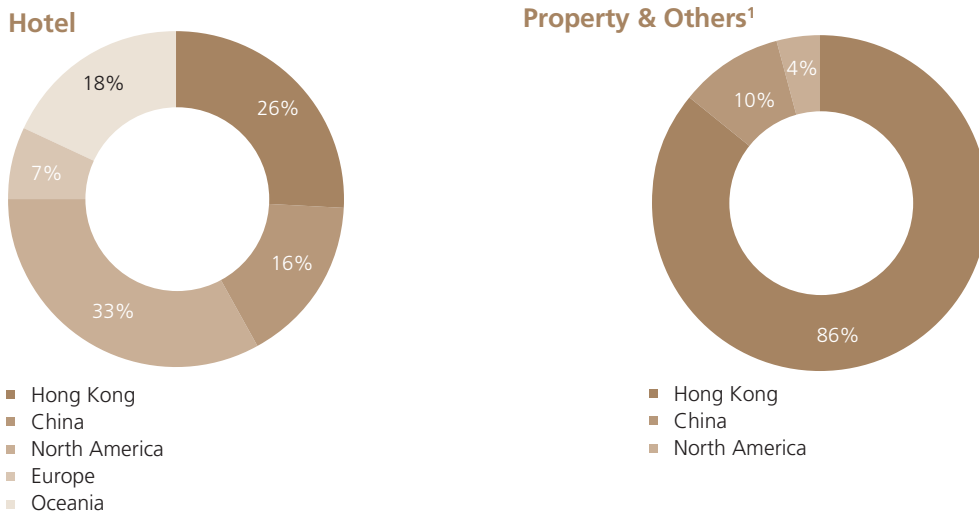
### Total Workforce by Age Group



**Total Workforce by Gender**



**Total Workforce by Geographical Region**



**Total Workforce by Employment Type**



### Total Workforce by Employment Contract



Note:

1. Property & Others include businesses such as property development, property management, maintenance and property agency services, sales of building materials, restaurant operation and investment in securities.

### Health and Safety

In addition to creating a fair workspace, we strive to provide a safe working environment and protect colleagues from occupational hazards. All risks to colleagues' health and safety at work are properly controlled whilst relevant laws and regulations are fully complied.

Our Hotels Division has implemented the following health and safety measures:

- the group-wide Occupational Health and Safety Policy stipulates all hotels to maintain an effective and efficient health and safety management system with policies, committees, training and incident reporting mechanism;
- the senior management, human resources directors and security departments of hotels are responsible for implementing and monitoring the system;
- the effectiveness of the system is monitored in conjunction with the Key Performance Indicators (KPI) System which allows the improvement teams analyse the data, find the root causes of the problems, run improvement action plans and follow up on the results; and
- colleagues' wellness is promoted globally through the annual Global CONNECT event – Colleague Wellness Week, which is dedicated to enhance awareness of colleagues on their wellbeing and support them in developing a healthy lifestyle. Health promotion programmes include yoga classes, wellness fairs, salsa classes, and info sessions on financial wellness, healthy eating and mental health.



Training on Occupational Health in Hotel Industry



Healthy Eating Info Session

Our Property Management Division manages the health and safety risks to the colleagues, tenants and shoppers through the establishment of an occupational health and safety management system, which is set up in accordance with the OHSAS 18001 standard. Following the management system, the Division:

- identifies health and safety hazards which are in turn managed by the operating procedures and safety devices (e.g. purchasing an aerial working platform in order to reduce the risk of working at height);
- establishes Safety Committees to implement action plans and review effectiveness of the management system in order to achieve zero accident;

- uses checklists to monitor high risk activities such as working in confined space, installing electrical systems and manual handling; and
- provides training courses such as monthly safety training, first aid and AED certification training, and field demonstration to the frontline staff.

In 2017, the Division held a Safety Charter Signing Ceremony, inviting the management team and contractors' management representatives to commit to enhance safety awareness in workplace and achieve the ultimate goal of "ZERO" accident and occupational injury.



First Aid Certification Training



Safety Charter Signing Ceremony



### Work Related Fatalities & Lost Working Days Due To Injuries



Business	Total workforce hours (in thousands)	Number of fatalities	Lost working days due to injuries
Hotel	16,916	0	4,507
Property & Others <sup>1</sup>	2,027	0	397

Note:

- Property & Others include businesses such as property development, property management, maintenance and property agency services, sales of building materials, restaurant operation and investment in securities.

### Development and Training

Provision of opportunities for training and development has become a key factor to attract and retain staff. Apart from offering a competitive compensation and benefits package, we provide corporate and vocational training to the colleagues according to the Training and Development Policy. Core training such as “The 7 Habits of Highly Effective People” and “Business Innovation” are held regularly for colleagues to attend. In 2017, we put our focus on the wellness of our colleagues. Seminars such as body stretch and super food were arranged for them.



Body Stretch Workshop

Our Hotels Division also aims to create an environment for the colleagues to achieve their career aspiration and at the same time, nurture a team of competent and motivated colleagues. To this end:

- the Division has developed a learning and development pathway which is made up of the First60 Certification Programme, Langham Curriculum Certification (LCC), and Advanced Programme for Executives (APEX). These programmes enable the colleagues to gain new skills and experiences which could be applied in their current and future jobs;
- in 2017, the Division organised a 3-day GM Conference in Hong Kong, inviting all the General Managers and Managing Directors of the hotels around the world to attend. The key focus of the Conference, “Take Initiatives,” aimed to inspire the colleagues to create guest memories and enhance guest experiences which would drive guest loyalty as well as brand success; and
- Cordis, Hong Kong has developed the “Cordis’ Guest • My Guest” training which intends to ensure our colleagues to provide Cordis-branded service experience to our guests. The training design is focused on passing the responsibility of interactions with guests to all colleagues, giving them confidence to initiate any necessary actions in order to take good care of the guests right at the moment. Top management plays a vital role in engaging the colleagues and establishing a new service culture in the hotel.



GM Conference



Cordis' Guest • My Guest

Performance Review assists our colleagues to keep track of their performance and determine development needs. Our Performance Appraisal System provides a mechanism for colleagues to review together with their superior about their performance, key objectives as well as training and development needs.

### Percentage of Employees Receiving Regular Performance and Career Development Reviews



Business	Employee receiving performance reviews
Hotel <sup>1</sup>	98%
Property & Others <sup>2,3</sup>	90%

Notes:

- Hong Kong and China employees who are eligible to receive performance review during the reporting year.
- Property & Others include businesses such as property development, property management, maintenance and property agency services, sales of building materials, restaurant operation and investment in securities.
- Employees joined from 1 August to 31 December are not subject to review for the year as per policy.

### Work-life Balance

We recognise that productive employees are those who maintain a healthy work-life balance. To promote the importance of this, throughout the year, we organised various interest classes and recreational events for colleagues to participate such as DIY Leather Workshop, Christmas Party and Group Basketball Competition.



DIY Leather Workshop

### Recognition

In recognition of our efforts in people strategies and practices, we were granted the following prestigious awards in 2017:

- The award of "Manpower Developer" by the Employees Retraining Board (ERB) Hong Kong:
  - Langham Hospitality Group
  - Langham Place
- Chelsea Hotel, Toronto:
  - The 6th Annual Spirit Awards – Accounting Ambassador of the Year by The Greater Toronto Hotel Association
  - Accessible Tourism Award by Tourism Industry Association of Ontario
  - Humanitarian Award by Hotel Association of Canada

## CORPORATE SOCIAL RESPONSIBILITY

- Cordis, Hongqiao:
  - 2017 Best Employer of Hospitality Industry Award by Very East Recruitment Website
- The Langham, Auckland (rebranded as Cordis, Auckland):
  - The 2017 HM Awards for Accommodation Excellence – Sales and Marketing Associate of the Year by Hotel Management Magazine
- The Langham, Melbourne:
  - The 2017 HM Awards for Accommodation Excellence – Concierge of the Year by Hotel Management Magazine
- Langham Place:
  - Best Property Safety Management Award – Gold Award by Occupational Safety and Health Council



Best Employer of Hospitality Industry Award



HM Awards – Sales & Marketing Associate of the Year



HM Awards – Concierge of the Year



Best Property Safety Management Award – Gold Award

## ENVIRONMENTAL

### Environmental Policy and Impact Assessment

Minimising the significant impacts of our operations on the environment is a key component of our Group CSR Policy. We regularly conduct environmental impact assessment which evaluates our environmental aspects together with the relevant laws and regulations that would have a material implication or impact on our business operations. Through the assessment, we have determined energy consumption, carbon emission and water consumption as our significant aspects which require managing actions (hazardous and non-hazardous waste produced are less significant due to the nature of our businesses). Managing actions such as establishing an environmental policy and management system at each division enable us to communicate our environmental commitment to the colleagues and determine environmental measures to mitigate our adverse impacts.

### Green Champion Working Group

To cultivate a green culture within the Group, we have established the Green Champion Working Group. The working group is formed by the nominated Green Champions from all divisions, acting as a platform to share and learn green practices from each other and in turn spread the best green practices to the colleagues. In 2017, several green awareness campaigns were launched by the working group:

- **Take a Green Shot Campaign:** in order to cultivate green habits, the working group ran "Take a Green Shot Campaign" which invited the colleagues to submit photos with green actions in office or home based on the theme "waste reduction". Each submitted photo was rewarded with a green gift and the top ten most creative photos were acknowledged on the intranet forum;
- **Resources Sharing Platform:** in support of our sponsored project with World Green Organisation's "Great Eagle x WGO – More Love, Less Waste" (please refer to section "Community" for details), we held the Resources Sharing Platform at our offices. The campaign aimed to promote the concept of "reuse" by asking our colleagues to donate items they no longer needed and shared them with the others; and

- **Green Monday Luncheon:** to mitigate climate change, we encouraged colleagues to go meatless on Mondays by organising Green Monday Luncheon. Not only could the participating colleagues reduce their carbon footprint, they also savour healthy green food in a happy chit-chat time with the others.



Take a Green Shot Campaign

### Environmental Measures

Our Hotels Division endeavours to be one of the role models amongst hospitality operators in raising green awareness and reducing environmental impact. The Division has been implementing a systematic approach in managing environmental issues at hotels through the partnership with EarthCheck, the leading international sustainability benchmarking and certification service for the travel and tourism industry. In 2017, Cordis, Auckland retained its EarthCheck Platinum Certification, acknowledging their sustainability efforts for over ten years. To celebrate this notable achievement, the hotel organised a big "Plaque Unveiling Celebration" that was attended by the former Prime Minister of New Zealand and CEO of EarthCheck. In addition, there were seven hotels that retained Gold Certified status, and five hotels were Silver Certified.

## CORPORATE SOCIAL RESPONSIBILITY



EarthCheck Plaque Unveiling Celebration

Nurturing a green corporate culture is vital for moving environmental protection forward. As such, the Division has launched a global environmental event named as “Loving Earth Month”. Activities of the event in 2017 included:

- holding the “lights out” campaign at the hotels in support of the Earth Hour movement organised by the World Wide Fund for Nature;
- offering meatless dishes at the restaurants and colleague cafeterias on Monday to promote healthy green diet; and
- implementing an Upcycling Competition for the colleagues to design and create their innovative products made from hotel waste.



Lights Out Campaign in Support of Earth Hour



Upcycling Competition

Other than the “Loving Earth Month”, the Division also took other green practices actions in 2017:

- the Division introduced PressReader – the market leader on digital newspaper and magazine delivery – to provide the guests a paperless option which would reduce wastage and cost. In lieu of the current print paper delivery, the hotels offer this service on a complimentary basis and the guests are able to download and save as many newspapers and magazines as they like on their smart phones or tablets such that they could take home or continue reading on their journeys;
- to raise awareness of ongoing environmental issues among the young guests, Cordis Hotels created a mascot for their Cordis Kids Programme, “Cody”, a character based on the endangered red panda. The hotels curated a series of environmental activities for the young guests such as inviting them to join a complimentary handicraft session which turns some of the hotels’ recyclable into toys. Plush toys of Cody are available for sale with all proceeds going to support conservation of the wildlife; and

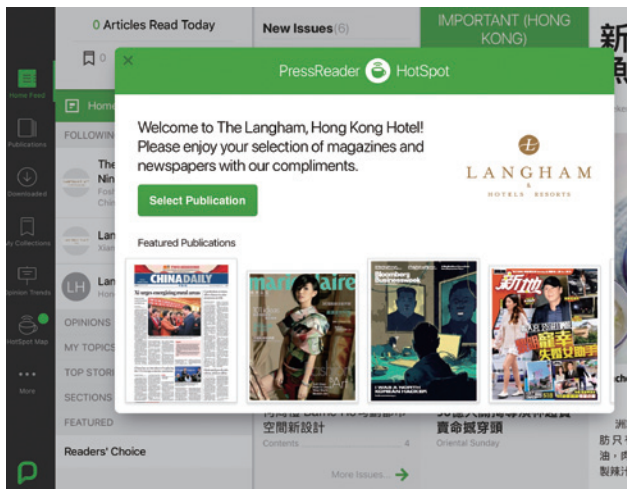
- major refurbishment of guestrooms and public area was completed at Cordis, Auckland. Green features such as 100% LED lighting, water saving fixtures for bathrooms, and recycle bins with two compartments were installed in all the newly renovated guestrooms. The hotel was also the first upper upscale hotel in the country to introduce eZee electric bicycles for all the guests. With the use of eZee sprint electric bicycles, the guests are able to explore the city with ease through an environment-friendly mode of transport.



Hotel Refurbishment at Cordis, Auckland

Our Property Management Division also strives to reduce their environmental footprints as well as improve their environmental performance. As such, the Division has:

- implemented ISO 14001 Environmental Management System Standard at the properties they manage;
- formulated a Green Purchasing Policy for the colleagues, tenants, contractors and suppliers as a reference when making green purchasing decisions;
- retrofitted fluorescent luminaries with LED luminaries fitted with motion sensors at staircases, corridors and lavatories;
- installed Variable Speed Drive (VSD) for chilled water pumps and air handling units;
- participated in Earth Hour whilst encouraged the retail tenants, office occupiers and shoppers to join the meaningful event;
- installed automatic low flow water faucet for wash basin; and
- drawn underground water for irrigation.



PressReader



“Cody” Handcraft Session

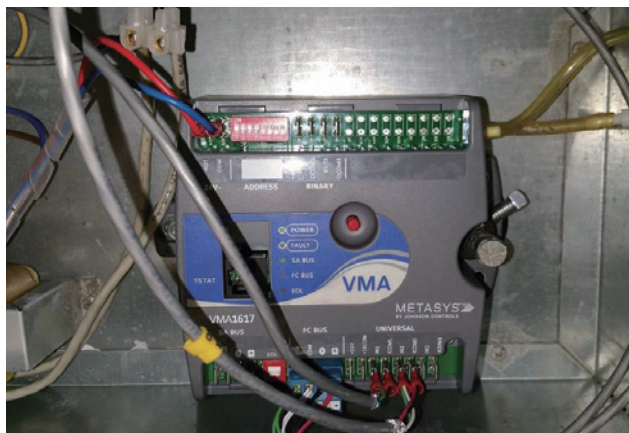
## CORPORATE SOCIAL RESPONSIBILITY

In 2017, the Division further implemented the following green measures:

- installed daylight sensors which automatically dim or turn off the electric lights in the building interiors when enough natural light is entering in order to reduce energy consumption;
- replaced all aging flood lights of the blue sky effect lighting system at Langham Place Mini Atrium by LED lights which could last for a longer period and consume less energy; and
- installed CO<sub>2</sub> sensors to reduce fresh air load during summer so as to reduce energy wastage.



Installation of Daylight Sensors



Installation of CO<sub>2</sub> Sensors

To protect the environment, Property Management Division understands it cannot be done solely by themselves and must seek partnership with the tenants. In view of this, the Division has:

- introduced a few recycling initiatives to collect used paper, glass containers, computers, red packets and mooncake boxes from the tenants;
- collected used books and stationery from the tenants for donation to charities;
- co-organised "Food Waste Recycling Partnership Scheme" with Environmental Protection Department and Green Council for the F&B tenants to participate; and
- organised green workshops such as Used Clothes Upcycling Workshop.



Used Red Packet Collection

## Energy Consumption



Business	Direct energy consumption (GJ)	Indirect energy consumption (GJ)	Total energy consumption (GJ)	Total energy consumption intensity (GJ/sqm)
Hotel <sup>1</sup>	241,249	487,399	728,648	1.28
Property & Others <sup>2</sup>	424	189,596	190,020	0.46

## Carbon Emissions



Business	Direct carbon emission (tonnes CO <sub>2</sub> -eq)	Indirect carbon emission <sup>3</sup> (tonnes CO <sub>2</sub> -eq)	Total carbon emission (tonnes CO <sub>2</sub> -eq)	Total carbon emission intensity (tonnes CO <sub>2</sub> -eq/sqm)
Hotel <sup>1</sup>	13,516	61,269	74,785	0.13
Property & Others <sup>2</sup>	29	40,548	40,577	0.10

## Water Consumption



Business	Total water consumption (m <sup>3</sup> )	Total water consumption intensity (m <sup>3</sup> /sqm)
Hotel <sup>1</sup>	1,583,061	2.78
Property & Others <sup>2</sup>	358,652	0.86

Notes:

- Hotel includes owned hotels only.
- Property & Others include communal area of three owned and/or managed major properties: Great Eagle Centre, Langham Place (Office Tower & Shopping Mall) and Three Garden Road only.
- Scope 3 carbon emissions are not reported as the data is not material due to the nature of our businesses.

Our Development and Project Management Division is committed to pursuing environmental initiatives during the development and project management process. Starting from planning, design, construction, to subsequent collaboration with Hotels Division and Property Management Division, the environmental impacts in the life cycle of new development and renovation projects are evaluated. The Division researches building rating schemes for each of their projects, which are appropriate for the specific asset:

- in San Francisco, the recently completed Pine Street Condominium follows both Title 24 standards as well as Greenpoint certification. Furthermore, the future developments in San Francisco are also being designed to achieve LEED Accreditation – the Howard Condominium/Hotel (Platinum), and the Market Street Hotel (Gold at a minimum);
- in Washington D.C., The Eaton Hotel is being renovated to achieve LEED Accreditation (Gold). Opening in 2018, it will firmly demonstrate the new Eaton brand which has strong links to sustainable property development, operation and lifestyle; and
- the new residential development in Pak Shek Kok, Tai Po, Hong Kong, comprising 600 to 700 luxury residential units, is following the BEAM Plus certification process (Gold), and is being designed to comply with the Sustainable Building Design Guidelines.

Improved use of I.T. and web based resources are reducing the environmental impact of the Division and their suppliers. Business processes are also being improved with process inefficiencies being designed out as new systems are adopted.

Looking forward our property developments in the future will continue to seek out new standards, methods and materials to minimise negative impacts and enhance our positive contributions to environmental control and sustaining quality of life.

In our corporate office, Administration Division implements green practices according to the slogan “ER<sup>3</sup>” (Environmental Protection, Recycle, Reduce and Reuse). The following green practices were implemented in 2017:

- installed energy saving fittings such as LED lightings, glass partitions, energy saving timer, recycling stations and plant walls in new offices;
- installed air purifiers in restrooms so as to improve air quality;
- used FSC certified paper in offices and for business cards printing;



## CORPORATE SOCIAL RESPONSIBILITY

- collected printer cartridges and waste paper for recycling;
  - relocated old furniture for new offices to use; and
  - participated in Hong Kong Environmental Production Association's Tree Conservation Scheme to recycle Peach Blossom and Chinese New Year plants.
- o Three Garden Road: Property Management (Commercial & Industrial)
- Hong Kong Green Council's 2017 Green Management Award (Large Corporation) – Service Provider:
    - o Langham Place: Gold

The awards demonstrate our environment consciousness and excellent operational environmental management.

### Recognition and Signatories

In recognition of our efforts in environmental protection, our Hotels Division and Property Management Division were honoured by the following green awards:

- GreenLeader by TripAdvisor:
  - o The Langham, London – Gold Level
  - o The Langham, Auckland (rebranded as Cordis, Auckland) – Silver Level
  - o The Langham, Melbourne – Silver Level
  - o The Langham, Boston – Bronze Level
- The Langham Auckland (rebranded as Cordis, Auckland):
  - o New Zealand Hotel Industry Award – Hotel Industry Environmental Initiative of the Year Award by New Zealand Hotel Industry Conference
  - o Qualmark Enviro – Gold by Qualmark New Zealand Limited
- Cordis, Hong Kong:
  - o U Green Awards 2017 – Outstanding Green Event Planning by U Magazine
- The Hong Kong Awards for Environmental Excellence (Certificate of Merit) by the Environmental Campaign Committee:
  - o Eaton, Hong Kong: Hotels & Recreational Clubs
  - o Great Eagle Centre: Property Management (Commercial & Industrial)



Hong Kong Green Council Awards

The Group also supports many of the government's green initiatives. We are the signatories to:

- Energy Saving Charter
- Charter on External Lighting
- Carbon Footprint Repository



Energy Saving Charter

## OPERATING PRACTICES

### Anti-corruption and Supply Chain Management

The Group is committed to adhering to the highest ethical standards as well as relevant laws and regulations, both in employee and supplier level. To this end:

- all colleagues are given a Code of Conduct which they are required to adhere to. The Code explicitly prohibits colleagues from soliciting, accepting, or offering bribes or any other form of advantage. The Code also outlines the Group's expectations on the colleagues with regard to conflicts of interest as well as whistle-blowing procedure;
- The Group recognises that through leadership and monitoring along the supply chain, we could promote adoption and support of fair operating practices as well as CSR. In order to guide these aspects in our supply chain more systematically, the Supplier Code of Conduct has been formulated and communicated through the tendering documents. As we reckon that child and forced labour likely occur in developing countries where our suppliers are based, we have stipulated prevention of such practices in the Code; and
- to ensure further suppliers' commitment to adopt CSR, the Group has enhanced the process by using a checklist. The checklist is transformed from the requirements as stated in the Supplier Code of Conduct to a Q&A format and has been sent to the suppliers along with the tendering documents. Response rate and scoring profile have been analysed for compliance status monitoring and implementation improvement. The suppliers are required to fill in the checklist every three years, keeping us informed of their CSR performance status.

### Superior Quality Services

As our business nature does not involve any manufacturing process, product responsibility issues are not directly related to us. However, we are committed to offering superior quality services to our customers by satisfying their expectations and needs – whether they are guests at our hotels or tenant/shoppers at properties under our management.

The Hotels Division is committed to continuously improving and delivering excellent services to increase guest loyalty. Here are their measures to achieve the commitment:

- “Quality League”, a Total Quality Management System, is one of the Division's core management strategies to drive the best performance in the business. This team-oriented system is based on the renowned Malcolm Baldrige Performance Excellence Framework from the United States. It focuses on engaging every colleague towards the same goal from a systematic perspective on continuous improvement;
- the Division utilised a robust voice-of-the-customers (VOC) system to collect the guests' feedback, and tailor services and products. Through an integrated platform to compile the data collected from all VOC channels, the Division could analyse the guests' preferences and enhance the service delivery and business strategy to increase guest loyalty. Net Promoter Score (NPS) and Defect Free Index (DFI) derived from online survey are the two key performance indicators for measuring guest loyalty to the hotels;
- to ensure the consistency of service delivery and provide every guest with the most professional services and a delightful experience, independent professionals in mystery shopping are invited to conduct a quality assessment at the hotels every year. Through the assessment, professional opinion is provided to the Division to ensure the services and facilities comply with the Brand; and

## CORPORATE SOCIAL RESPONSIBILITY

- in 2017, for the purpose of exceeding the guests' expectations, The Langham, Hong Kong initiated the "+1 Service Campaign" to encourage the colleagues to go extra miles in guest service. The campaign promoted monthly +1 story sharing by various departments with best practice case studies including guests' compliments and learning highlights. The stories are communicated through Daily Legend (the daily newsletter), posters and screen savers in the hotel. Year-end best of the best story will be selected and recognised by the management.



### +1 Service Campaign

Our Property Management Division implements ISO 9001 Quality Management System which ensures their services meet the needs of customers and enhance customer satisfaction. Requirements of the system include:

- establishing a Customer Feedback System to collect appreciations, complaints and general enquiries from the customers;
- regularly sending questionnaires to the tenants to obtain their feedback; and
- timely giving feedback to the customers and determining improvement actions.

Other than implementing the quality management system, in 2017, the Division put in place other measures to strengthen the customer services:

- established "Care the People in Need System" to provide attentive service to people in need. The system provides special training to the colleagues on how to take care of the elderly, children, disabled and pregnant women;
- widened staircases to provide a safer shopping environment to the shoppers so as to prevent fall and trip hazards; and
- carried out carborundum refurbishment work at car park driveway in order to ensure traffic safety.



Care the People in Need Training



Carborundum Refurbishment at Car Park Driveway

## Recognition

In recognition of our commitment in providing superior quality services, our Hotels Division and Property Management Division have received the following outstanding awards:

- 2017 Readers' Choice Awards by Condé Nast Traveler:
  - o The Langham, New York: The Best Hotel in New York City (No. 2 in the U.S. and No. 30 out of the top 50 in the world)
  - o The Langham, Chicago: No. 2 in Chicago
  - o The Langham, Melbourne: No. 3 in Australia and New Zealand
  - o The Langham, Boston: No. 8 in Boston
  - o The Langham Auckland (rebranded as Cordis, Auckland) – No. 12 in Australia and New Zealand
  - o The Langham Huntington, Pasadena: No. 15 in Los Angeles
  - o The Langham, London: No. 22 in London
- Forbes Travel Guide 2017:
  - o The Langham, Hong Kong – Five-Star Hotel
  - o The Langham, Chicago – Five-Star Hotel
  - o Chuan Spa at The Langham, Chicago – Five-Star Spa
- The 2018 Michelin Guide, Hong Kong and Macau:
  - o T'ang Court at The Langham, Hong Kong: Three Michelin Stars Rating
  - o Ming Court at Cordis, Hong Kong: One Michelin Star Rating
  - o Yat Tung Heen at Eaton, Hong Kong: One Michelin Star Rating
- The 2018 Michelin Guide, Shanghai:
  - o T'ang Court at The Langham, Shanghai, Xintiandi: Three Michelin Stars Rating
- The Langham, Chicago:
  - o The Best Hotel in the United States, The Best Hotel in Illinois and The Best Hotel in Chicago by U.S. News & World Report
  - o No. 2 Hotel in Chicago by Travel + Leisure
- Langham Place:
  - o Hong Kong Star Brands Award 2017 (Enterprise) by Hong Kong Small and Medium Enterprises Association



Three Michelin Stars Rating (T'ang Court at The Langham, Shanghai)



Hong Kong Star Brands Award

## COMMUNITY

### Community Involvement Strategy

Our community involvement strategy focuses on three themes – **Art, Children Education, and Environmental Protection**:

- we believe art is important to the community. Art could enrich the daily lives of people and promote social progress and cultural development;
- we believe that the world's future relies heavily on the next generation. Children in preschool education and kindergarten, in particular, are in their prime period to learn and acquire knowledge; and
- environmental protection is a subject which is essential to our organisational culture and it should be extended to the community at large.

### Community Investment

Based on the themes, we partner with non-profit organisations to design a few deserving projects which would benefit the community. We believe by focusing all of our philanthropic resources – financial, volunteer, and in-kind – on these projects, we could engender greater social impact. The following projects were sponsored by us in 2017:

- Art: to groom the interest of children in classical music, we sponsored Hong Kong Sinfonietta's "Great Eagle Family Series – Good Music for Kids Concert". In this special concert tailor-made for young children aged 3-6, the concert took the children to a musical circus parade through orchestral music; for three consecutive years, we co-sponsored (with Lo Ying Shek Chi Wai Foundation) Music Children@Sham Shui Po Project which aimed to transform grassroots children in Sham Shui Po district by helping them to develop their personal abilities and a sense of community. Ensemble-based instrumental classes, orchestra, choir and public performances were organised throughout the year for the children to participate;



Great Eagle Family Series – Good Music for Kids Concert



Music Children@Sham Shui Po Project

- Children Education: we continued the mission of "Great Eagle Playright Family Play Project" by empowering more parents to understand how important "free play" is in children development and family relationship. Parent training workshops, a parent sharing talk and a mega family play day were organised to lead changes in parents' value in "free play". The project also strengthened play resources for parents by enhancing the dedicated project website and distributing more of the play booklet to them; and



Great Eagle Playright Family Play Project

- Environmental Protection: Riding on the success of our partnership with World Green Organisation (“WGO”) in “Great Eagle x WGO – Less Waste Let’s Do It Project<sup>2</sup>”, we developed the third phase of the project – “Great Eagle x WGO – More Love, Less Waste Project”. This phase aimed to reduce waste and at the same time show love and care to the community. Youth Green Ambassadors once again organised community green programmes which included “Resources Sharing Platform”, “Food Waste Reduction”, “BYOC (Bring Your Own Cutlery) Campaign” and “Green Carnival”. Our Property Management Division also offered in-kind support to the BYOC Campaign by handing out stainless steel cutlery to the tenants at Great Eagle Centre.



Great Eagle x WGO – More Love, Less Waste Project

Corporate volunteering forms another vital element of our community involvement strategy. We encourage our colleagues to explore the community and help people in need by joining volunteering services. One of the volunteering services in 2017 was to support “Food Waste Reduction” as organised by WGO. Our volunteers went to a wet market after work to collect surplus vegetables and distributed them to the elderly. Overseas, The Langham, London volunteered for KIDS, a charity that works with disabled children, to clean their Chelsea Playground as well as accompany the children from the charity to bowling. Cordis Auckland volunteered at Eat My Lunch which gives out free lunch to children in need. Before work in the morning, the volunteers made sandwiches which were then distributed to schools in New Zealand. The Langham, Boston and Chelsea Hotel, Toronto raised money for charities by joining JP Morgan Corporate Challenge and Big BIKE Event, respectively.



“Food Waste Reduction” Volunteering

## CORPORATE SOCIAL RESPONSIBILITY



“Eat My Lunch” Volunteering



“Big BIKE Event” Volunteering

Other than designing a few deserving projects with non-profit organisations, we strive to contribute to the development of art and local talents in Hong Kong. As such, our Marketing Division has introduced Musica del Cuore (an Italian term for “Music of the Heart”) at Three Garden Road. Musica del Cuore is a free weekly concert series which transforms the upper ground floor of Three Garden Road into a “community concert stage”, presenting some of the finest Classical repertoires to the general public. The concert series has provided a platform for local talents, well-established artists and chamber groups to showcase their artistry whilst visiting guests from other parts of the world could inspire music lovers through cultural exchange.



Musica del Cuore

### Memberships and Recognition

In addition to organising Musica del Cuore, we support renowned art events held in Hong Kong. For example, we are the Silver Patron of The Hong Kong Arts Festival. Promoting best practices in environmental excellence and exchange knowledge amongst the top CSR leaders, we are a Silver Patron Member of Hong Kong Green Building Council.

Our community involvement efforts have enabled the Group and several subsidiaries to be awarded the “10 Years Plus Caring Company”, “5 Years Plus Caring Company” and “Caring Company” logos accreditation by The Hong Kong Council of Social Service.