

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



*Great Eagle Music Children  
Ensemble*



Say No to Plastic Project



Round the Bays Charity Run

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

At Great Eagle, Corporate Social Responsibility (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.

The above belief is harnessed into our CSR Vision- “*Create Value, Improve Quality of Life*”.

## Reporting Approach & Boundary

This report (the “ESG Report”) is prepared in accordance with the HKEX’s Environmental, Social and Governance (“ESG”) Reporting Guide and satisfies the “comply or explain” provisions of it. Regarding the corporate governance of the Group, please refer to the separate Corporate Governance Report contained in the Annual Report of the Company.

The ESG report is structured according to the ESG subject areas as stipulated in the Guide:

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

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

The report focuses on the Group’s environmental and social performance of our major businesses, including development, investment and management of hotels and properties. The boundary is determined based on our control and significant influence.

Our Hotels Division, Langham Hospitality Group, annually issues their sustainability report which reviews their current systems and performance, as well as sets out their environmental and social objectives for the coming years.

Our CSR commitment extends to support the UN Global Compact which encourages business worldwide to adopt CSR policies. It also drives business awareness and action in support of achieving the Sustainable Development Goals (SDGs) by 2030. Based on our business focus, we have identified the relevant SDGs that we believe are most closely related to us. They are:

SDGs		Cross reference in this report
	Good Health & Well-being	<ul style="list-style-type: none"> <li>• Health &amp; Safety</li> <li>• Work-life Balance</li> </ul>
	Gender Equality	<ul style="list-style-type: none"> <li>• Employment</li> </ul>
	Clean Water & Sanitation	<ul style="list-style-type: none"> <li>• Community Engagement</li> </ul>
	Decent Work & Economic Growth	<ul style="list-style-type: none"> <li>• Employment</li> <li>• Development and Training</li> <li>• Superior Quality Services</li> </ul>
	Sustainable Cities & Communities	<ul style="list-style-type: none"> <li>• Environmental Policy and Impact Assessment</li> <li>• Green Champion Working Group</li> <li>• Environmental Measures</li> </ul>
	Responsible Consumption & Production	<ul style="list-style-type: none"> <li>• Anti-corruption and Supply Chain Management</li> </ul>
	Climate Action	<ul style="list-style-type: none"> <li>• Environmental Policy and Impact Assessment</li> <li>• Green Champion Working Group</li> <li>• Environmental Measures</li> </ul>

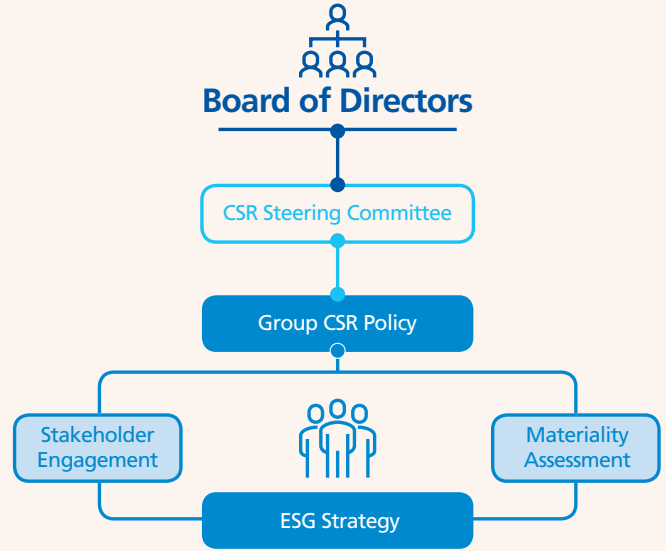
## CSR GOVERNANCE & MANAGEMENT

### Governance and Management Approach

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

- The Board: the Board of Directors oversees the broader CSR trends and is responsible for the Group’s ESG strategy and reporting. Identifying, evaluating and managing ESG related risks and day-to-day responsibility for all CSR related matters are delegated to the CSR Steering Committee which regularly reports the progress to the Board;
- 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 is chaired by the Board Executive Director and comprises 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 Committee has formulated the Group CSR Policy, which provides a robust framework and direction to implement CSR and embed CSR into our organisational culture (the Policy is posted on the corporate website);
- Stakeholder Engagement and Materiality Assessment: in order to sort out priorities of the Group’s high-risk ESG issues, the Committee implements a risk management approach which involves “stakeholder engagement” and “materiality assessment”; and
- ESG Strategy: based on the results of the stakeholder engagement and materiality assessment, an ESG strategy is developed to enable the Group to focus our efforts and sets up targets to manage the high-risk ESG issues.

### CSR Governance & Management Framework



### Stakeholder Engagement

To understand stakeholders’ expectations and identify the high-risk ESG issues, the Group needs to consider views from the internal and external stakeholders. The Committee engages the Group’s key stakeholders periodically in order to identify the important ESG issues and prioritise the risk level of them. In the recent engagement the Committee commissioned an independent consultant to provide an impartial assessment with the key stakeholders. The following table shows the key stakeholders engaged and the respective engagement method:

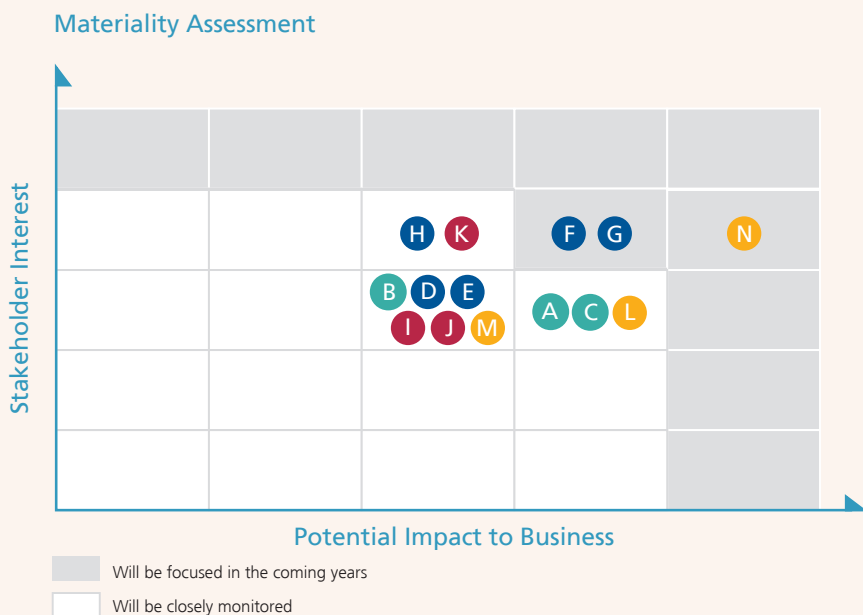
Stakeholder	Engagement Method
Employees	Focus Group
Tenants Suppliers Investors Media	Phone Interview

### Materiality Assessment

In the stakeholder engagement exercise, the stakeholders were asked to rate a list of ESG issues in terms of the relevance and importance to the Group’s CSR development, and the Aspects as laid down in HKEX’s ESG Reporting Guide. The Committee conducted a materiality assessment which defines the level of risk

by considering “Stakeholder Interest” as rated by the stakeholders and “Potential Impact to Business” as evaluated internally. A strategy was formulated to focus the Group’s efforts on the top three high-risk ESG issues as determined from the assessment.

The materiality assessment matrix, the top three high-risk ESG issues and related targets are presented as follow:



**Environmental**

- A Climate change
- B Waste management
- C Use of energy and water

**Social**

**Employment & Labour Practices**

- D Anti-discrimination
- E Diverse workforce
- F Employee satisfaction
- G Health and safety at work
- H Training and development

**Operating Practices**

- I Supply chain influence
- J Anit-corruption
- K Customer satisfaction

**Community**

- L Project sponsorship
- M Staff volunteering
- N Communication

High-risk ESG Issues Targets	
 <p>Employee Satisfaction</p>	<ul style="list-style-type: none"> <li>• Review to enhance staff benefits</li> <li>• Organise CSR activities, interest classes, sports clubs and recreational events</li> </ul>
 <p>Health &amp; Safety at Work</p>	<ul style="list-style-type: none"> <li>• Launch health &amp; safety campaign such as wellness and exercise month</li> <li>• Promulgate the importance of physical and mental wellness and share healthy tips in our workplace</li> </ul>
 <p>Communication</p>	<ul style="list-style-type: none"> <li>• Communicate with colleagues through social media platforms</li> <li>• Timely update media of our CSR news</li> </ul>

Along with the top three high-risk ESG issues as determined in 2018, the Group continued to manage three other ESG issues which were identified as high-risk in the previous risk assessments. They are Environmental Protection, Supply Chain Influence and Community Involvement:

High-risk ESG Issues	Targets
 <p>Environmental Protection</p>	<ul style="list-style-type: none"> <li>• Maintain EarthCheck Certification for the hotels and implement green practices.</li> <li>• Obtain green building rating schemes for the new properties.</li> <li>• Maintain ISO 14001 Environmental Management System for the existing properties and implement green practices.</li> </ul>
 <p>Supply Chain Influence</p>	<ul style="list-style-type: none"> <li>• Ensure the suppliers read the Supplier Code of Conduct and fill in the e-checklist.</li> </ul>
 <p>Community Involvement</p>	<ul style="list-style-type: none"> <li>• Based on the three Thematic Sponsorship themes, partner with NGOs to design deserving projects.</li> <li>• Organise meaning volunteer activities for the colleagues to contribute to the community.</li> </ul>

### CSR Culture

To achieve our CSR vision, we believe nurturing a CSR culture in our Group is a crucial factor. 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;
- CONNECT is the corporate sustainability programme of our Hotel Division. The Programme is composed of four focus areas namely Environment, Community, Colleagues and Governance. They shape the balanced thinking and actions to bring the Division to become a sustainable company; and
- This year, the Division conducted an extensive review on the CONNECT Strategy to meet not only the current but also the future stakeholders’ expectations. A series of workshops, interviews and survey with the key internal and external stakeholders were completed to shape the 10-year sustainability strategy. For more details on the 2030 CONNECT Strategy, please refer to the Hotel Division’s 2019 Sustainability Report.

## ENVIRONMENTAL

The Group strives to establish excellence in environmental responsibility. Backed by our devoted teams, we promote diversified green initiatives in our properties and develop green buildings in order to protect the environment.

### Environmental Policy and Impact Assessment

Environmental protection is a key component of our Group CSR Policy. Under the Policy, we are committed to complying with all related environmental legislations, keeping the environmental footprint of our operations to a minimum and mitigating the significant impacts of our operations on the environment. The Policy also lays down a framework for each division to establish their own environmental policy.

In order to minimise our significant environmental impacts, related divisions have established their environmental management system. The systems enable us to identify our significant environmental impacts through environmental impact assessment such that measures to mitigate our adverse impacts could be determined. Through the latest assessment, we identified energy consumption, carbon emission and water consumption as our significant aspects which require managing actions in the Group (the impact of non-hazardous waste produced is relatively less significant in our operations as compared with the above three environmental aspects; since our business nature does not involve manufacturing, we do not produce hazardous waste and packaging material used for finished products). Relevant environmental laws and regulations related to the significant aspects including GHG Protocol Corporate Accounting & Reporting Standard, local carbon emission reduction guidance, building energy and water efficiency regulations are complied with.

### Green Champion Working Group

Aiming to cultivate a green culture within the Group, the Green Champion Working Group is formed by nominated Green Champions from each division. It holds green awareness campaigns every year and acts as a platform for Green Champions to share and learn green practices among each other. The following green awareness campaigns were launched in the year:

- Exchange Corner: the campaign targeted to promote the concept of "reuse" by asking our

colleagues to exchange their items they no longer needed with the others instead of disposing them to the landfill. After the exchange, the remaining items were donated to The Salvation Army for charity cause;

- Water for Free: in support of our sponsored project with Water for Free, (please refer to section "Community" for details), we organised various activities for the colleagues to participate in this green movement. Activities included promoting Water for Free Mobile app and holding "Urban Farming x Plastic Upcycling Workshop"; and
- Mooncake Collection Campaign: we supported Food Angel's Mooncake Drive by collecting surplus mooncakes from our colleagues and tenants. Food Angel in turn distributed the mooncakes to people in need.



Exchange Corner

### Environmental Measures

Our Hotel Division has been implementing a systematic approach in managing environmental issues at the hotels through the partnership with EarthCheck, which is the leading international sustainability benchmarking and certification service for the travel and tourism industry. Its standard aligns with international frameworks such as the Sustainable Development Goals (SDGs) and International Organisation for Standardisation (ISO). EarthCheck Certified is also accredited by the Global Sustainable Tourism Council (GSTC).

In 2019, four hotels obtained its EarthCheck Platinum Certification which recognises their sustainability efforts for at least ten years. In addition, there were four hotels that received Gold Certified status, four hotels with Silver Certified, and one hotel with Bronze Benchmarked.

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In order to reduce energy consumption, carbon emission and water consumption, the Division takes the following green practices:

- optimises the operational efficiency of plant and equipment and upgrades systems under major refurbishment;
- retrofits LED light and upgrades HVAC systems to improve electricity efficiency;
- installs water saving fixtures in guest rooms, public toilets and kitchens across the hotels and raises colleagues' awareness on water conservation;
- holds "lights out" campaign in support of the Earth Hour movement; and
- offers sustainable seafood or meatless dishes at the restaurants and colleague cafeterias to promote healthy green diet during "Loving Earth Month".



Earth Hour

Nurturing a green corporate culture in our hotels is vital for moving environmental protection forward. As such, the Division implemented other green measures this year:

- most of the hotels have phased out disposable plastic straws, cocktail sticks, stirrers, bags and so forth. Starting this year, The Langham and Cordis hotels in Shanghai would provide disposable in-room amenities to guests only upon request;
- to involve the colleagues in the phasing out single-use plastics movement, all hotels held a Plastic Free Challenge for the colleagues to avoid using single-use plastics in their daily life this year. The campaign also asked them to inspire their family and friends by sharing their experience through social media platforms; and
- Eaton DC announced their decision to go beef-free for two months in October. The decision to make this change was in response to the massive fires destroying the Amazon rainforest and the effect on the lives of the indigenous residents.



Plastic Free Challenge



### Case Study – Plant-based Alternatives Promotion

Our Hotel Division understands that meatless and dairy-free diet can contribute to greenhouse gas reduction and thus combating the global climate change. Therefore, they have been promoting Green Monday to their guests and colleagues since 2013. This year, their Michelin starred Ming Court at Cordis, Hong Kong had a new collaboration with Right Treat, a social enterprise which creates plant-based pork. Ming Court's Executive Chef curated a series of traditional Guangdong dishes with the plant-based pork, promoting a healthy diet and sustainable food choices.



Rising Star Chinese Culinary Competition

The Division's partnership with Right Treat has been extended to the Greater China region. The Langham and Cordis hotels in Shanghai have introduced Omnipork as an ingredient at the Rising Star Chinese Culinary Competition, the Division's annual event to enhance the professionalism of the young Chinese chefs at the hotels.

The talented chefs demonstrated their creativity in using this brand new plant-based alternative for traditional Cantonese dishes.

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

- attained the highest rating – Final Platinum under BEAM Plus EB V2.0 Comprehensive Scheme for Langham Place Mall;
- 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 for making green purchasing decisions;
- retrofitted fluorescent luminaries/metal halide lights to LED luminaries fitted with motion sensors at staircases, corridors and lavatories;
- installed Variable Speed Drive (VSD) for chilled water pumps and air handling units;
- installed vertical gardens and eco farms at rooftop;
- participated in Earth Hour whilst encouraged the retail tenants, office occupiers and shoppers to join the meaningful event;

- placed recycling station in shopping mall and office buildings;
- installed automatic low flow water faucet for wash basin; and
- drawn underground water for irrigation.



Retrofit of Fluorescent Luminaries to LED Lights

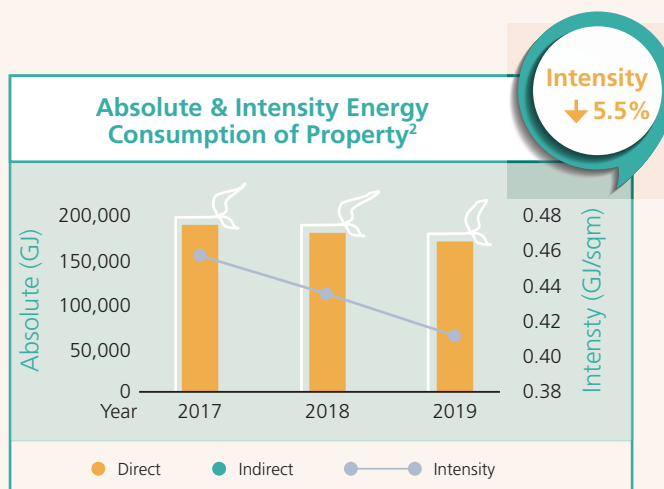
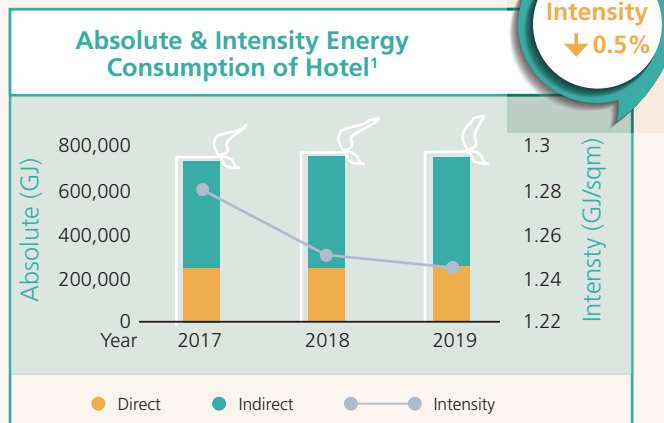
To protect the environment, Property Management Division understands it cannot be done solely by themselves and must seek partnership with the tenants. In view of this, the Division has:

- 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 in; and
- organised “Mindful Eating” event to practice mindful eating, served with green and healthy food with the tenants.

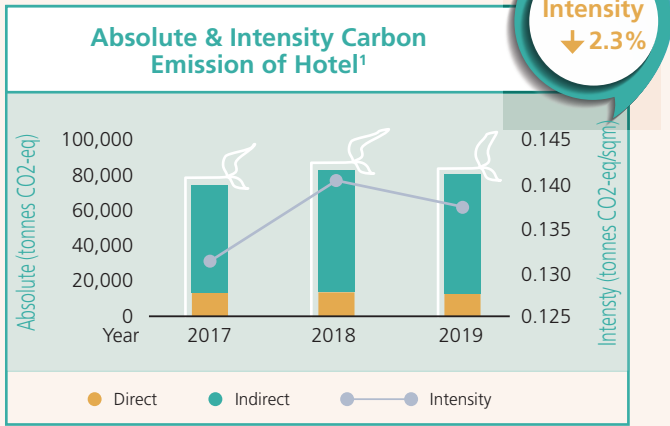


Mindful Eating Event

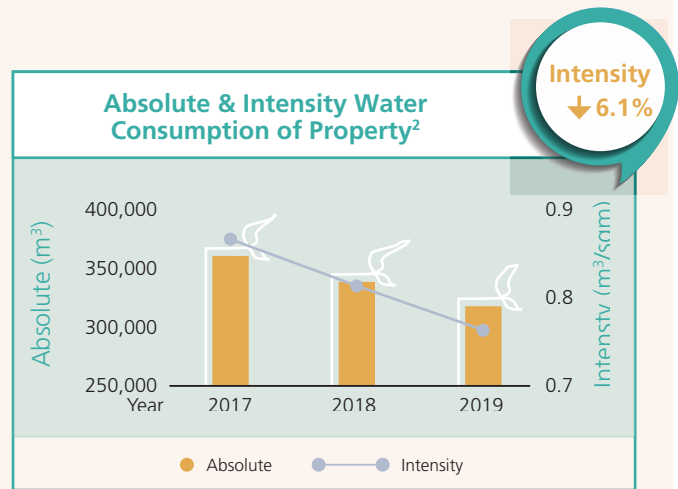
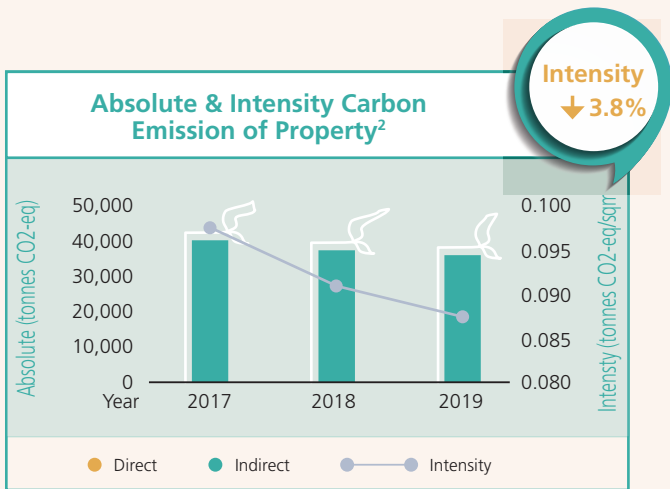
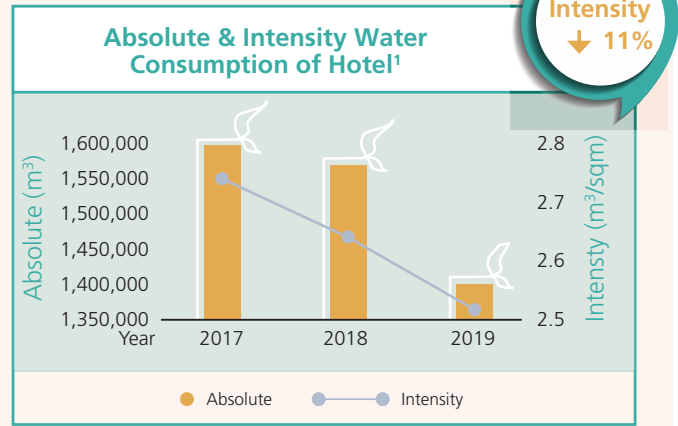
### Energy Consumption



### Carbon Emission<sup>3</sup>



### Water Consumption



Notes:

1. Hotel includes owned hotels only.
2. Property includes communal area of three owned and/or managed major properties: Great Eagle Centre, Langham Place (Office Tower & Shopping Mall) and Three Garden Road only.
3. 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 as an integral part of the development and project management process. They consider the environmental impacts throughout the planning, design, construction,

and operational phases of the hotel, office, retail and residential assets. The Division researches building rating schemes for each of our projects, which are appropriate for the specific assets. For example:

- San Francisco: our developments in the area, namely the Langham Hotel San Francisco on Howard Street and the Eaton hotel on Market Street, are being designed to achieve LEED Accreditation;
- Washington DC: the Eaton Hotel was redeveloped last year and is now in full operation with LEED Gold Accreditation. Sustainable property development, operation and lifestyle, are firmly aligned with the values of The Eaton brand; and

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- Hong Kong: the Ontolo residential development in Pak Shek Kok, Tai Po, comprising over 700 luxury residential units, is following the BEAM Plus certification process (Gold) and was designed to comply with the Sustainable Building Design Guidelines.

The Division has started implementing cloud based management systems which could reduce the environmental impacts during the design planning and construction phases of project development. Business processes are being improved with process inefficiencies being designed out by new systems.

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

In our corporate office, Administration Division implements green practices according to the slogan “ER3” (Environmental Protection, Recycle, Reduce and Reuse). One major initiative this year was the corporate office workplace transformation. Many environmental and wellbeing actions have been taken in the process:

- daylighting design office provides effective internal lighting and energy usage;
- green space with plants improves air quality and removes impurities;
- establishment of collaboration areas, staff lounge and town hall encourage colleagues’ engagement and interaction;
- efficient automated lighting control systems are installed in meeting rooms and restrooms;
- HEPA filters and air quality monitors are installed in the office;

- melamine faced chipboard are used as material for desks, tables and cabinets so as to reduce VOC from paints and coatings;
- certified carpet cleaner which complies with international environmental standards is used; and
- all used furniture is donated to a second hand furniture company which renews and upcycles the furniture and sell to young entrepreneurs at low cost.



Workplace Transformation

## SOCIAL

### Employment and Labour Practices

Our human capital is the backbone to our sustainable success. We are determined to reward our committed workforce with above par benefit packages and well-rounded development programmes. We also have in place a variety of policies and initiatives in creating a safe, people-caring and equal opportunities working environment.

### Employment

The Group is committed to providing lawful and proper employment that signifies human development. International Labour Organisation Conventions on Employment and relevant local employment laws and regulations are fully complied with. To ensure the commitment and compliance:

- our Employee Handbook, which was drafted with reference to related labour standards, ensures our employment and labour practices comply with relevant employment laws and regulations;
- the Handbook sets out our policies relating to recruitment, promotion, working hours, rest periods, welfare as well as grievance mechanism, and it is communicated to our colleagues through company orientation; and
- Child labour and forced labour across our operation and supply chain are strictly prohibited and our Group CSR Policy stipulates such requirements. Human Resources Division would monitor the employment practices and conduct investigation if there is any violation in the operations.

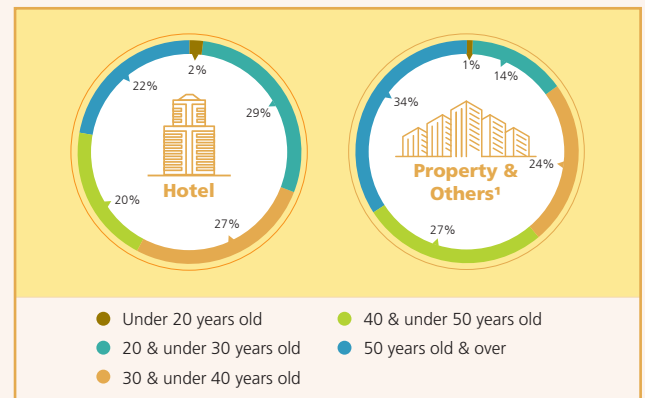
We are committed to providing a fair working space by adhering to United Nations International Bill of Rights and local anti-discrimination laws. A diverse workforce is also encouraged to increase our creativity and competitive advantages. In order to achieve this:

- we monitor our diversity profile through our workforce profile review which includes the distribution of age, gender and geographical region; and
- 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 (the Policy is posted on the corporate website).

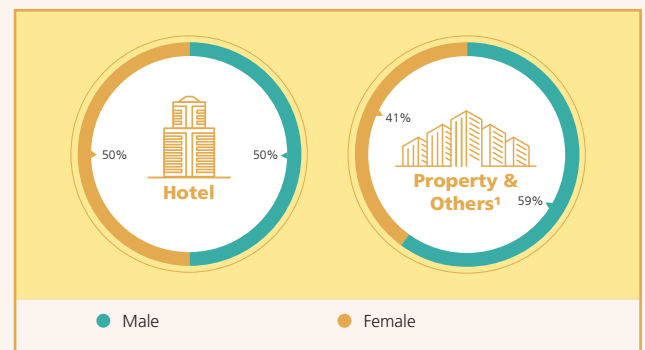
During the year, neither did we receive any human rights violations nor labour standard non-compliance.

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, Heep Hong Society and the Caritas Vocational Training Centre in Hong Kong. The 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.

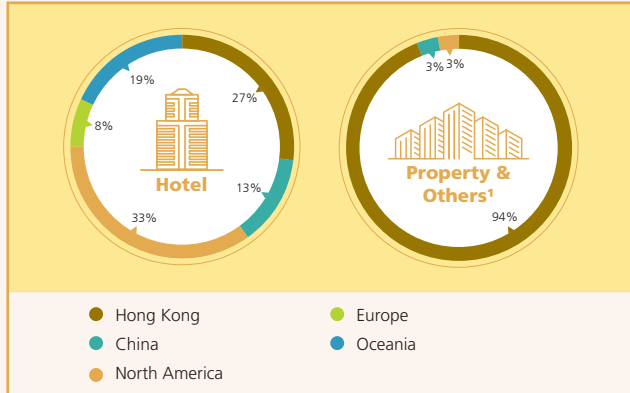
### Total Workforce by Age Group



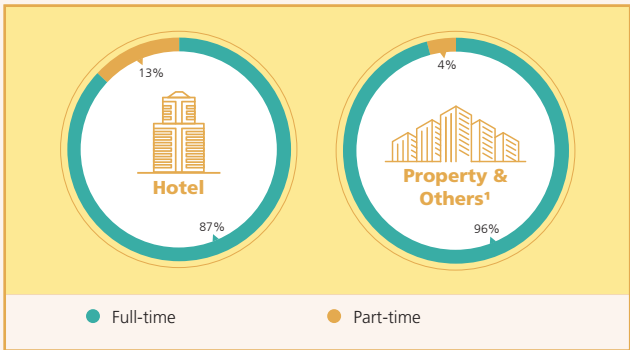
### Total Workforce by Gender



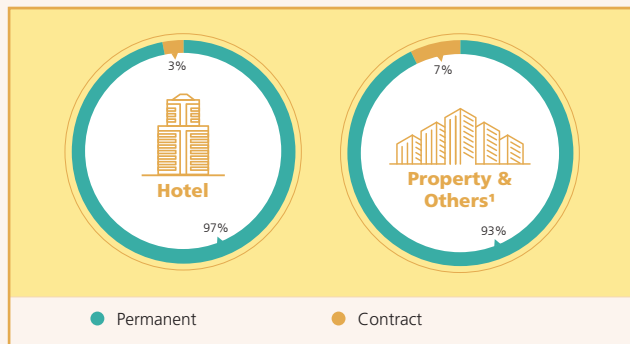
**Total Workforce by Geographical Region**



**Total Workforce by Employment Type**



**Total Workforce by Employment Contract**



Note:

- 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**

Aside from creating a fair workspace, as stated in the Group CSR Policy, we strive to provide a healthy and safe working environment and protect our colleagues' health and safety at work are properly controlled whilst International Labour Organisation Convention "Occupational Safety and Health Convention" and relevant local laws and regulations are fully complied with.

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 the 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 enhancing awareness of colleagues on their wellbeing and supporting them in developing a healthy lifestyle. Health promotion programmes such as nutritional meal at colleague cafeteria, Stress Management and Mental Health workshops, 10,000 Steps Challenge as well as Yoga and Zumba classes were organised.



Plank Challenge



Yoga Class

This year, the Division also launched other health and safety initiatives:

- to raise colleagues' awareness and on-going best practices, sharing on health and safety is the Division's top priority. Health & Safety training on fire protection, material handling, blood borne pathogen, bomb threat, crowd control and so on were arranged. The colleagues are also well trained to follow all OH&S policies & procedures and report all known or potential safety risks and health hazards to the supervisors as required; and
- the Division launched the first Risk Preparedness Video Competition to cultivate the culture of risk preparedness for the colleagues and guests. Each hotel had created fun videos to promote how the colleagues prepared for and managed risks to life and safety when natural disasters happened. The commonly found natural disasters included earthquake, typhoon, hurricane and snowstorm.



Health & Safety Training



Risk Preparedness Video Competition

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 ISO 45001 standard. Following the management system, the Division:

- identifies health and safety hazards which are in turn managed by the operating procedures and safety devices;
- establishes Safety Committees to implement action plans and review effectiveness of the management system in order to achieve zero accident;
- uses checklists to inspect high risk activities such as construction work, working in confined space, installing electrical systems and manual handling; and
- provides training courses such as monthly safety induction training, first aid and AED certification training, and field demonstration to the frontline staff.

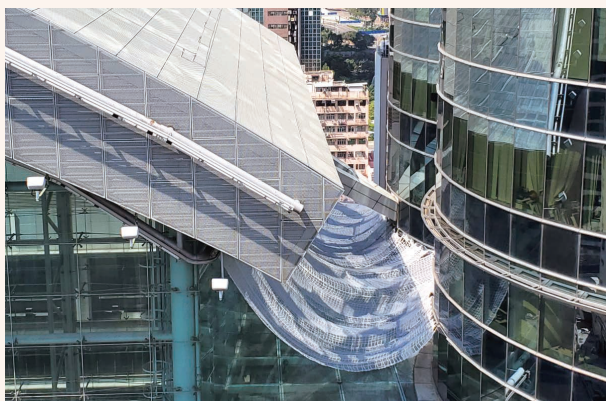


Safety Inspection

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This year, to further enhance health and safety at the properties, the Division implemented the following measures:

- to protect the skylight glass panes from falling objects at the Atrium of Langham Place Retail Tower during typhoon condition and strengthen public safety, a catching net was designed and erected above the skylight between the Retail and Office Towers;



Catching Net at Langham Place

- to strengthen safe operation of the passenger & service lift system in Langham Place, safety enhancement features for the lifts were upgraded;
- to enhance safety all the colleagues working at carpark, their uniform was redesigned by adding reflecting strips on both sides of it; and
- to relieve stressful muscle and minimise occupational injury, the colleagues were encouraged to do warm up stretching exercises before commencement of work or during resting breaks.



Reflecting Strips on New Carpark Uniform

### Case Study – Wellness Festival

Our recent materiality assessment has identified “Health & Safety at Work”, particularly “health” at corporate level as a material issue. To manage it, this year, our Corporate Office signed the government’s “Joyful@Healthy Workplace” Charter, pledging to promote healthy eating, physical activity and mental well-being in our workplace. In addition, we launched “Wellness Festival” which aimed to assist our colleagues to make healthy choices in their daily life. During the two-month campaign, a series of workshops were organised such as Health Index Measurement, 10-minute Exercise, Chair Yoga, Massage and Mental Health First Aid. Wellness tips were also communicated to the colleagues through email. Many colleagues participated in the Festival and gave positive feedback to the event.



10-minute Exercise



Chair Yoga





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

	Hotel			Property & Others <sup>1</sup>		
	2017	2018	2019	2017	2018	2019
Total workforce hours (in thousands)	16,916	15,683	10,797	2,027	1,982	1,884
Number of fatalities	0	0	0	0	0	0
Lost working days due to injuries	4,507	4,594	4,907	397	641	1,131

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.

### 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 our colleagues according to the Training and Development Policy (the Policy is posted on the corporate website). Core training such as “The 7 Habits of Highly Effective People” and “Business Innovation” are held regularly for them to attend. Other learning and development training such as Executive Development Program, Effective Communication Skills, Team Building Workshop, AI Impact & Application Workshop and Introduction to the Personal Data (Privacy) Ordinance Seminar were arranged in the year.



Team Building Workshop

Our Hotels Division is committed to creating an environment for the colleagues to achieve their career aspiration and at the same time, nurturing a team of competent and motivated colleagues. To this end:

- the Division’s learning and development programmes are 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 would advance them in their current and future jobs;
- the Division launched a global programme on Data Protection and General Data Protection Regulation (GDPR) Awareness Training in all of the hotels as well as the global and regional offices this year. Two levels of training were introduced – general awareness for all colleagues and an advanced version for managers and relevant colleagues who might have the opportunity to handle personal data; and

- The Langham, Hong Kong has expanded its talent development programme with focus on developing and retaining younger talents. “The Graduate Trainee Programme for Rooms Experience Ambassador” is a 24-months programme which assists the younger talents to acquire all-rounded experience in Rooms Division of the hotel. They could acquire unique opportunities to receive rotational training in various roles such as front desk and concierge. “Food & Beverage Supervisory Trainee Programme” has also been initiated this year. The Programme is an 18-months rotation among the three prominent dining outlets of the hotel for the trainees to acquire hands-on experience on the F&B operations.



Data Protection Awareness Training

Performance Review assists our colleagues to keep track of their performance and determine development needs. Our Performance Appraisal System provides a mechanism for the 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**

Hotel <sup>1</sup>	97%
Property & Others <sup>2,3</sup>	95%

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 achieve this, our Recreation Committee regularly organises various interest classes and recreational events for the colleagues to participate in. This year, the Committee arranged Local Trip to Wadakiyama and Kaleidoscope Workshop. To encourage the colleagues to exercise regularly and stay healthy, sports clubs such as basketball and running have been established. The clubs would send their teams to participate in competitions and charity runs.



Green Run

## OPERATING PRACTICES

Maintaining the highest ethical standards is one of the Group's core values. We strive to engage business partners who could fulfil our CSR values and commitment. We also aspire to be the preferred choice of customers by providing excellent and reliable services.

### Anti-corruption and Supply Chain Management

The Group is committed to adhering to the highest ethical standards both in employee and supplier level. We are complied with United Nations Convention "Against Corruption" and relevant local laws and regulations. Measures to ensure our commitment and compliance include:

- all colleagues are given the Code of Conduct and briefed in the company orientation on the requirements which they should adhere to. The Code explicitly prohibits colleagues from soliciting, accepting, or offering bribes or any other form of advantage, extortion, fraud and money laundering. The Code also outlines the Group's expectations on our colleagues with regard to conflicts of interest as well as whistle-blowing procedure. Any colleagues who have engaged or considered engaging in activities that might have conflict with the Group's interests are required to make full disclosure. During the year, we did not receive any non-compliance or fines in this regard (the Code is posted on the corporate website);
- The Group recognises that through leadership and monitoring along the supply chain, we could 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 (the Code is posted on the corporate website);

- 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 sent to the suppliers along with the tendering documents. Response rate and scoring profile are 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; and
- this year, a "Green Procurement Workshop" was held for our colleagues who involve in procurement decisions or work with the suppliers. The Workshop introduced concept of green procurement and its background, modern approaches to green procurement management and green specifications used in our operations.



Green Procurement Workshop

### 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. They aim to anticipate even the guests' unspoken needs and provide genuine services in a timely and reliable manner. The colleagues are encouraged to take ownership of guest satisfaction, innovation and excellence. The following measures have been taken to fulfill their pledge:

- the Division implements Mystery Shopper Programme in order to help them to understand what their guests are experiencing, discover which colleague's behaviour should be acknowledged or rewarded, and find out where the sales or customer service journey could be improved;
- the Mystery Shopper Programme leverages well trained professional "shoppers" to interact with the products or services across our hotels and report back with a detailed and objective account of their experience. The results are aggregated and used to identify opportunities for improvement so as to reach the desired and intended guest experience;
- listening to the voice of the customer is equally important, and the Division's Online Guest Satisfaction Survey is an particularly valuable tool for listening to the guests and determining the level of engagement; and
- a new generation of Online Guest Satisfaction Survey was launched in the Hotel Division in 2019. This survey provided a more guest-friendly interface through presenting with more human-focused design. It also included an elevation of analysis and reporting system and a mobile app which empower our frontline colleagues to react quickly to guest experiences.

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

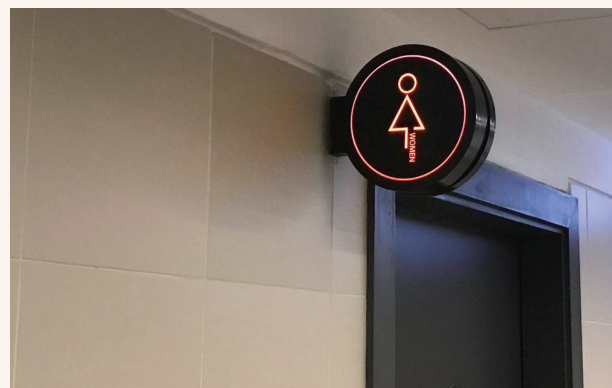
- timely giving feedback to the customers and determining improvement actions.

Other than implementing the quality management system, the Division put in place other measures at Langham Place Shopping Mall to strengthen the customer services:

- launched new self-ordering system, Point Of Sales (POS), at the food court; it allows customers to place order and settle their payment conveniently at the POS or via mobile app through different payment gateways;
- installed coloring washroom signage in the shopping mall in order to provide a clear identification of washrooms for the shoppers; and
- set up Food Tray Return Stations at the food court so as to keep up the tidiness of the food court and save manpower cost.



Point Of Sales System



Colouring Washroom Signage

### *Case Study – Demand Control Ventilation with IoT Technology at Carpark*

Adoption of Internet of Things (IoT) Technology at properties has become a sought-after initiative. The first “IoT-BMS Integration” project for carpark ventilation system in Hong Kong has been implemented at Three Garden Road. This pioneer project monitors the density of carbon monoxide (CO) and temperature inside the carpark by sensors installation. The real-time reading from the sensors could change the speed of ventilation fans from fixed to variable, achieving energy saving without compromising the indoor air quality. The project for ventilation control is estimated to reduce more than 30% of energy and carbon emissions annually.



IoT System and CO & Temperature Sensors

## COMMUNITY

Building a better community is our commitment and we seek to achieve this with our community partners through deserving community-caring programmes. We aim to care for our community especially towards those vulnerable groups and the environment, creating communities not just properties.

### Community Investment Policy

Our community investment policy 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 Engagement

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 implemented by us this year:

#### Art

We continued supporting “Great Eagle Music Children Ensemble”, a successful project with Music Children Foundation. The project aimed to enhance the development of young talents from underprivileged background by providing them with attentive and intensive musical training as well as different forms of out-of-classroom exposures. This year, the ensemble was expanded from 32 to 52 members whose musical talents would be further nurtured. The ensemble members would continue developing music as a skill for life as well as creating social impacts by spreading the message of “music changes life”.



Great Eagle Music Children Ensemble

### Children Education

Dental caries is among the top 10 prevalent diseases worldwide. Factors such as tooth brushing, dietary habits and dental attendance contribute to the caries prevalence among Hong Kong children. Pre-school students, particularly are not eligible to receive free local public dental service. In view of this, we partnered with Department of Paediatrics & Adolescent Medicine of Hong Kong University to launch “Oral Health Services for Preschool Children”. The project aimed to educate and improve dental health of pre-school children by organising interactive oral health workshops and in-school oral health assessment for children and educational seminars for teachers and parents.



Oral Health Services for Preschool Children Project

### Environmental Protection

"Water for Free Project", which was launched in 2018, provided free water dispensers and education talks to schools and community centers, encouraging the general public to bring their own bottles. As the project had received massive requests from schools and community centers to join, we decided to continue the project and scale up the collaboration in the name of "Say No to Plastic Project". The campaign expanded its service to cover secondary school students and arranged "Urban Farming x Plastic Upcycling Workshop" to deepen the community's understanding of the importance to reduce disposal of plastics. Our Hotel Division offered in-kind support to the campaign by providing Kino, a private theatre at Eaton, Hong Kong, for the opening ceremony.



Say No to Plastic Project

### Corporate Volunteering

Corporate volunteering forms another vital element of our community involvement. We encourage our colleagues to explore the community and help people in need by joining volunteering services. One of the volunteering services this year was holding an Easter Party for the Sunshine School of Children's Cancer Foundation. Sunshine School is a 'transitional pre-school project' for young patients who are still receiving treatment (but already discharged from hospital) or in the recovery stage. With the aim to bring positive energy to the Sunshine Kids, the volunteers prepared classroom decorations, designed interesting games and buying lovely presents for

the kids. In addition, our colleagues also participated in "Life Buddies – Group Mentoring Scheme" as organised by the Commission on Poverty. The scheme aims to promote youth upward mobility by offering career-focused activities to disadvantaged young students. The volunteers developed a series of activities for the students to understand the property development industry and plan their future career.



Sunshine School Volunteering



Life Buddies – Group Mentoring Scheme

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Overseas, The Langham, Huntington, Pasadena volunteers prepared and served meals to families in need at the Pasadena Ronald McDonald House and Union Station Family Center. Cordis, Auckland team raised fund for charities by joining the Round the Bays event which was the largest fun run in New Zealand. Chelsea Hotel, Toronto participated in the BIG BIKE event for its annual fundraiser to support the Heart & Stroke Foundation. The fund ensures critical research in hospitals and universities across Canada could continue.



Ronald McDonald House Volunteering



Big BIKE Event Volunteering

Aside from designing a few deserving projects with non-profit organisations, we endeavour 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 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



## AWARDS, MEMBERSHIPS & CHARTERS

### Awards

#### Environment

Organizer	Award	Awarded Unit
Bloomberg Businessweek/ Chinese Edition	Outstanding Performance – Sustainability	Great Eagle Group
CarbonCare Asia	CarbonCare ESG Label 2019 – Level 3	Great Eagle Group
Hotel Cateys	Hotel Cateys Award – Sustainable Hotel of the Year	The Langham, London
The New Zealand Hotel Industry Conference	The New Zealand Hotel Industry Award – Finalist for Environmental Initiative for the Year 2019	Cordis, Auckland
Qualmark New Zealand	Qualmark Enviro Gold Rating	Cordis, Auckland
Green Business UK	Green Tourism Gold Certificate	The Langham, London
Green Key Global	4 Green Key ECOMmodating Rating	Chelsea Hotel Toronto
TripAdvisor	GreenLeader	
	Gold Level	The Langham, London
	Silver Level	The Langham, Melbourne
	Silver Level	Cordis, Auckland
	Bronze Level	The Langham, Boston



Outstanding Performance – Sustainability



CarbonCare ESG Label

Organizer	Award	Awarded Unit
HotelInvestment Conference Asia Pacific (HICAP)	HICAP Sustainable Hotel Awards – PositiveCommunity Impact	Eaton, Hong Kong
Hong Kong Green Building Council	Low Carbon & Healthy Award	Langham Place
The Environmental Campaign Committee	Energywi\$e Certificates – Basic Level	Langham Place
	Wastewi\$e Certificate – Excellence Level	Three Garden Road

## Social

### Employment and Labour Practices

Organizer	Award	Awarded Unit
The Employees Retraining Board (ERB) Hong Kong	Manpower Developer Award	Langham Hospitality Group
Mandatory Provident Fund Schemes Authority	MPF Good Employer Award 2018-19	The Langham, Hong Kong
Caterer.com	2019 Caterer.com People Awards – Best On-boarding	The Langham, London
HM Magazine	2019 HM Awards – New Zealand General Manager of the Year	Cordis, Auckland
Tourism Industry Aotearoa	2019 New Zealand Hotel Industry Awards – Concierge of the Year Award	Cordis, Auckland
Tourism Accommodation Australia	Hotel Rising Star of the Year	The Langham, Sydney
	Outstanding Achievement in Training of the Year	The Langham, Sydney
Occupational Safety and Health Council	The 6th Best Property Safety Management Award-Silver Award (Best Safety Enhancement Programme)	Langham Place



Hotel Cateys Award



The New Zealand Hotel Industry Award



HICAP Sustainable Hotel Awards



Low Carbon & Healthy Award



New Zealand Hotel Industry Awards



The 6th Best Property Safety Management Award

Operating Practices

Organizer	Award	Awarded Unit
Bloomberg Businessweek/ Chinese Edition	Listed Enterprises of the Year 2019	Great Eagle Group
USA Today	Top 10 Best Luxury Hotel Brand	Langham Hotels and Resorts
Condé Nast Traveler	2019 Reader's Choice Awards	
	No. 1 in Australia and New Zealand	The Langham, Melbourne
	No. 9 in Los Angeles	The Langham, Huntington, Pasadena
	No. 1 in Chicago	The Langham, Chicago
Travel + Leisure Magazine	2019 World's Best Awards	
	No. 2 Top 5 Australia and New Zealand City Hotels	The Langham, Sydney
	No. 3 Top 5 Australia and New Zealand City Hotels	The Langham, Melbourne
	No. 3 Top 10 Hotels in Chicago	The Langham, Chicago
	No. 15 Top City Hotels in the U.S.	The Langham, Chicago



Listed Enterprises of the Year 2019



2018 Kowloon West Best Security Services Award

Operating Practices

Organizer	Award	Awarded Unit
US News & World Report	2019 Best Hotels	
	No.7 in the USA	The Langham, Chicago
	No.3 in Chicago	The Langham, Chicago
	No.6 in Boston	The Langham, Boston
	No.6 in New York	The Langham, New York, Fifth Avenue
Forbes Travel Guide 2019	2019 Star Award	
	Five Star Hotel	The Langham, Chicago
	Five Star Hotel	The Langham, Hong Kong
	Five Star Hotel	The Langham, London
	Five Star Spa	Chuan Spa at The Langham, Chicago
HM Magazine	2019 HM Awards – Boutique Hotel of the Year	The Langham, Sydney



Security Services Best Training Award

### Operating Practices

Organizer	Award	Awarded Unit
Michelin Guide, Hong Kong	The 2020 Michelin Guide, Hong Kong and Macau	
	Three Michelin Stars Rating	T'ang Court at The Langham, Hong Kong
	One Michelin Stars Rating	Ming Court at Cordis, Hong Kong
	One Michelin Stars Rating	Yat Tung Heen at Eaton, Hong Kong
Michelin Guide, Shanghai	The 2020 Michelin Guide, Shanghai	
	One Michelin Stars Rating	T'ang Court at The Langham, Shanghai, Xintiandi
	One Michelin Stars Rating	Ming Court at Cordis, Shanghai, Hongqiao
The Hong Kong Police	2018 Kowloon West Best Security Services Award (16 awards)	Langham Place
The Hong Kong Police & VTC	2018 Security Services Best Training Award	
	Gold Award	Langham Place
	Gold Award	Three Garden Road

### Community

Organizer	Award	Awarded Unit
The Hong Kong Council of Social Service	10 Years Plus Caring Company Logo	Great Eagle Group
Labour and Welfare Bureau	Social Capital Builder Logo Awards	Great Eagle Group
Social Welfare Department	Volunteer Service (Organisation) of the Volunteer Movement	
	Bronze Award	Great Eagle Group
	Silver Award	Cordis, Hong Kong
Hotel Investment Conference Asia Pacific (HICAP)	2019 Sustainable Hotel Award-Positive Community Impact	Eaton, Hong Kong
HM Magazine	2019 HM Awards – Service to the Community of the year	The Langham, Melbourne

## Memberships

Silver Patron Member of Hong Kong Green Building Council

Corporate Member of Business Environment Council

Bronze Patron of The Hong Kong Arts Festival



## Charters

Energy Saving Charter

Charter on External Lighting

Carbon Footprint Repository

Foodwise Charter