

# CORPORATE SOCIAL RESPONSIBILITY





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Create Value, Improve Quality of Life – this is our CSR vision, which is based on our belief that CSR will create long-term value for our customers, partners, investors, employees and community. At the same time, this business approach improves the quality of life in our workplace as well as the local community and the world at large.

This year 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 continues to make reference to the Environmental, Social and Governance Reporting ("ESG") Guide which was issued by the Hong Kong Exchanges and Clearing Limited in August 2012. The report is structured according to the four ESG subject areas:

- Workplace Quality
- Environmental Protection
- Operating Practices
- Community Involvement

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 Steering Committee and Strategy". Selected key performance indicators are also supplemented to illustrate our CSR performance.



Hang Seng Corporate  
Sustainability Index  
Series Member 2013-2014

Our continuous efforts in CSR are reflected in being selected as a constituent member of Hang Seng Corporate Sustainability Benchmark Index three years in a row. Our subsidiaries also received numerous prestigious CSR related awards and recognitions as listed in the following sections of this report.

In 2013, our Hotel Division, Langham Hospitality Group, issued their second sustainability report, "Green is the New Black", which reviewed their current systems and performance, and set out their environmental and social objectives for the coming years.



## CSR STEERING COMMITTEE AND STRATEGY

The CSR Steering 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 setting the Group CSR policy and strategy.

The Group CSR Policy, which provides a robust framework and direction to implement CSR and embeds CSR into our organisational culture, was established by the Committee in 2012. The Committee, through risk assessment, also determined "Prevention of Pollution" and "Supply Chain Influence" as the CSR issues with the top priority which require managing actions. A CSR strategy was developed to enable the Group to focus our efforts on these issues.

In managing pollution:

- We continue conducting carbon audits for our major properties
- Our Green Champion Working Group meets regularly to share and implement green practices among our business units/ departments
- Several green campaigns were launched during the year in order to raise environmental awareness of colleagues

In influencing our suppliers:

- We have been providing Supplier Code of Conduct to our suppliers so as to communicate our CSR expectations

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. In 2013, we conducted our first stakeholder engagement by appointing an external consultant. The consultant assisted us to identify employees, tenants, suppliers, investors and media as our key stakeholders to engage. The results of the engagement will be taken into consideration when we prioritise our material issues and review our existing CSR strategy at the CSR Steering Committee meeting which will be held in 2014.

In order to achieve our CSR vision, we believe a CSR culture in our Group is a crucial factor. To this end, we started communicating CSR in a friendly and fun way by branding our CSR efforts as "CSR Action", which consists of seven "Great Actions" icons to represent our CSR commitments in human rights, labour practices, the environment and so forth. A CSR awareness workshop was also developed based on the "Great Actions", along with interesting lecture and interactive games, to educate colleagues in CSR. The approach was proved to be a successful one as participated colleagues returned favourable feedback on the content and approach of the training.



"CSR Action" Icon and Training

## WORKPLACE QUALITY

We are dedicated to 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.

### TOTAL WORKFORCE BY AGE GROUP & GENDER

Business	Under 20 years old	20 & under 30 years old	30 & under 40 years old	40 & under 50 years old	50 & over years old	Male	Female
Hotel	1%	32%	27%	20%	20%	51%	49%
Property & Others <sup>1</sup>	1%	19%	30%	22%	28%	61%	39%

### TOTAL WORKFORCE BY GEOGRAPHICAL REGION

Business	Hong Kong	PRC	Europe	North America	Oceania
Hotel	29%	10%	7%	35%	19%
Property & Others <sup>1</sup>	90%	10%			

### TOTAL WORKFORCE BY EMPLOYMENT TYPE & EMPLOYMENT CONTRACT

Business	Full-time	Part-time	Permanent	Contract
Hotel	85%	15%	99%	1%
Property & Others <sup>1</sup>	99%	1%	88%	12%

Note:

- Property & Others include businesses such as property development, property management, trading and fitness centre in Hong Kong and China

In addition to creating a fair workspace, we view health and safety beyond a moral and legal responsibility. We are committed to ensuring that risks to employees' health and safety at work are properly controlled. To meet this end, our Hotel Division has implemented occupational health and safety systems with policies, committees, standard & operating procedures, training, incident reporting and analysis for prevention. Safety performance and emergency preparedness measures (e.g. fire drill, chemical handling) are

reviewed internally on a regular basis so as to continuously improve the safety systems. To further raising colleagues' awareness on health and safety, the Division introduced The Workplace Health and Safety Week to all of our owned and/or managed hotels in 2013. During the week, the hotels engaged the staff in a series of informative and fun activities, such as healthy meals at colleague cafeteria, wellness gala, and "Destress with CHUAN Spa" workshop by the Group Spa Therapy Manager.



“Destress with CHUAN Spa” Workshop

Our Property Management Division is also committed to providing a safe and healthy workplace for the tenants and shoppers. The Division has established a health and safety management system and obtained OHSAS 18001 Occupational Health and Safety Management System certification. The management system identifies health and safety hazards which are in turn controlled by the Division’s Safety Committee and operating procedures. The Safety Committee consists of representatives from different teams, aiming to implement action plans and review the effectiveness of the management system on a monthly basis with a view to achieving zero accident. The operating procedure for monitoring requires us to regularly monitor our health and safety risks by using checklists, which outline the health and safety checking items on, for example, working in confined space, installing electrical systems, manual handling and using personal protective equipment. Ongoing training courses such as seminar and tool-box talk are also regularly provided to the frontline staff.



Safety Committee

## 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	10,096	0	2,596
Property & Others <sup>1</sup>	1,889	0	936

Note:

1. Property & Others include businesses such as property development, property management, trading and fitness centre in Hong Kong and China

## CORPORATE SOCIAL RESPONSIBILITY

Provision of opportunities for training and development has become an important component to attract and retain staff. Besides offering a competitive compensation and benefits package, we provide corporate and vocational trainings to staff of all levels. In 2013, “The 7 Habits of Highly Effective People” and “Business Innovation” continued to be the highlight training programmes provided to our colleagues. “The 7 Habits of Highly Effective People” conveys the importance of personal and interpersonal leadership that helps individuals to see, think and act differently in order to produce better performance and business results. A strong focus is put on “Leading Oneself and Leading Others”. To embed “innovation” into the Group’s corporate culture, Business Innovation Workshops have been introduced to focus on the core concept of creativity and problem solving from different perspectives as well as to widen the mind and vision of staff towards world-class practices which can be applied in business.

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



“The 7 Habits of Highly Effective People” Training

## PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

Business	Employee receiving performance reviews
Hotel <sup>1</sup>	100%
Property & Others <sup>2,3</sup>	100%

Note:

1. Hong Kong and China employees who are eligible to receive performance review during the reporting year
2. Property & Others include businesses such as property development, property management, trading and fitness centre in Hong Kong and China
3. Employees joined from 1 August to 31 December 2013 will receive reviews in 2014 as per policy

We recognise that productive employees are those who maintain a healthy work-life balance. To promote the importance of this, during the year, we organised various wellness and interest classes in, for example, tai chi, soap making, cosmetic makeup and cooking. We also organised recreational events such as Group Bowling Competition, Fun Day in Disneyland, One Day Tour to Lantau Island and Christmas Party, which facilitate colleagues to know each other and promote team spirit.



Group Bowling Competition



HR Excellence Awards 2013

Our Hotel Division's outstanding effort in people strategies and practices was recognised by the Hong Kong Institute of Human Resources Management in 2013. Two hotels received the HR Excellence Awards 2013 in the category of:

- The Langham, Hong Kong: Excellent Reward Management
- Langham Place, Mongkok, Hong Kong: Excellent Business Partner



One Day Tour to Lantau Island



HR Excellence Awards 2013

## ENVIRONMENTAL PROTECTION

To embed green into our organisational culture, the CSR Steering Committee has decided to establish the Green Champion Working Group. The working group was formed by nominated Green Champions from business units/departments to share and learn green practices from each other and in turn spread the best green practices to all of the colleagues. Several green campaigns were launched during the year, for example, "Great Eagle Go Green Badge" encouraged colleagues to wear a green badge when they supported any of the green campaigns; "Loving Heart Charity Sales", which invited colleagues to donate their new or used items they no longer required to the Sales for other colleagues to buy. The money received from the Sales was donated to the Salvation Army for charity purpose. The campaign served two CSR goals by not only reducing waste through "reuse" but also helping the people in need.





Great Eagle Go Green Badge

Our Hotel Division has been partnering with the EC3 Global EarthCheck Programme which offers a credible independent auditing and monitoring service. EarthCheck is an internationally recognised environmental benchmarking and sustainability certification programme, designed to address the challenges of climate change and improve the environmental and social performance of organisations. The Langham, Auckland continues its Certified Gold status in EarthCheck program, while other seven hotels maintain their Certified Silver status. The Langham Xintiandi, Shanghai received Bronze Benchmarked status in 2013 and The Langham, Sydney has joined the programme. Eaton Chelsea, Toronto has been participating at the Hotel Association of Canada's 4 Green Key ECommodation Rating program. Other than awarding certificates to our hotels, these programmes also support our continuous efforts in energy and water intensity reduction in the past few years.



The Hotel Division has introduced environmental-friendly facilities to our owned and/or managed hotels including replacing tungsten halogen lamps and traditional fluorescent tubes with LED. In-room recycle bins are installed in guest rooms. In 2013, Eaton Hong Kong suspended the use of plastic bottled water throughout its hotel operations by investing in an eco-friendly drinking water purification system which helps to eliminate consumption and subsequent disposal of large number of plastic bottles every year.



Loving Heart Charity Sales



LED Lighting



Green Roof



Re-used Glass Bottles

Our Property Management Division continues to minimise significant environmental impacts of our operation and improve the performance by implementing ISO 14001 Environmental Management System Standard. To reduce our energy consumption and carbon emission, the Division has also retrofitted LED light fittings at our owned and/or managed properties. Lighting controls with motion sensors have been installed at parking space. In 2013, green roofs and green walls were installed at Langham Place and Citibank Plaza, respectively, in order to reduce carbon emission and at the same time, create a greener environment. To reduce water consumption, the Division has also retrofitted low flow water faucet for wash basin, reused draining water from potable water tanks during periodic cleaning work for irrigation, drawn underground water for irrigation and arranged prompt remedial action on water leakage.

To protect the environment, Property Management Division understands it cannot be done solely by ourselves and must seek partnership with our tenants. As such, the Division has introduced a few recycling initiatives to collect paper, used batteries, discarded fluorescent tubes and lamps, discarded metals and plastic from the tenants. To recognise their efforts, the Division held a Green Christmas Celebration and presented souvenirs to the outstanding participants at the end of the year. In addition, we continue to collaborate with a food waste collector to re-process food waste from our food court tenants.



Green Christmas Celebration

### ENERGY CONSUMPTION (GJ)

Business	Direct energy consumption	Indirect energy consumption
Hotel <sup>1</sup>	465,306	490,019
Property & Others <sup>2</sup>	231	220,815

### CARBON EMISSIONS (tonnes CO<sub>2</sub>-eq)

Business	Direct carbon emission	Indirect carbon emission
Hotel <sup>1</sup>	26,457	58,778
Property & Others <sup>2</sup>	6,784	50,302

### WATER CONSUMPTION (m<sup>3</sup>)

Business	
Hotel <sup>1</sup>	1,338,568
Property & Others <sup>2</sup>	368,771

Note:

1. Hotel includes owned hotels only
2. Property & Others includes communal area of three owned and/or managed major properties: Citibank Plaza, Great Eagle Centre and Langham Place (Office Tower & Shopping Mall) only

Our Property Development Division is committed to keeping the environmental footprint of our new developments to a minimum, both during the initial design and construction phases, as well as throughout the life of the buildings. At the design stage of the joint venture development project in Dalian, green building initiatives were integrated into our planning. For example, the building maximises day lighting to interior by its extensive windows and yet well-insulated external façade. Natural daylight is also maximised at the strategic locations of basement carpark. To reuse wastewater, the building taps into the district grey-water system for toilet flushing.

The Langham Chicago, which was opened in July 2013, is now at its final stage of submission for LEED (Gold) certification. Environmentally responsible design alternatives such as guestroom in-room control systems with motion sensors, BMS system for central management control for effective energy savings, enhanced commissioning of MEP systems and so forth, were implemented from the design stage to implementation stage.

In our corporate office, our Administration Division continues to implement green practices according to the slogan “ER<sup>3</sup>” (Environmental Protection, Recycle, Reduce and Reuse). In 2013, a good practice was to reallocate old furniture collected from the corporate office renovation to other departments. This practice not only saves cost of new furniture purchase but also the storage or disposing cost of the old furniture. Paper recycling has also gained momentum in the corporate office. The overall recycling paper collected increased by 17% comparing to 2012, which shows that colleagues are more aware of saving trees by recycling used paper. The Division also started a meaningful practice by organising “Green and Organic Departmental Gathering” in which healthy green and organic food are served in every departmental gathering with a careful estimation of food ordering to avoid food wastage.



“Green and Organic Department Gathering”

In recognition of our efforts in environmental protection, the following properties, which are managed by Property Management Division, were honoured:

Green Council's Green Management Award (Corporation) – Service Provider:

- Langham Place: Gold
- Citibank Plaza: Bronze
- Great Eagle Centre: Bronze

Citibank Plaza also won:

- The Hong Kong Institute of Facility Management's Excellence in Facility Management Award 2013 (Office Building)
- HSBC LIVING BUSINESS Green Achievement Award 2013 – Certificate of Excellence

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

Riding the momentum of the "Energy Saving Charter" scheme in 2012, the Environment Bureau expanded the Charter scheme to cover not only communal area in shopping malls but also retail shops in shopping malls, communal area in office buildings and tenants in the buildings. To support this meaningful initiative, three of our owned and/or managed major properties signed the pledge as well as promulgated the message to the retail shops and office tenants. The large number of retail shops and office tenants signing the pledge was encouraging.



Green Management Award



Excellence in Facility Management Award



Energy Saving Charter Launching Ceremony

## OPERATING PRACTICES

The Group is committed to adhering to the highest ethical standards. All employees are given a Code of Conduct to which they are required to adhere. The Code explicitly prohibits employees from soliciting, accepting, or offering bribes or any other form of advantage. The Code also outlines the Group's expectations on staff with regard to conflicts of interest.

We recognise through leadership and monitoring along the supply chain, our Group can promote adoption and support of fair operating practices. To guide this CSR aspect in our supply chain more systematically and demonstrate how such aspect accords with our Group CSR Policy, the Supplier Code of Conduct has been established and communicated in our tender documents. The suppliers are required to acknowledge their reading and understanding of the Supplier Code of Conduct, which addresses CSR aspects on business integrity, human rights, health & safety, environmental protection and so forth.

We are committed to offering superior quality products and services to our customers by satisfying their expectations and needs – whether they are guests at our hotels or tenants or shoppers at properties under our management. Our Hotel Division strives for knowing our guests better than the others and building the greatest hotel memories. To meet this end, the Second Edition of "The Q. League Standards", our Total Quality Management model of the Hotel Division was launched in 2013. These standards serve as a management guideline to enable our hotels to strive for performance excellence in four major focus areas: Leadership, Guest, Colleagues and Innovation. Suggestions from hotel users had been adopted to tailor this guideline to our unique business environment so as to ensure practicality in operations.

To know more about our hotel guests and to meet their expectations, a robust Voice of the Customers (VOC) system has been established by the Hotel Division. VOC channels include post-stay online guest survey, various mystery shopper programmes conducted by third-party professional quality audit companies and guest feedback cards which are placed at our guest rooms as well as restaurant outlets. In 2013, a new generation of online guest survey was launched by the Division. This new generation of survey provides a more guest-friendly interface through offering flexibility of choosing questions, presenting with more human-focused design, and delivering a shorter yet precise survey to our guests.



The Q. League Standards

Our Property Management Division continues to implement ISO 9001 Quality Management System which requires monitoring the satisfaction level of our customers. To this end, the Division regularly send questionnaires to tenants of properties under our management in order to obtain their feedback. They have also established "Customer Feedback System" to collect appreciation, complaint and general enquiry from our customers. All feedback is timely replied to our customers and improvement actions are determined to further enhance our services. For example, in 2013, the Division started offering two new value-added services, "battery charger borrowing service" and "umbrella borrowing service" for our tenants and shoppers.

**Rainy Day Saviours**  
雨天救星

Caught out by the rain and urgently in need of an umbrella? Office occupiers with registered Octopus access cards and staff card holders can now borrow umbrellas from the 5/F reception counter without charge or deposit.

已用八達通登記大廈出入通道及持有職員證的辦公室用戶，現可於5樓接待處借用雨傘，費用及保證金全免！下次遇上突如其來的雨天，大家便不用再四處羨羅雨傘了。

Umbrella Borrowing Service

In recognition of our efforts in providing superior quality services:

- The Food & Beverage Services Manager at Eaton Chelsea, Toronto was selected as one of the "Top 30 Under 30" stars for 2013

This is a high profile recognition program that celebrates and recognizes future generations of hospitality leaders who are and will make a difference.

Langham Place received:

- Hong Kong Management Association's Quality Award – Bronze
- Hong Kong Small and Medium Enterprise's Hong Kong Star Brands Award 2013 (Enterprise)

Citibank Plaza was honoured:

- Asia Pacific Customer Service Consortium's Customer Relation Excellence Awards – Best Customer Experience Management (Commercial Building)



HKMA Quality Award

## COMMUNITY INVOLVEMENT

Our community involvement strategy focuses on three thematic areas – **Arts, Children Education, and Environmental Protection**:

- We believe arts is important to Hong Kong as a world class city. Arts could enrich the daily lives of the people and promote social progress and cultural development
- We believe that Hong Kong'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. We strive to sponsor projects which start nurturing children in their early ages
- Environmental protection is a subject which is essential to our organisational culture and it should be extended to the community at large. To meet this end, we are committed to involving the community in shaping a healthy and pleasant environment

Based on the themes, we partner with non-profit organisations to design a few deserving projects in these areas. We believe by focusing all of our philanthropic resources – financial, volunteer, and in-kind – on these projects, we can engender greater social impact.

In Arts, to bring classical music closer to the community, we sponsored Hong Kong Sinfonietta's "Great Eagle 50th Anniversary Proudly Sponsors – Disney Fantasia Live in Concert" and Hong Kong Philharmonic's "Great Eagle 50th Anniversary Proudly Sponsors – Christmas Around the World Concert". Both concerts brought the audience into the wonderful world of classical music through innovative programming and energetic performance.

Leveraging the Christmas concert, we organised a special open rehearsal for underprivileged children to explore live orchestra and behind the scene of a concert.



Disney Fantasia Live in Concert

In Children Education, we believe "play" is an essential part of every child's life and is vital to their development. Not only could "Play" enhance physical and emotional growth of children, but also improve their social and behavioural skills. Engaging parents in "play" could also nurture a better relationship of a family. In view of the importance of "play", in 2013, we continued to sponsor Playright Children's Play Association to hold the second "Great Eagle 50th Anniversary Presents – Playright Cheers for Play 2013". The event again was held at Chater Road pedestrian precinct and the theme of 2013 was "Let Children Play for One Hour Everyday", which aimed to promote children's right to play in the midst of their busy schedule due to schoolwork and interest classes. The event attracted a large crowd and public attention on children's rights to play. In addition to financial support, same as last year, our volunteering team provided assistance to the event and did a good job in setting up and being play ambassadors.



Playright Cheers for Play 2013

In environmental protection, we sponsored Green Monday's "Great Eagle 50th Anniversary Presents – Love Our Planet 4.22 Hong Kong Goes Green Monday", aiming to promote green life style by going meatless on Mondays. This green life style is an easy and effective way to reduce our carbon footprint and improve our health. The campaign was jointly promoted by school caterers and partner restaurants to advocate students and the whole city to go green together on 22 April 2013, the Earth Day. Our Hotel Division supported this campaign by providing green menus at all of their restaurants starting that day. Green Monday luncheons and talks were organised at our offices and hotel colleague cafeteria to promote this green and healthy concept to our colleagues. An exhibition was also held at Langham Place to communicate the vision of Green Monday.



Love Our Planet 4.22 Hong Kong Goes Green Monday

Other than designing a few deserving projects with non-profit organisations, we strive to promote best practices in environmental excellence and exchange knowledge amongst the top CSR leaders. We continue supporting and participating in:

- Business Environment Council: Council Member
- Hong Kong Green Building Council: Bronze Patron Member
- World Wildlife Fund for Nature Hong Kong: Silver Member

In recognition of the Group's community involvement efforts, certain of our subsidiaries were awarded as the "Caring Company" logos, under the scheme administered by the Hong Kong Council of Social Service.

## MOVING FORWARD

The results of the stakeholder engagement we conducted in 2013 will help us better understand our stakeholders' perceptions, concerns and priorities towards our CSR performance. We will take their suggestions into consideration when shaping our future CSR strategy and actions in the CSR Steering Committee for 2014. Embedding CSR into our organisational culture and integrating CSR into our daily operations will continue to be our CSR goals which enable us to Create Value, Improve Quality of Life.