



With a portfolio of 26 owned, managed, and joint-venture hotels in the United States and Canada, Loews Hotels & Co (Loews Hotels) continues to pursue a strategy of driving profitable growth through strategic partnerships, developments, and acquisitions in major city centers, resort destinations, and markets with unique built-in demand generators.

As part of the subsidiary's ongoing sustainability reporting efforts, the company addresses sustainability issues that are considered to be most relevant to its business. When determining which areas to highlight the company used as a guide a number of different sources including the applicable issues identified by the Sustainability Accounting Standards Board's (SASB) industry-level materiality guidance and third-party sustainability experts.

EMPLOYEE RELATIONS

Team Member Diversity

Loews Hotels & Co is dedicated to hiring, promoting, engaging, and retaining a talented and diverse workforce. In 2020 Equality, Diversity, Community (EDC) was created focusing on continuing to enhance diversity and inclusion within the company. Although the feedback from team members in the 2019 myVoice survey was strong in this area there is always opportunity for further enhancement and collaboration. With this in mind, EDC was created to partner with Human Resources and other areas of the company to focus on strategies to continue the culture of the company. Focus areas include talent acquisition (recruitment of minorities, particularly in management and leadership roles,) learning and development, strategic partnerships with minority organizations and community outreach.

The creation of EDC reiterates Loews Hotels & Co's principles along with its commitment to diversity and equality and promoting a sense of belonging for team members, neighbors and guests.

"Embracing Diversity and Inclusion," a training program focused on understanding and overcoming personal biases in order to treat others with mutual respect, is being provided for all Loews Hotels & Co team members.

Loews Hotels & Co is committed to providing competitive levels of pay and benefits and encourages team members to participate in services and training that support their well-being and encourage personal and professional growth.

The company not only strives for diversity in its own workforce but also focuses on the diversity of its vendors and suppliers. For decades, Loews Hotels & Co has developed partnerships and contracts with suppliers, associations, and businesses owned by minorities and women. Loews Hotels & Co believes that strong relationships with partners is part of being a good neighbor. Specifically, the company aims to provide economic opportunities to minority- and women-owned businesses through the Loews Hotels & Co Minority Business Enterprise Program, which gives small businesses owned by these groups the opportunity to become partners of the company.

Team Member Survey & Engagement

Loews Hotels & Co has recently incorporated a new methodology based on continuously listening to the voices of team members. A new third-party vendor was selected in 2020 to provide enhanced survey capabilities that include “pulsing.” Pulsing makes it possible to ask team members one or two timely questions throughout the course of the year via e-mail with “real time” feedback results. In addition, a larger, comprehensive survey will be conducted as well. The feedback from the pulse questions as well as the larger survey are utilized to create action plans to address areas of opportunity. The goal is to give team members a meaningful voice, underscoring their value within the organization.

Loews Hotels & Co’s Family Traditions is a dynamic and multi-faceted team member engagement strategy consisting of more than 40 unique initiatives and programs designed to drive communication, recognition, social responsibility and many other benefits. This program supports the company’s continued focus in facilitating an innovative people-centered culture which enhances team member loyalty and retention. In 2021, team members rated their overall employment experience a 4.53 on a 5 point scale.

Gender Pay Gap Analysis

Loews Hotels & Co considers pay equity as part of its standard compensation review practices. Additionally, the company has changed its application process to not ask prospective candidates their current salary.

Team Member Reporting Hotline

Loews Hotels & Co prides itself on fostering a culture of openness, trust, and integrity. The company has established the -- my Input Ethics Hotline, allowing team members to report any concerns relating to internal control and fraud, workers compensation fraud, human resources complaints or ethics violations. Loews Hotels & Co uses an industry-leading third-party provider to administer the ethics hotline, allowing team members to feel confident that their anonymity is respected when reporting their concerns.

Loews Hotels & Co receives calls from less than 0.3% of its team member population annually. The majority of those calls relate to working relationship issues. Once investigated about half are substantiated, and those are addressed immediately.

Losses Related to Legal Settlements

SASB: SV-HL-310a.1

Less than 0.2% of annual revenues.

Worker Harassment

Loews Hotels & Co has robust Equal Employment Opportunity and Anti-Harassment Policies that strive to provide greater awareness, protection, and reporting capabilities to team members. Loews Hotels & Co offers training to team members biennially.

Labor Relations

SASB: SV-HL-310a.1

Loews Hotels & Co prides itself on maintaining relatively low turnover rates of about 30% (combined voluntary and involuntary rates) in a typical operating environment and up to 48% during the business recovery period of 2021. By comparison, the Bureau of Labor Statistics reports annualized employee turnover rates ranging from 72-79% between 2016-2019 in the Accommodation and Food Services industry.

- Voluntary: 39.4%
- Involuntary: 8.5%
- Total: 47.9%

ENTERPRISE RISK MANAGEMENT

ERM Process

The Loews Hotels & Co Risk Council Committee is a cross-sectional group of leaders that review the corporate risk matrix, which includes an inventory of risks, risk scores, and mitigation practices. The group meets at least twice a year to evaluate these risks, including climate change risks. Additionally, risk discussions also take place as part of the quarterly Audit Council meetings and monthly meetings of the company's Executive Leadership Team. Climate-related issues that are identified and communicated to the Risk Council Committee are evaluated in the same manner as any other risk to the business.

Additional major risks that are reviewed and monitored include:

- Talent & Labor
- Commercial Growth
- Growth
- Operating Performance (including business continuity)
- Technology
- Reputation Risk

Engineering Teams Oversight

Loews Hotels & Co's engineering teams oversee facility operations, including the management of energy and water consumption, greenhouse gas emissions, and waste. These team members are responsible for identifying opportunities to increase operating efficiency and implementing both operational and capital strategies to meet this end.

Incorporation of Systemic and ESG Risks into ERM

ESG risks have been incorporated into Hotels' annual ERM planning process. In addition to incorporating systemic and ESG risks into annual ERM and business planning processes, the company is responsive to risks identified by its team members. In fact, Loews Hotels & Co has carefully designed its organizational structure to ensure that team members at all levels are empowered to raise issues as necessary.

Supplier Oversight Program

Loews Hotels & Co understands the importance of sourcing locally and supports further advancements in agricultural crops, seafood, animal proteins, and plastic and paper products through its supply chain.

Loews Hotels & Co's Supplier Code of Conduct outlines its minimum expectations for compliance, human rights and labor, health and safety, the environment, and ethics. Where possible, Loews Hotels & Co requests environmental policies from suppliers to signal the importance Hotel's places on environmental responsibility.

- Annual spend with Diversity Suppliers is almost 10% of total spend, more than \$5 million annually.
- Diversity program includes all classes of diversity to include but not limited to:
 - African American, Asian-Owned, Hispanic, Veteran-Owned, Women-Owned.

Loews Hotels & Co's Minority Business Enterprise Program gives small businesses owned by minorities and women the opportunity to become partners of Loews Hotels & Co.

Through this program the company buys:

- Operating supplies and equipment
- Furniture, fixtures and equipment
- Food and beverage
- Design and construction services
- Freight and logistics
- Services, engineering supplies and utilities

Each applicant is evaluated based on the following criteria:

- Hospitality references
- Competitive prices
- High standards of quality and performance
- Insurance and indemnification requirements
- Minimum 3-year business history

Data and Cybersecurity

Loews Hotels & Co assesses its cybersecurity practices against the NIST Cybersecurity Framework. The company goes to great lengths to protect its customers' privacy and utilizes best in class tools to conduct quarterly internal and external vulnerability assessments and annual penetration tests. Additionally, Loews Hotels & Co tokenizes credit card information to significantly reduce the credit card security threat on central systems and hotel property-based systems. Loews Hotels & Co has performed a gap assessment and built a 3-year roadmap to ensure that the company continues to mature. Loews Hotels & Co has a Cyber Incident Response protocol and performs an annual tabletop exercise with Executive Leadership.

STRATEGY

Incorporation of ESG & Climate Change into Strategic Considerations

Loews Hotels & Co had embraced Strategic Sustainability long before it was a trend. The company believes that focusing on sustainability can generate a competitive advantage. Examples of this focus include reducing water usage which benefits the environment and decreases costs as well as sourcing food locally which helps the communities where Loews Hotels & Co operates. The Loews Hotels Good Neighbor Policy, one of the hospitality industry's first comprehensive community outreach program, addresses issues ranging from hunger relief and literacy to green practices and the arts. Loews Hotels & Co's commitment to good corporate citizenship is strong and deep and the Good Neighbor Policy continues to evolve and grow.

Loews Hotels has three lodging facilities located in 100-year flood zones:

SASB: SV-HL-450a.1

- Loews Miami Beach Hotel in Miami Beach, Florida
- Universal's Endless Summer Resort in Orlando Florida
- Loews Ventana Canyon Resort in Tucson, Arizona

The following hotels are located in or Near Areas of Protected Conservation Status or Endangered Species Habitat:

SASB: SV-HL-160a.2

- Loews Coronado Bay Resort is located near:
 - The Silver Strand Natural Preserve, where the endangered snowy plover nests and raises its young;
 - The Bayside Restoration, which focuses on sensitive plants and wildlife; and
 - The Cabrillo State Marine Reserve, which is a marine protected area that focuses on conserving and restoring wildlife and habitats in the waters extending from Silver Strand.
- Loews Miami Beach Resort is located on Miami Beach. This beach and dune system are considered essential habitat for nesting sea turtles.

ENVIRONMENTAL

Energy and Water Usage

SASB: SV-HL-130a.1 & SASB: SV-HL-140a.1

Energy and water usage in 2020 was unusually low due to the impact of COVID-19 on the travel and lodging industry

	2020	2021
Total Energy Consumed (millions of kWh)	308.7	358.0
Water Consumed (millions of cubic feet)	79.88	94.18

Environmental Programs

SASB: SV-HL-160a.2

Loews Hotels & Co has partnered with several third parties to gain insight into its environmental impact. The company partnered with Waste Revelation, a waste and recycling consulting organization that reviews and tracks all of Loews Hotels & Co’s sustainability and waste-recycling efforts and has developed standards for both existing buildings and new hotels under construction. Waste Revelation’s standards help Loews Hotels & Co meet Department of Energy building codes when it embarks on a new development. Loews Hotels & Co has also partnered with Goby, an enterprise data platform provider of sustainability solutions, to track enterprise-wide energy usage and energy consumption per guest.

Loews Hotels & Co has integrated energy-efficient equipment into its long-term capital infrastructure plans. Over the past five-plus years, Loews Hotels & Co has invested in upgrading its facilities to reduce its energy consumption.

Loews Hotels & Co has invested considerably in its green initiatives, however management recognizes there is always room for improvement. Therefore, Loews Hotels & Co instituted a goal of reducing its portfolio-wide source energy use intensity (EUI) by 20% from its 2012 levels through 2022. By 2019 the company had already reduced its EUI by 24% and was awarded the 2020 Better Buildings Goal Achiever Award by the US Department of Energy. Additionally, in 2021, Loews Hotels & Co recycled 26.5% of total waste. Loews Hotels has set a new goal of reducing its EUI by 30% by 2030.

Loews Hotels & Co’s commitment to sustainability and the environment extends to its suppliers. Working with local farmers, the company looks for certified naturally grown and organic products. It sources protein products for its restaurants that are all natural—with no antibiotics or steroids—from suppliers that are certified as humane. Loews Hotels & Co was one of the first hospitality companies to use cage-free eggs across the portfolio. Also, guest room amenity suppliers for shampoo, conditioner,

lotion, and soaps are required to package products in recyclable tubes, and the products must be natural and not tested on animals.

Loews Hotels & Co fully embraces its responsibility as an environmental steward and believes in developing sustainable practices as a leader in the industry. Loews Hotels & Co is thoroughly committed to reducing its environmental impact by actively participating in standards that are in harmony with the earth's natural resources and direction through their partnership with ENERGY STAR and other green initiatives.

The Loews Hotels Good Neighbor Policy was created in 1990 by Jonathan Tisch, Loews Hotels' Chairman & CEO. The Loews Good Neighbor Policy is the company's formal commitment to its long-standing tradition of understanding our social responsibility to the communities where the company owns and operates hotels.

Loews Hotels & Co Green Hotel Standards and Practices Include:

- Food donations in partnership with local food banks
- Linen/terry policy
- Banquet/back-of-house recycling
- Eco-friendly inks and papers
- Energy Technologies including low-flow shower heads, compact fluorescent light bulbs
- Green Training
- Green Teams

ETHICS & VALUES

Code of Business Ethics

Loews Hotels & Co is committed to maintaining high standards for honest and ethical conduct in all of its business dealings. Loews Hotels & Co has an established "Code of Conduct" training program covering the various areas of business ethics as well as a defined policy. Integrity and proper business conduct have been a cornerstone of the company since its founding.

Equal Opportunity Policy

Loews Hotels & Co is committed to providing a workplace free from unlawful discrimination, harassment and retaliation. Loews Hotels & Co does not tolerate any form of discrimination or sexual harassment in the workplace. The Company is an equal opportunity employer and practices and employment decisions, including those regarding recruitment, hiring, assignment, promotion and compensation, shall not be based on any person's sex, sex stereotyping, pregnancy (which includes pregnancy, childbirth, breastfeeding, and medical conditions related to pregnancy, childbirth, or breastfeeding), race, color, religion or creed, ancestry or national origin, age, disability, medical condition, familial or marital status, sexual orientation, gender, gender identity, gender expression, military or veteran status, citizenship status, genetic information, or other protected group status as defined by law ("Protected Status").

Harassment Free Workplace

SASB: SV-HL-310a.4

Loews Hotels & Co is committed to providing its team members with a safe, nurturing environment that ensures they can perform at their best.

Non-Solicitation Policy

In the interest of maintaining a focused business environment and preventing interference with work and inconvenience to others, Loews Hotels & Co team members may not distribute literature or printed materials of any kind, sell merchandise, solicit financial contributions or solicit for any other cause during working time.

BUSINESS CONTINUITY

Disaster Preparedness

Loews Hotels & Co maintains a crisis management & response manual that is specific to each hotel. It is the policy of Loews Hotels & Co to take the appropriate steps in sustaining critical business functions in the event that a disaster occurs at any of the Loews Hotels & Co properties. A disaster can be defined as an unexpected disruption of business functions for an extended period of time. In order to uphold the business operations of Loews Hotels & Co, an Emergency Action Plan has been created to help hotel management carry out their responsibilities of maintaining the properties before, during, and after a disaster.