

Loews Hotels & Co Overview

With a portfolio of 27 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 demand generators.

Sustainability Scorecard

As part of Loews Hotels' ongoing sustainability reporting efforts the company addresses sustainability issues that are considered to be most relevant to its business and uses as a guide applicable issues identified as part of the Sustainability Accounting Standards Board's (SASB) industry-level materiality guidance.

Topic	Code	Description
Employee Relations	<u>Employee Diversity</u> Pg.3	Through the “Equality, Diversity and Community” (EDC) work, there is focus on hiring, promoting, engaging, and retaining a talented and diverse workforce and ensuring a culture of inclusion and belonging.
	<u>Employee Survey & Engagement</u> Pg.4	Conduct on-going “pulse checks” listening to the voices of Team Members as well as an annual, comprehensive survey. In 2019, 88.6% of Team Members expressed high levels of job satisfaction.
	<u>Gender Pay Gap Analysis</u> Pg.4	Evaluates pay equity as part of its standard compensation review practices.
	<u>Employee Reporting Hotline</u> Pg.4	Maintains a third-party employee hotline. Less than 0.3% of employees call in annually.
	<u>Losses Related to Legal Settlements</u> Pg.4	Less than 0.2% of annual revenues.
	<u>Worker Harassment</u> Pg.5	Has robust Equal Employment Opportunity and Anti-Harassment Policy.
	<u>Labor Relations</u> 1) Voluntary and (2) Involuntary Turnover Rates for Lodging Facility Employees Pg.5	Voluntary: 23.9% Involuntary: 7.3% Total: 31.2%

Enterprise Risk Management	<u>ERM Process</u> Pg.5	Loews Hotels Risk Council Committee is a cross sectional group of leaders that review the corporate risk matrix.
	<u>Incorporation of Systemic and ESG risks into ERM</u> Pg.5	ESG related issues that are identified and communicated to the Risk Council are evaluated in the same manner as other risks.
	<u>Supplier Oversight Program</u> Pg.6	The company's Supplier Code of Conduct outlines its minimum expectations for compliance, human rights and labor, health and safety, the environment, and ethics.
	<u>Data and Cyber Security</u> Pg.6	Loews Hotels assesses its cyber-security practices against the NIST Cyber Security Framework.
Strategy	<u>Incorporation of ESG & Climate Change into Strategic Considerations</u> Pg.6	The company believes that focusing on sustainability can easily generate a competitive advantage.
Climate Change & the Environment	<u>Total Energy Consumed</u> (millions of kWh) Pg. 7	404.6 million kWh (2019) and 412.2 million kWh (2018).
	<u>Total Water Consumed</u> (millions of cubic feet) Pg.7	100.4 million ft ³ (2019) and 104.9 ft ³ (2018).
	<u>Recycling</u> Pg.7	Loews Hotels recycled over 26 million pounds of waste.
	<u>Number of Lodging Facilities Located in or Near Areas of Protected Conservation Status or Endangered Species Habitat</u> Pg.7	Three properties located in a 100-year flood zone. Two properties located near areas of protected conservation status or endangered species habitat.
Ethics & Values	<u>Code of Ethics</u> Pg.8	Has a code of business ethics.
	<u>Equal Opportunity</u> Pg.8	Is an equal opportunity employer and will not tolerate discrimination of any kind.

	<u>Harassment Training</u> Pg.9	Mandatory harassment prevention training is conducted on a biannual basis.
	<u>Non-Solicitation Policy</u> Pg.9	Has an anti-solicitation policy.
Business Continuity	<u>Disaster Preparedness</u> Pg.9	Maintains a crisis management & response manual that is specific to each hotel.

Employee Relations

Employee Diversity

Loews Hotels is dedicated to hiring, promoting, engaging, and retaining a talented and diverse workforce. Recently, Diversity, Equality, Community: Collaborating to Listen, Engage and Act (EDC) was created as the brand for Loews Hotels focused 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 improvement. With this in mind, the EDC Steering Committee was created to partner with Human Resources and other areas of the company to focus on strategies to enhance the culture of the company. Focus areas include talent acquisition (recruitment of minorities, particularly in management and above roles, learning and development, forming strategic partnerships with minority organizations and community outreach.

With the recent events in our country related to racial injustice, several opportunities have been incorporated to communicate with Team Members about the Loews Hotels & Co Principles, commitment to diversity and equality and promoting a sense of belonging for Team Members and Guests. “Candid Conversations,” conversations with small groups of Team Members in each hotel/location were designed and implemented for Team Members to share their stories and feelings about racial and other forms of inequality and the impact it has on them personally. This dialogue promotes an understanding of the realities faced by many of our diverse Team Members and provides insight into what we can be doing as an organization to continue to enhance a culture of inclusion.

“Embracing Diversity and Inclusion,” a development program focused on understanding and overcoming personal biases in order to treat others with mutual respect, is being provided for all Loews Hotels Team Members.

Loews Hotels 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. Loews Hotels has developed partnerships and contracts with suppliers, associations, and businesses owned by minorities and women. Loews Hotels believes that strong relationships with partners leads to empowered Team Members, satisfied customers, and an improved community. Specifically, the company aims to provide economic opportunities to minority- and women-owned businesses through the Loews Hotels Minority Business Enterprise Program, which gives small businesses owned by these groups the opportunity to become partners of Loews Hotels.

Employee Survey & Engagement

Loews Hotels has recently incorporated a new methodology based on continuously listening to the voices of Team Members. A new, third party vendor was recently selected 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 the areas of opportunity that are identified. The goal is to give Team Members a meaningful voice, underscoring their value within the organization.

Loews Hotels’ 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 in facilitating an innovative people-focused culture that enhances Team Member loyalty and retention.

In 2019, 88.6% of Team Members expressed high levels of job satisfaction and 93.8% would recommend Loews Hotels as a good place to work.

Gender Pay Gap Analysis

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

Employee Reporting Hotline

Loews Hotels prides itself on 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 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 receives calls from less than 0.3% of its employee 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

In 2019, Loews Hotels & Co incurred legal settlement claims that were less than 0.2% of annual revenues.

Worker Harassment

Loews Hotels has robust Equal Employment Opportunity and Anti-Harassment Policies that strive to provide greater awareness, protection, and reporting capabilities to Team Members. Loews Hotels offers training to employees biennially.

Labor Relations

Loews Hotels prides itself on low turnover rates of just slightly over 30% (combined voluntary and involuntary rates). By comparison, in November of 2018, the Bureau of Labor Statistics estimates an annualized employee turnover rate of 73.8% in the hotel and motel industry.

- Voluntary: 23.9%
- Involuntary: 7.3%
- Total: 31.2%

Enterprise Risk Management

ERM process

The Loews Hotels 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 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 Oversite

Loews Hotels' 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 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 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' suppliers share its principles of corporate responsibility. The company'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 requests environmental policies from suppliers to signal the importance Hotel's places on environmental responsibility.

- Annual spend with Diversity Suppliers is almost 12% of total spend, more than \$7 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 Minority Business Enterprise Program gives small businesses owned by minorities and women the opportunity to become partners of Loews Hotels. 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 Cyber Security

Loews Hotels assesses its cyber-security practices against the NIST Cyber Security 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 tokenizes credit card information to significantly reduce the credit card security threat on central systems and hotel property-based systems. Loews Hotels has performed a gap assessment and built a 3-year roadmap to ensure that the company continues to mature. Loews Hotels 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 had embraced Strategic Sustainability long before it was a trend. The company believes that focusing on sustainability can easily 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 operates. The

Loews Hotels Good Neighbor Policy, 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' commitment to good corporate citizenship is so strong and deep that with each year the Good Neighbor Policy has evolved and grown.

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

- The Loews Miami Beach Hotel in Miami, 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:

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.
- 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 near Miami Beach, this beach and dune system are considered essential habitat for nesting sea turtles.

Environmental

Energy and Water Usage

[In 2019, Loews Hotels reduced its energy and water consumption by 2% and 4%, respectively.]

	2018	2019
Total Energy Consumed (millions of kWh)	412.2	404.6
Water Consumed (millions of cubic feet)	104.9	100.4

Environmental Programs

Loews Hotels 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' 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 meet Department of Energy building codes when it embarks on a new development. Loews Hotels 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 has integrated energy-efficient equipment into its long-term capital infrastructure plans. Over the past five-plus years, Loews Hotels has invested in upgrading its facilities to reduce its energy consumption.

Although Loews Hotels has invested considerably in its green initiatives, management recognizes there is always room for improvement. Therefore, Loews Hotels instituted a goal of reducing its portfolio-wide source energy use intensity (EUI) by 20% from its 2012 levels by 2022. From 2012 through 2019 Loews Hotels reduced its energy consumption by 24% and was awarded the 2020 Better Buildings Goal Achiever Award by the US Department of Energy. Additionally, in 2019, Loews Hotels recycled over 26 million pounds of waste, exceeding the company's internal goal by almost 5%.

Loews Hotels' 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 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 fully embraces its responsibility as an environmental steward and believes in developing sustainable practices as a leader in the industry. Loews Hotels 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' 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 is committed to maintaining high standards for honest and ethical conduct in all of its business dealings. Loews Hotels 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 is committed to providing a workplace free from unlawful discrimination, harassment and retaliation. Loews Hotels 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

Loews Hotels is committed to providing its employees 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 employees 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 maintains a crisis management & response manual that is specific to each hotel. It is the policy of Loews Hotels to take the appropriate steps in sustaining critical business functions in the event that a disaster occurs at any of the Loews Hotels 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, 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.

This document is intended to be a companion to the Loews 2019 Annual Report to shareholders and 2020 Proxy Statement and is not intended to serve as a comprehensive accounting of our sustainability efforts at the parent or subsidiary level.