



Building Resilience into the Future

SUSTAINABILITY REPORT 2023

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About This Report

Reporting Scope and Boundary

Hysan Sustainability Report 2023 (the “Report”) provides an overview of the sustainability approach taken by Hysan Development Company Limited (Hysan or the “Company”) and its principal subsidiaries (the “Group”)’s Environmental, Social and Governance (“ESG”) performance for the reporting period from 1 January 2023 to 31 December 2023. This is Hysan’s 18th sustainability report since 2006.

The Report focuses on material sustainability issues of significant importance to our business and stakeholders. It encompasses our approach, strategy and performance regarding these material issues. We provide annual updates on sustainability-related initiatives, performance and achievements, along with climate-related disclosures, to communicate our progress.

The Report provides detailed insights into the ESG performance of Hysan’s real estate portfolio in Hong Kong. Coverage of this portfolio has significant financial and material impacts on both the Group and its stakeholders¹. There were no material changes in the reporting scope and metrics used to measure our ESG performance in 2023 compared with the previous reporting period.

Reporting Standards and Principles

The Report aligns with the ESG Reporting Guide (“ESG Guide”) set out in Appendix C2 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”, or “HKEX”), based on reporting principles including “materiality”, “quantitative”, “consistency” and “balance” criteria outlined in the ESG Guide. The Report also references Global Reporting Initiative (“GRI”) Standards 2021 and focuses on sustainability issues that have been identified as material to Hysan’s business and its stakeholders.

Aligning with HKEX and its latest incorporation of the International Sustainability Standards Board (“ISSB”), we have continued to share our climate disclosures in accordance with the framework recommended by the Task Force on Climate-related Financial Disclosures (“TCFD”). The report has been reviewed and approved by our Board of Directors (the “Board”).

Reporting Assurance

This Report is externally assured to validate the accuracy and reliability of its content. The Hong Kong Quality Assurance Agency (“HKQAA”) was commissioned to conduct independent, reasonable assurance of the Sustainability Report in accordance with the International Standard on Assurance Engagement (“ISAE”) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the ISAE 3410. Please refer to Appendix 5 for the Verification Statement.

Access to the Report

For the online version and supplementary information, please refer to the Sustainability page on the Hysan website. If there is any inconsistency or conflict between the English and Chinese versions of the Report, the English version shall prevail.

Share your Thoughts

We welcome stakeholders’ feedback on this Report and other sustainability-related matters. Please share your thoughts at sustainability@hysan.com.hk

Telephone: (852) 2895 5777

Address: 50/F Lee Garden One, 33 Hysan Avenue, Hong Kong

¹ The Sustainability Report focuses on the operational impacts of Hysan’s portfolio in Hong Kong, which includes Lee Garden One, Lee Garden Two, Lee Garden Three, Lee Garden Five, Lee Garden Six, Hysan Place, Lee Theatre Plaza, One Hysan Avenue, Leighton Centre, and Bamboo Grove. These significant investment properties, under the control and operation of Hysan in Hong Kong, collectively contributed over 90% of the Group’s revenue in 2023 and represented the most significant ESG impacts on the Group and its stakeholders.

Message from the Executive Director and Chief Operating Officer



Navigating a Changing Landscape

As we reflect on the year 2023, a year that marked our transition into the post-pandemic period, we encountered a mix of challenges and opportunities that tested our vigilance and resilience as an organisation. The anticipated return to normalcy in the business landscape has been gradual, with ongoing geopolitical tensions, escalating geoeconomic fragmentation, interest rate hikes and an increase in extreme weather events. These factors reminded us of the need for strategic adaptation in an ever-changing environment.

Building Stronger Communities

In response to the post-pandemic structural changes, we remained committed to building a better environment and promoting growth and sustainability through our Community Business Model, which emphasises inclusivity, positive economic impact, social wellbeing, environmental stewardship and liveability. Our extensive Lee Gardens rejuvenation allows us

to bring new content and experiences, and further empowers our vibrant Lee Gardens community for all stakeholders.

The placemaking of Lee Gardens is not only about the physical upgrades of our buildings, but also the unique experiences and moments brought about by our area curation efforts on both hard and soft elements. Urban Park at Hysan Place, a first-ever covered skate park in a mall right at the heart of Causeway Bay, was built to celebrate urban culture and exemplifies our trendsetting vision. The low-rise area in the middle of Lee Gardens provided an ideal venue for us to interact and engage with people, both locals and tourists. Our large-scale outdoor events on the street, including WeOutside, Skateboard Fest, and Coffee Fest, have been very well received and brought so much fun and energy to the city. Since art and culture are widely pursued by people, we set up programmes with music busking, urban talks and city walks to meet their needs

at our doorstep. Furthermore, we sponsored the Kathaa Festival to showcase exquisite artworks from India's rich cultural heritage. All these initiatives show that Lee Gardens is an inclusive community with energy and vision to meet the needs of the city, people and business.

In 2023, we sponsored youth ruby championships organised by Rugby Union. Lee Gardens has long supported rugby, a sport for which Hong Kong has gained recognition internationally. It is a sport that builds determination, commitment and team spirit among our younger generation. This year, we added a Hysan District Primary School Touch Rugby Tournament, with the aim of making this sport more accessible to local schools across Hong Kong. We also provided skateboard training to engage youths and foster inclusiveness.

Embracing Science Based Targets and Climate Readiness

Recognising the importance of addressing climate change, we have taken significant steps towards promoting sustainability and mitigating our impacts. We are thus proud to announce that Hysan has committed to the Science Based Targets initiative (SBTi). By setting science-based targets for greenhouse gas emissions reduction, we aim to align our efforts with the goals of the Paris Agreement and contribute to limiting global warming to 1.5 degrees Celsius. This commitment reflects our determination to take concrete action in addressing climate change and reducing our carbon footprint.

To ensure climate readiness, we initiated the first phase of our comprehensive scenario-based climate risks assessment, encompassing both physical and transition risks within our core business and asset portfolio. Following the identification of physical risks in the initial phase, we will conduct further assessments at the asset-level, focusing on the resilience of our properties against key climate hazards and identifying measures to enhance the resilience of our assets. The assessment

of transition risks revealed challenges and opportunities arising from changes in policies, regulations, technology, market dynamics and reputation as we transition into a low-carbon economy. In response, we are proactively addressing these climate-related risks through targeted actions.

Moving Forward with Purpose

Our Caroline Hill Road development embodies our vision of creating a regenerative and interconnected community. The design incorporates sustainable considerations, ranging from resource-efficient design features to climate resilience measures. Additionally, the development includes a sprawling metropolitan park spanning nearly 6,000 square meters.

The use of the latest technology in building management and tenant engagement is integral to our approach. We aim to establish a community that operates sustainably and enhances not only quality of life in our neighbourhood, but also actively supports our tenants to meet their ESG performance objectives, contributing to the broader sustainability goals of the community.

Moving forward, we will remain dedicated to enhancing our ESG performance disclosure, implementing sustainable strategies and managing climate-related risks. This will make us well positioned to attract socially responsible investors who value the long-term viability and resilience of our business.

Lastly, under the guidance and support of the Board, along with the leadership of the Sustainability Committee and the Sustainability Executive Committee, we have integrated valuable learnings and reaffirmed our unwavering commitment to sustainability across all aspects of our business. I would like to extend my heartfelt appreciation to my colleagues for their relentless dedication and hard work, which has played a pivotal role in propelling our sustainability initiatives to new heights.

Ricky Lui

Executive Director and Chief Operating Officer

Sustainability at Hysan

About Hysan

Occupying approximately 4.5 million square feet of office, retail and residential tenant space at the centre of Causeway Bay's Lee Gardens Area, Hysan is renowned for its core business of property investment, management and development. Our aim is to be a trusted partner to our stakeholders, providing support to our employees, residents and tenants, fostering a true sense of community.

Hysan strives to create value and provide stakeholders with sustainable and outstanding returns from its property portfolio, which is predominantly located in Hong Kong's premier commercial district of Causeway Bay. We continue to curate and expand our portfolio in the Lee Gardens Area.



Our Sustainability Commitment

At Hysan, sustainability is at the heart and soul of everything we do.

Sustainability drives the way we work with our stakeholders – from our investors and tenants to our employees and customers – as well as the programmes we initiate to make our community a unique place to live, work and enjoy for generations to come.

We regularly review our existing sustainability strategy and integrate the latest developments in our business, the community and overall environment in which we operate. We also make use of appropriate tools to identify, assess and manage any material sustainability-related risks and opportunities relevant to the Group. These practices strengthen and bolster Hysan’s journey towards a brighter and more sustainable future.

Our Contribution to SDGs

The United Nations’ 17 Sustainable Development Goals (SDGs) serve as a guiding compass for driving transformative change and addressing the most critical global challenges in the realms of economy, society, environment and governance.

Hysan has adopted the SDGs as a reference for our sustainability practices. These SDGs are integrated into our sustainability framework, guiding our efforts and goals for sustainability. To effectively communicate the impact of our ESG practices in the markets where we operate, we focus our effort on the four key SDGs that are highly relevant to our business. These SDGs are illustrated below, highlighting our alignment with sustainable development objectives.

SDGs	Hysan’s contributions towards selective SDGs
 3 – Good Health and Wellbeing	<ul style="list-style-type: none"> Promote community wellness and resilience, health & safety via various programmes and activities to stakeholders in the community. Set out and maintain comprehensive management measures to provide a safe and healthy environment for our staff at work and in our community.
 8 – Decent Work and Economic Growth	<ul style="list-style-type: none"> Promote sustainable economic growth. Drive tenants’ business growth. Nurture entrepreneurs and incubate innovative new businesses. Provide an inclusive environment of decent work.
 11 – Sustainable Cities and Communities	<ul style="list-style-type: none"> Make cities and neighbourhoods inclusive, safe, resilient and sustainable. Apply climate actions and develop green and WELL buildings to optimise impacts. Conduct activities with a focus on contributing to community health and wellness, family and children, art and culture, environmental sustainability, diversity and inclusion.
 17 – Partnerships for the Goals	<ul style="list-style-type: none"> Mobilise multiple resources, including support from project partners, non-governmental organisations (“NGOs”) and the government, to make positive social impacts, particularly in the area of our operations. Enhance the use of enabling technology.

Our Targets

In 2023, we continued to build on our past accomplishments and positive performance in sustainability, which exceeded several targets ahead of schedule despite challenging economic conditions. In navigating the post-pandemic landscape, we understand that the resumption of normal business levels will be gradual. As the economic environment stabilises, we will maintain our steadfast commitment to sustainability and remain vigilant in monitoring any potential lingering effects that may impact our operations.

During the year, we reviewed our objectives and targets in line with our comprehensive stakeholder engagement exercise, as well as the results of the Science Based Targets initiative (SBTi) gap assessment completed previously. While the SBTi gap assessment offered valuable insights, we also acknowledge the importance of adapting our decarbonization strategy and approach to address the evolving landscape and any future ESG trends that may arise. This will include making adjustments to our sustainability strategy during the construction of our Caroline Hill Road project, which will progress at full speed in 2024.

As we move forward on our sustainability journey, we will ensure that our sustainability strategy continues to be agile and responsive. Please refer to the “Environment” chapter of this Report for more details on our existing decarbonization strategy.



In 2023, Hysan has made a significant commitment by joining the Science-based Targets initiative (SBTi) as a crucial step towards achieving our ambition toward climate change. By signing the pledge, we are dedicated to combating climate change by setting greenhouse gas (GHG) emissions reduction targets to support the Paris Agreement of holding the global average temperature rise to 1.5°C above pre-industrial levels.

Upon the official commitment to SBTi, we will (i) develop an science-based target aligned with the SBTi criteria, and (ii) submit the target to the SBTi for validation in the following 24 months. Upon which, a new baseline year of the decarbonization target will be set.

Category	Targets	2023 Status
Governance	• Diversity & Inclusion: to have one-third of the Board comprised of women directors by 2025	📍
	• Zero cases of data privacy incidents and regulatory breaches	📍
Environment	• Achieve 20% reduction in carbon intensity by 2024 (Baseline: 2005)	📍
	• Achieve 20% reduction in purchased electricity intensity by 2024 (Baseline: 2005)	📍
	• Complete energy audit for 75% of our portfolio by 2025	📍
	• Achieve 40% debt financed by sustainable finance	📍
Community	• Number of impact partners (NGOs) engaged	20 NGOs
	• Number of beneficiaries	16,856 beneficiaries
People	• Reduce workplace injury rate to <0.5% by 2030	📍
	• Zero work-related employee fatalities	📍
	• Increase number of training hours by 30% by 2030 (Baseline: 2020)	📍

📍 Achieved

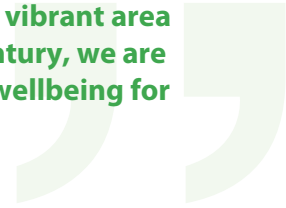
📍 On track





With a history that starts on a hillside overlooking a rustic fishing village, Hysan through the years has dramatically transformed the community in which it was originally located. From just two houses, and through deliberate planning, Hysan has developed Lee Gardens Area into a green and sustainable community.

Today, we are an intrinsic part of Causeway Bay, one of the most vibrant area of Hong Kong. And having been a part of this landscape for a century, we are determined to continue our presence in this community and its wellbeing for another hundred years.



Our Strategy

Hysan’s sustainability approach is deeply embedded in our commitment to engaging with our communities and delivering on mutual aims. Our dedication to community-driven initiatives is not new; we have laid strong foundations and formed connections that have allowed us to enhance our Company’s positive contributions over the years.

Community Business Model

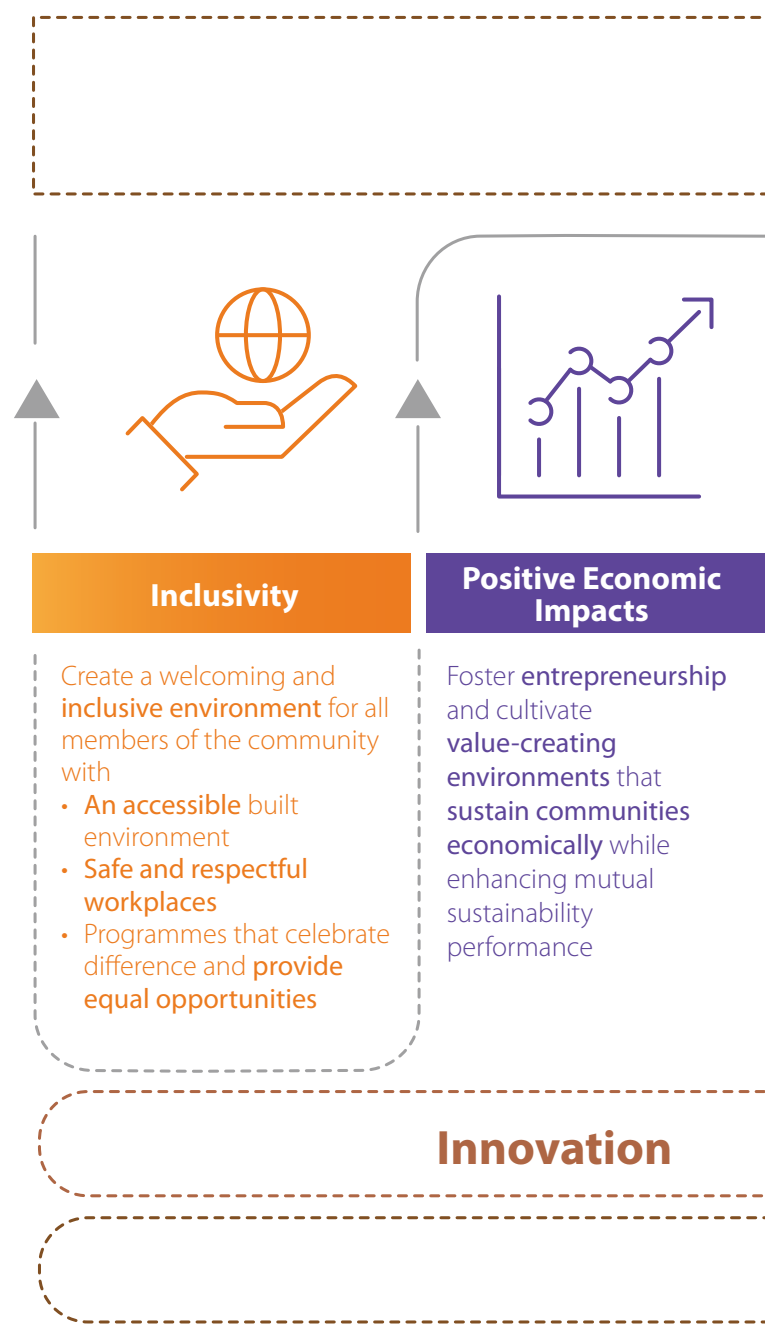
Our sustainability approach – as illustrated in our Community Business Model (CBM) – harnesses the power of *collaboration, innovation* and responsible practices to create a more sustainable and resilient future.

Through the CBM, we prioritise the wellbeing and aspirations of our communities, setting a path with focused outcomes of *inclusivity, social wellbeing, liveability, environmental stewardship and positive economic impacts*. We strive to create sustainable and vibrant neighbourhoods that adapt to change for a unique community experience that will last for generations to come.

Our CBM is built on strong *governance*, which guides our sustainable practices and ensures responsible decision-making, transparency and accountability. Two key enablers within the CBM are *partnerships* and *innovation*.

Partnerships are the foundation of our approach, allowing us to collaborate with stakeholders across our value chain and leverage collective expertise, resources and networks.

Innovation motivates us to seek creative solutions and adopt new technologies and practices for positive social, economic and environmental outcomes. The interconnection between partnerships and innovation creates a synergistic effect, leading to multiple CBM outcomes.



Inclusivity

Create a welcoming and **inclusive environment** for all members of the community with

- An **accessible** built environment
- **Safe and respectful workplaces**
- Programmes that celebrate difference and **provide equal opportunities**

Positive Economic Impacts

Foster **entrepreneurship** and cultivate **value-creating environments** that sustain communities **economically** while enhancing mutual sustainability performance

Innovation

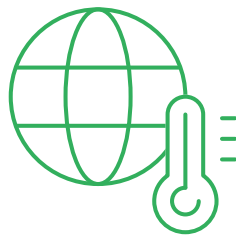
COMMUNITY BUSINESS MODEL

Curating sustainable communities with thriving neighborhoods that are agile and resilient towards changes by fostering connection between people and place; past, present and future.



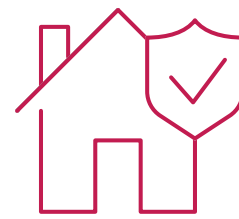
Social Wellbeing

Invest in our communities and celebrate culture, creativity and care for our neighbours to enhance **health, safety and wellbeing**



Environmental Stewardship

Design, develop and manage an **efficient portfolio**; embed **climate resilience and actions** into our property development and management practices to support **decarbonization and climate-readiness** across our communities



Liveability

Create **quality, comfortable, convenient urban spaces** integrated with nature and make our **communities unique places in which to live, work and enjoy** for generations to come

Partnerships

Governance

Caroline Hill Road Project

Building a Regenerative, Connected Community in a Vibrant and Sustainable Neighbourhood

With the new development at Caroline Hill Road, our aim is to create a regenerative and connected community that makes positive contributions to the health and resilience of the neighbourhood. Our vision for this project is to create an interconnected precinct, which embraces innovative, modern design principles in visually striking and functional spaces that enhance the overall tenant experience. It also calls for retail and office spaces that promote sustainability and extend the sense of a vibrant community from Lee Gardens to the surrounding area, welcoming people of all ages to come together.

Strategic goals for our Regenerative Design



Biodiversity enhancement

↑ 39%
flora species

By preserving green spaces, protecting old valuable trees and implementing native plantings, creating habitats for wildlife.



Open space accessibility

6,000 sq m
open space

By providing accessible public open space, providing opportunities for outdoor activities and improving community stakeholders' wellbeing.



Inclusivity

Accessible
Art & Culture

Promote inclusivity by providing accessible and inclusive art and cultural initiatives, encouraging active engagement from individuals of diverse backgrounds within the community.



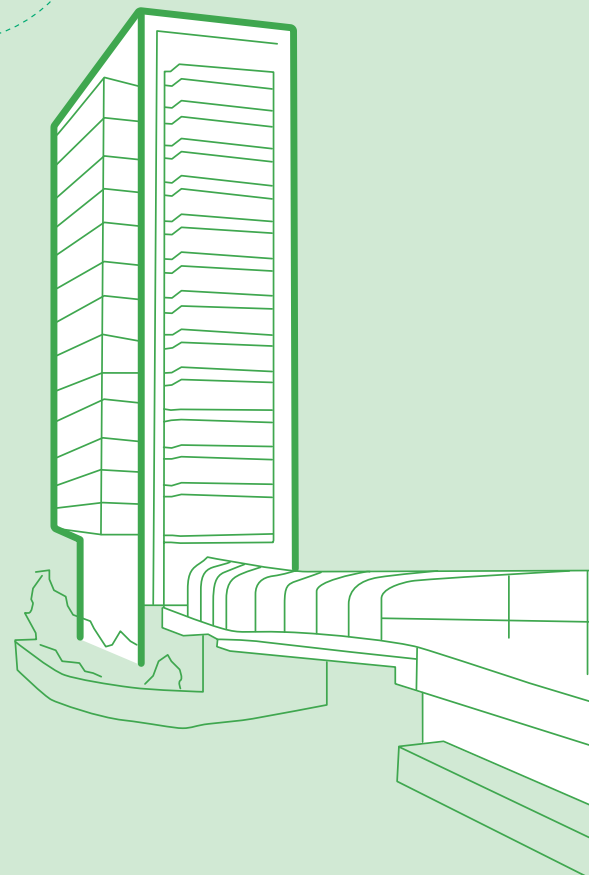
Sustainable transportation

> 120 m
covered walkways

By promoting the use of non-fossil fuel run vehicles as well as enhancing walkability of the community, encouraging the use of public transit, through the provision of over 120 m 24-hour weather-proof pedestrian pathways.

CIRCULARITY

RESILIENCE



**PLACEMAKING-
SOCIAL
CONNECTIVITY**

NATURE+

LIVEABILITY



Climate resilient and super low carbon design

By incorporating resilient infrastructure designs and systems to mitigate extreme weather events impacts. Also, reducing GHG emissions through energy efficiency measures, including renewable energy generation.



Sustainable building certification

Obtain recognised sustainable building certifications, including LEED, BEAM Plus, 3-Star, and WELL to demonstrate high-performance and sustainable building standards.



Self-sufficient irrigation

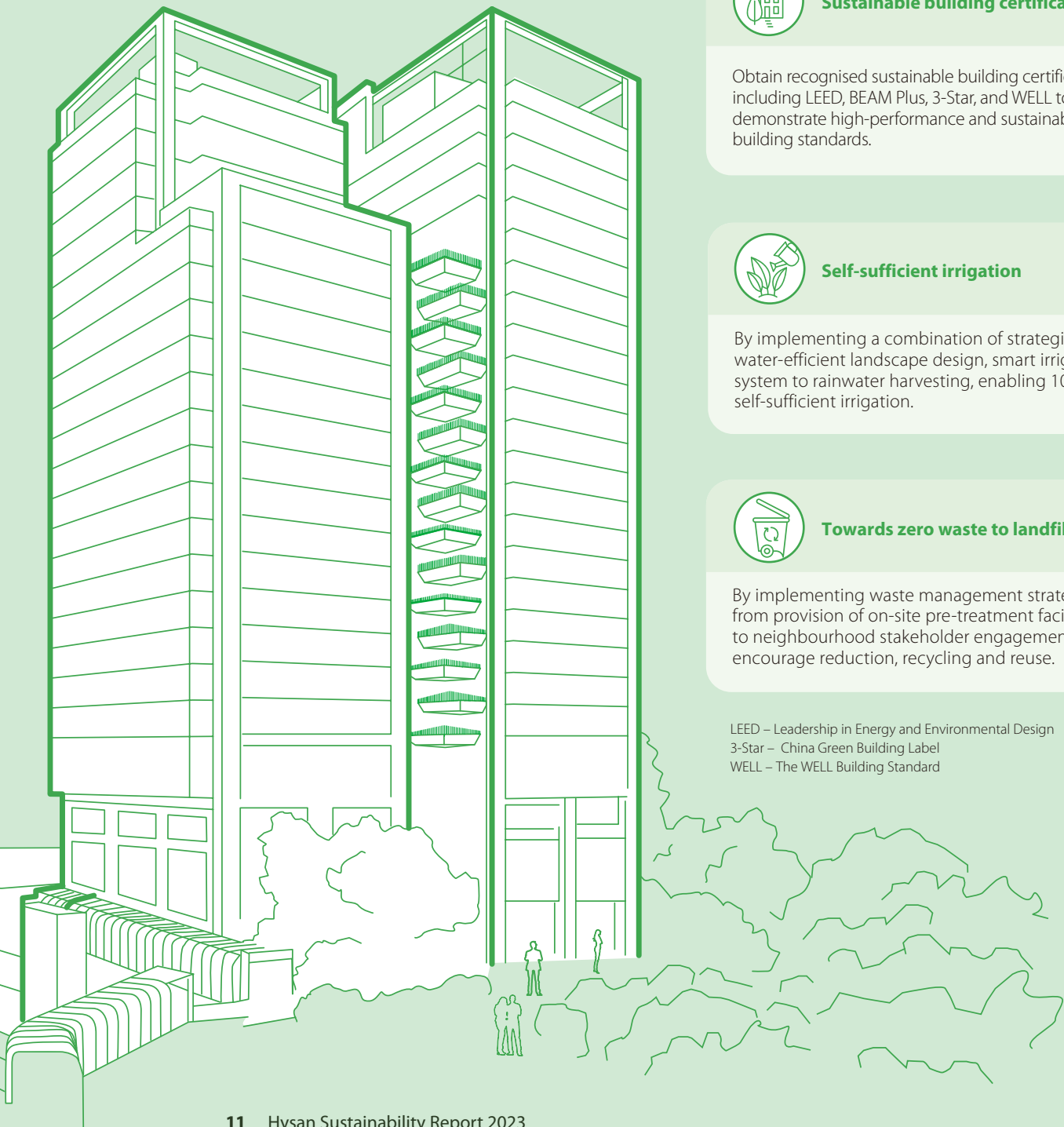
By implementing a combination of strategies from water-efficient landscape design, smart irrigation system to rainwater harvesting, enabling 100% self-sufficient irrigation.



Towards zero waste to landfill

By implementing waste management strategies, from provision of on-site pre-treatment facilities to neighbourhood stakeholder engagement to encourage reduction, recycling and reuse.

LEED – Leadership in Energy and Environmental Design
3-Star – China Green Building Label
WELL – The WELL Building Standard



Performance At-a-Glance



ESG Ratings and Benchmarking



Hang Seng Corporate Sustainability Index Series Member 2023-2024



Achieved Performance



GOVERNANCE

- Achieved 1/3 representation of women directors on the Board
- 49% of debt financed by sustainable finance
- Zero data-privacy incidents and regulatory breaches
- Enhanced Human Rights Policy, Supplier Code of Conduct and Sustainable Procurement Policy



PEOPLE

- Injury rate of 0.97%, reduced by 32% from 2022
- Zero work-related fatalities
- 44% of management position² held by women
- 17,676 training hours in 2023, increased by 14% from 2022



Awards and Recognition

9th Investor Relations Awards 2023

- Best IR Company (Mid Cap)
- Best Investor Presentation Material (Mid Cap)
- Best Annual Report (Mid Cap)
- Best ESG (S) (Mid Cap)
- Best ESG (G) (Mid Cap)

Hong Kong Investor Relations Association

Best Corporate Governance and ESG Awards 2023

- Corporate Governance Awards (Non-Hang Seng Index (Medium Market Capitalization) Category)

Hong Kong Institute of Certified Public Accountants

Sustainability Award 2023

- Distinction Award (Large Organizations)

Hong Kong Management Association



ENVIRONMENT

- 38% carbon intensity reduction (Scope 1 and Scope 2) from baseline year of 2005
- 19% purchased electricity intensity reduction from baseline of 2005
- Over 2.7 million sq ft by GFA is green building certified
- Committed to Science Based Target initiative (SBTi)
- Over 34,000 kWh renewable energy generated in 2023



COMMUNITY

- 20 NGOs engaged in 2023
- 16,856 beneficiaries
- Sponsorships to over 1,000 youths in Rugby Tournament

The Excellence Building Award 2023

- **Grand Award – (Existing Building) Revitalization project for Hysan Office Headquarter at Lee Garden One**

The Hong Kong Institution of Engineers

Zero-Carbon-Ready Building Certification Scheme – Existing Building – EUI Pathway

- **Hysan Place**
- **Lee Garden One**

Hong Kong Green Building Council

Hong Kong Awards for Environmental Excellence – Certificate of Merit – Property Management (Commercial & Industrial)

- **Hysan Property Management Limited – Hysan Place**

HKAEE Environmental Campaign Committee

2 Management positions refer to employees who are at the Manager grade or above.

Sustainability Governance

Achieved **1/3**
representation of women directors on the Board



3 Sustainability-related policies updated



49% of debt financed by sustainable finance

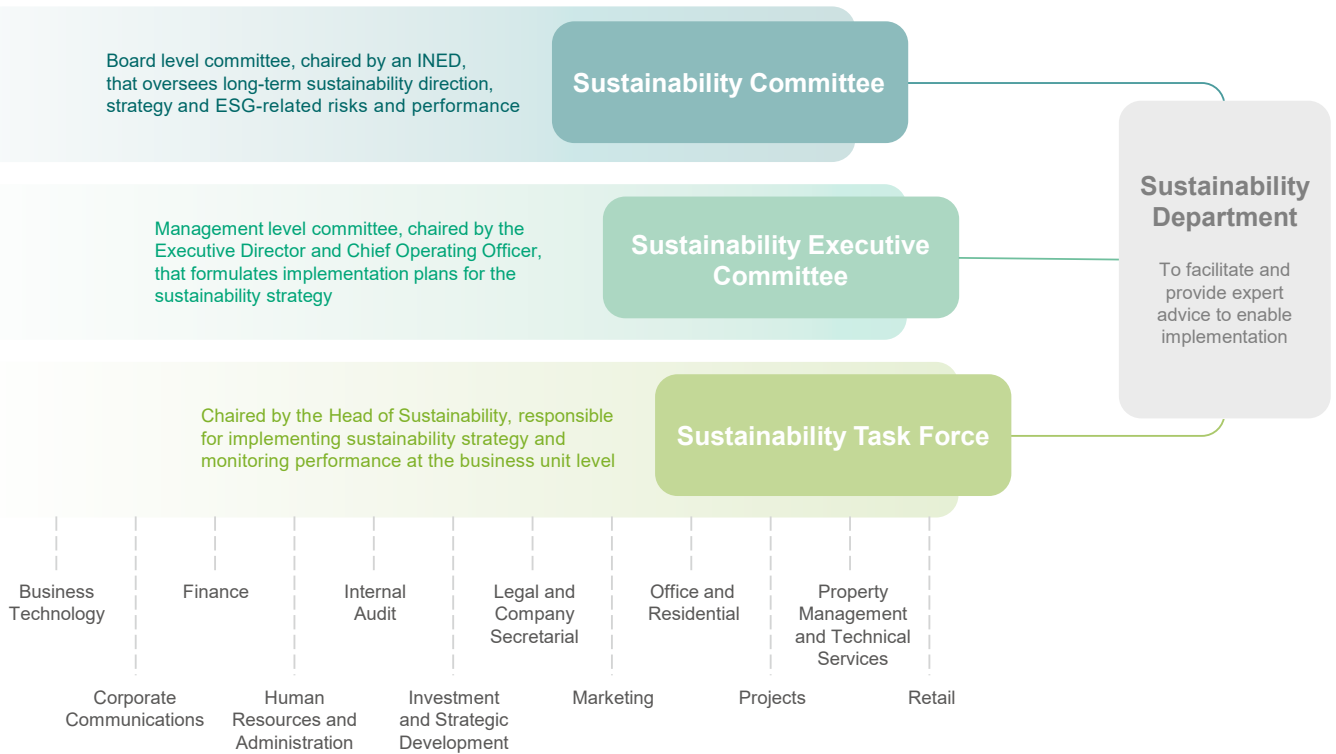


Sustainable development is the foundation of Hysan's long-standing commitment to creating value for our stakeholders. Guided by a robust governance framework, we integrate sustainability concepts into our decision-making and day-to-day operations for their ability to maximise value creation. We also continuously enhance our sustainability governance strategies and policies to optimise the value creation process.

Governance Structure

The Board of Hysan remains the highest governance body. It is responsible for the success of the Group, as well as for ensuring the effectiveness and adequacy of its corporate governance system. Four Board committees support the Board, including Audit and Risk Management Committee, Remuneration Committee, Nomination Committee and Sustainability Committee.

Among these Committees, the Sustainability Committee has a central role in addressing corporate responsibility and sustainable development matters at Hysan. It provides direction and advises the Board on strategies concerning ESG-related risks and issues that are relevant to the Group, ensuring that the Board receives expert guidance and recommendations. This enables the Board to make informed decisions and effectively oversee the implementation of sustainability within the organisation.



Members of the Sustainability Committee are appointed by the Board, which is chaired by an Independent Non-Executive Director, Ms Young, Elaine Carole, and two other Board members. According to the Board’s Sustainability Committee’s Terms of Reference, the Sustainability Committee meets at least once a year; annual meetings have been held in February since 2020. During which Hysan’s ongoing sustainability strategy and performance, as well as potential approaches for helping the Group achieve its environmental, social, governance and climate goals, were discussed. Hysan’s cultural heritage, the uniqueness of the Lee Gardens community and various stakeholder engagement channels for promoting Hysan’s sustainability branding were among the other topics discussed.

For details on the Sustainability Committee, please refer to the “Sustainability Committee Report” of our Annual Report.

The Executive Director and Chief Operating Officer chairs the management-level Sustainability Executive Committee. Department heads are involved in formulating the Group’s sustainability strategies,

the pathway to net-zero and major stakeholder engagement campaigns.

The Sustainability Department guides the implementation of sustainability practices at Hysan providing valuable expertise and advice to support the integration of sustainability concepts, principles and best practices into our daily business operations. Additionally, the Sustainability Department collaborates with and oversees the Sustainability Task Force to ensure the proper implementation of sustainability throughout our organisation.

Policies and Guidelines

The Sustainability Executive Committee formulates Hysan’s sustainability-related policies and guidelines, which apply to all properties and business units within Hysan. The Sustainability Task Force, which comprises representatives from each of Hysan’s departments, executes the projects and initiatives based on the strategic agenda of the sustainability-related policies.

Sustainability-related policies and guidelines enable us to standardise and regulate our actions, guiding Hysan's long-term direction on sustainability issues. Regular reviews and updates of sustainability-related policies and guidelines are conducted by the Board-level Sustainability Committee to fully align these policies and guidelines with the expectations of stakeholders, the industry and the market. Regular training is provided to our staff to deepen their understanding of the policies and ensure they are appropriately implemented.

Sustainability-related Policies

- Sustainability Policy
- Climate Change Policy
- Environmental Policy
- Health and Safety Policy
- Sustainable Procurement Policy*
- Supplier Code of Conduct*

Governance and Compliance Policies

- Corporate Governance Guidelines
- Corporate Culture Statement
- Anti-Bribery and Corruption Policy
- Anti-Fraud Policy**
- Whistleblowing Policy
- Human Rights Policy*
- Diversity Policy
- Code of Ethics**

Note: Please refer to our 2023 Annual Report for details on our Governance and Compliance Policies.

* Policies updated in 2023

** These policies are reviewed and approved by Audit and Risk Committee

In 2023, we strengthened our commitment to human rights, sustainability, and innovation through updates to our policies. This included referencing the United Nations Global Compact (UNGC)³ in our Human Rights Policy, expanding the application of our Supplier Code of Conduct and Sustainable Procurement Policy to the wider company, and adding an emphasis on business innovation alongside ESG considerations.

Ethics and Anticorruption

Hysan is committed to maintaining a high level of integrity and ethical conduct in its business practices. The Company's reputation for honesty, trustworthiness and fair play, which has been built over many years, is a significant business asset for Hysan's long-term development and success.

Our Code of Ethics covers conflicts of interest, bribery, competition and antitrust, privacy compliance and equal opportunity. All directors and employees of the Group must fully abide by the Code of Ethics.

We also have a policy aligned with the Compliance with Competition Ordinance of Hong Kong. It applies to all employees of the Group and prohibits any Hysan employee from engaging in any anti-competitive conduct.

Our Anti-Fraud Policy was adopted in 2021 and updated in 2023 to promote an ethical culture and emphasises our zero-tolerance attitude towards fraud. In 2022, we adopted an Anti-Bribery & Corruption Policy to reinforce our anti-bribery and corruption practices and procedures embedded in our Code of Ethics.

During the year, there was no case of non-compliance with relevant laws and regulations that had a significant impact on the Group.

Whistleblowing Policy

A Whistleblowing Policy has long been maintained to uphold compliance with our corporate policies and relevant laws. This policy ensures that any irregularities or instances of non-compliance can be reported through a confidential mechanism to an independent third party. If the Whistleblower is a Hysan employee raising genuine and appropriate concerns under this Policy, the Whistleblower would be assured of fair treatment, including protection against unfair dismissal, victimisation or unwarranted disciplinary action, even if the concerns turn out to be unsubstantiated.

³ The UN Global Compact (UNGC) is a voluntary initiative launched by the United Nations in 2000. It is aimed at encouraging businesses and organisations to adopt sustainable and socially responsible policies and practices.

Any Whistleblower who becomes aware of an existing or potential case of misconduct, malpractice or irregularity within the Group is encouraged to report it promptly to the Group's designated independent third party. The Group will keep a Whistleblower's identity confidential unless it may become necessary for the Whistleblower to provide evidence or be interviewed by the relevant regulators or authorities.

The designated third party will conduct a thorough investigation and report the matter to the Audit and Risk Management Committee. Additionally, the Internal Audit Department will be copied on the report to ensure proper oversight and follow-up. During the reporting period, no confirmed cases of misconduct, malpractice or irregularity reported through our whistleblowing channel.

Anti-corruption training

Anti-corruption training is provided to Directors and all employees. Training materials for Directors have been incorporated into a comprehensive memorandum on Directors' Duties and Responsibilities, which is available on a separate portal that can be readily accessed at all times.

Senior management are reminded of their relevant duties on a half-yearly basis, and provided with training materials available on our Intranet.

All employees are required to complete anti-corruption training courses within the first three months of their employment. Training materials are available on Hysan's Mobile Learning Platform, with live videos and interactive features to support employee learning at their own pace from any location, at any time.

We take whistleblowing seriously and are committed to addressing any concerns raised with the utmost diligence and confidentiality. For more information, please refer to our Code of Ethics, Anti-Bribery and Corruption Policy, Anti-Fraud Policy, and Whistleblowing Policy available on our corporate website.

Intellectual Property Rights

All Hysan employees must observe and protect the Company's intellectual property rights, according to the Company's relevant requirements and applicable laws and regulations as stated in our Code of Conduct. The intellectual property and technology developed by our employees during their employment with Hysan are considered the property of the Company. Employees shall ensure the Company's technology and facilities are used ethically and lawfully under the Company's policies and procedures and applicable laws and regulations.

Cybersecurity

Hysan recognises the critical importance of cybersecurity in safeguarding our information and assets. In the rapidly-evolving digital landscape, we take cybersecurity seriously and regularly update our measures to combat potential threats. Protecting our hardware, software and data from cyber threats is an essential component of our comprehensive data protection regime.

We continuously implement and enhance our cybersecurity measures to ensure the confidentiality, integrity and availability of our systems and information. By prioritising cybersecurity, we strive to maintain the trust of our stakeholders and uphold the security of our operations in an ever-changing digital environment.

Strategy Implemented to Mitigate Cyber Threats

In 2023, we implemented the Managed Detection and Response (MDR) cybersecurity service, which combines technology and human expertise to perform threat hunting, monitoring, and response. MDR solutions provide real-time threat detection, rapid response, expert insights, scalability, compliance assistance, enhanced resilience, customisable options and regular vulnerability scanning. With MDR, we can ensure our cybersecurity is managed by trained experts who understand the specific network environment and organisational business risks and can adapt to goals as those needs change over time.

In addition, we are in the process of implementing a Mobile Device Management (MDM) solution. The primary objective is to safeguard sensitive data and minimise risks associated with the use of mobile devices. Designed specifically for mobile devices, this solution incorporates a suite of robust security features, which include enforcing strong password requirements, implementing device encryption and enabling remote data wipe functionality in the event of device loss or theft.



During the reporting year, we continued to arrange regular cybersecurity awareness training sessions for our staff. We also acquired a comprehensive cybersecurity awareness training platform that offers training materials in various formats and languages, covering a wide range of topics. In addition, we conducted a phishing campaign using the platform, with over 90% of users successfully identifying and responding appropriately to the simulated phishing attacks.

In 2023, there were zero cases of data privacy incidents and regulatory breaches reported at Hysan.

Personal Data Privacy

We attach great importance to the protection of personal data privacy in Hysan's operations. The Company devotes considerable time and resources to promote the awareness of, and compliance with, the provisions of the Personal Data (Privacy) Ordinance of Hong Kong, particularly its data protection principles.

Through our robust data protection framework, we ensure that privacy matters raised across departments are thoroughly reviewed and addressed promptly. We have established a Data Privacy Inventory of the Group which each department is responsible for updating



periodically. Our Internal Audit Department conducts regular compliance audits to ensure internal controls in each department are properly implemented to minimise the Group's risk of privacy exposure. To further strengthen our data privacy management, we established a new Data Privacy Management Group (DPMG) in 2022. The DPMG, led by the Data Privacy Officer and the General Manager of Internal Audit, handles escalated privacy matters within the Hysan Group. The DPMG ensures that privacy issues requiring immediate resolutions are addressed promptly. It reports directly to the Executive Director and Chief Operating Officer and Chief Financial Officer.

In 2022, we published a comprehensive handbook and guidelines on data privacy. This resource focuses on mitigating system development risks, restricting third-party access, and outlining incident response and escalation procedures. It was circulated to all employees, providing them with clear guidance on data privacy practices.

Furthermore, we updated two essential in-house documents in 2023: *the Privacy Compliance Policy* and *the Procedure for Handling and Reporting a Data Breach*. Each was revised to enhance our data protection framework. These documents provide detailed instructions on compliance with privacy regulations and the appropriate handling and reporting of data breaches.

Hysan remains committed to upholding data protection protocols. We continuously conduct online training sessions to keep our employees well-informed on these protocols, and we periodically revise our policies and procedures to align with new business developments and legal updates. During the year, there were no non-compliance cases that had a significant impact on the Group.

Supply Chain Management

Hysan implements good supply chain management practices to ensure the efficiency, reliability and overall success of our operations. We recognise that an effective supply chain is essential for delivering high-quality products and services to our customers while minimising costs and risks.

Policy and Internal Control

In 2023, Hysan's Internal Audit Department conducted a Group Procurement Review focusing on the supplier evaluation and selection process, with recommendations for improvement currently being finalised. Hysan also recognises the significance of integrating ESG principles into our supply chain management process to drive positive social and environmental impact. In 2023 we updated our *Sustainable Procurement Policy* and *Supplier Code of Conduct* to include functions such as Administration and Marketing.

The aim of Hysan's Sustainable Procurement Policy, our guiding framework for procurement decisions, is to minimise environmental impact and generate positive social outcomes. We assess and review our supply chain from time to time in accordance with our sustainable procurement commitments and rigorous environmental and social standards. To ensure our staff members are well-informed about our policies, we provide training in sustainable practices and encourage them to explore more sustainable and efficient ways of carrying out their daily work.



Our Supplier Code of Conduct states the absolute legal and regulatory requirements that must be followed by our service providers, including corporate governance, anti-corruption, labour standards, environmental protection, health & safety, and data privacy. They are also required to adhere to Hysan's Human Rights Policy, which stipulates they do not use child labour, or forced or involuntary labour, whether in the form of prison labour, indentured labour, bonded labour or otherwise.

Communication and Engagement with Suppliers

Effective communication is vital for promoting sustainable procurement practices. This means actively engaging with our suppliers and clearly communicating our environmental and social requirements to them.



To that end, in 2023 we organised focus groups with our service providers, including construction and cleaning contractors and suppliers, to enhance their overall sustainability performance. In these sessions, suggestions emerged on how to incorporate sustainability features into the construction process, follow the principles of a circular economy and implement modular design practices to improve project timelines and sustainability outcomes. Recommendations were also made on addressing challenges in achieving our Scope 3 decarbonization targets.

In a separate engagement session, we discussed the pressing municipal waste management situation in Hong Kong with our cleaning contractors to address their concerns and explore opportunities for better collaboration. These discussions revealed that the biggest challenge facing the cleaning industry is the availability of manpower, which could be resolved through technological solutions such as footfall counters to optimise cleaning schedules.

Details of the responses and actions arising from these and other sessions are discussed in the respective sub-sections of the "Environment" section of this Report.

Collaborative Efforts with Contractors to Enhance Site Performance through Smart Technology

When our main contractor joined the Caroline Hill Road project, we thoroughly communicated our sustainability expectations for the project and the technology to be used to enhance overall site performance. One notable outcome of these discussions was the implementation of an Integrated Information Management Platform (IIMP), which serves as a comprehensive management dashboard for construction activities. The IIMP covers areas such as safety, work progress, engineering, the environment and labour and plant operation.

Smart applications have been a key component of the IIMP, including the use of sensors and devices for the following:

- *Traffic monitoring*, with the trial use of AI cameras for capturing car plates upon entry and exit from the site.
- Automated measurement of *underground water levels* at standpipes, as well as monitoring ground settlement and vibrations.
- Measuring *ambient environment qualities* such as temperature, humidity, wind speed, noise levels, dust particles and volatile organic compounds (VOCs) to ensure a safer environment for workers.
- Providing *controlled access* to authorised personnel using thermal scanners and facial recognition to record workforce attendance.
- Other smart applications on *safety and securities*, from helmet detection to collision detection for tower cranes, and automation of tower crane operations through remote control using IoT and AI technologies.

These smart applications have greatly enhanced site safety, operational efficiency and environmental monitoring. By leveraging technology, we aim to optimise construction processes, improve worker safety and minimise the project's environmental impact.



Risk Management

Hysan has established an effective ESG risk management mechanism to identify, assess, review, and manage enterprise risks across the Group. ESG-related risks, climate risks and other potential risks are integrated into our multi-disciplinary risk management system.

During the reporting year, we conducted an ESG risk assessment to strengthen the Group's risk mitigation and response capabilities. Business units are required to identify and highlight the key ESG risks in their operations and assess the risk level according to their likelihood, impact and risk velocity based upon a defined risk-scale system. The management-level Sustainability Executive Committee and operations-level Sustainability Task Force communicate these risks to the respective business units for relevant action.

We have also adopted a risk management and internal control model, which is based on that of the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") in the United States and adapted to our business and organisational structure. During the reporting year, the Audit and Risk Management Committee focused their reviews and discussions on overall enterprise risk management, including climate-related transition risks, ESG risks, cybersecurity risks.

Through our robust risk management process, risks are reviewed and communicated across our multi-level risk governance structure. This procedure consists of (i) an ongoing process integrated into our day-to-day operations, in which risk owners dynamically evaluate and report any emerging risks they encounter to the Risk Management Committee, and (ii) a periodic risk assessment process in which key risks identified by management are regularly and systematically assessed. To strengthen management's assurance to the Audit and Risk Management Committee and the Board, annual self-assessment questionnaires are completed by senior management each year. This exercise ensures our internal controls are being properly implemented.

Through these mechanisms, we also ensure that effective processes are in place against latest regulatory and ESG-related risks.

Climate-related Risks

In 2022-23, the Group engaged an external consultant to support a climate-related physical risk assessment of the Lee Gardens portfolio, including the new development project at Caroline Hill Road and Lee Gardens Shanghai, so that we could address concerns related to extreme weather events. Details of climate-related risks (both physical and transition risks) are reported in the "Environment" chapter, and the risks that have been identified are incorporated into our enterprise risk management framework for continuous evaluation.

For climate-transition risks, incorporating such risks involves recognising and addressing the potential inherent risks and opportunities associated with the transition to a low-carbon economy and the impacts of climate change. Key aspects considered include making reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) framework, in terms of policy changes and liability risks, technology developments and market shifts. Respective business units are being asked to evaluate each inherent risk and identify measure to mitigate the associated risks.

Hysan continually reviews and updates the risk management framework to reflect the most material and critical risks and their associated mitigation measures and responsible parties. Although risks associated with climate change and ESG compliance continue to remain at the same inherent risk level, the shift towards low carbon technologies and the increase in climate change impacts on Hysan's building operations have intensified the need for integrating mitigating measures into our risk management framework.








For further details on risk management and the key ESG and climate risk areas that have been identified, please refer to the Risk Management and Internal Control Report Section in the Annual Report. For further details on our Climate Risks Assessment, please refer to the "Environment" section.

Stakeholder Engagement and Materiality Assessment

Stakeholder Engagement

Stakeholders play a crucial role in Hysan’s business operations; they comprise groups that are significantly impacted by our activities and those who have a vested interest in our success.

It is important for us to grow and collaborate with our diverse stakeholders. To achieve this, we maintain regular communication with them. By actively listening and engaging in dialogue, we gain valuable insights into their expectations regarding our sustainability performance. This enables us to identify and prioritise material issues that matter most to our business and stakeholders and allows us to assess the effectiveness of our sustainability measures.

Stakeholders	Key Engagement Channels
<p>Employees</p> 	<ul style="list-style-type: none"> • Intranet and internal newsletters/circulations • Lunch and Learn/Training sessions • Task force/Committee meetings • Staff engagement events • Focus groups/interviews/surveys
<p>Customers</p> 	<ul style="list-style-type: none"> • Public education activities • Community engagement events • Corporate website • Mobile app • Focus groups/interviews/surveys • Lee Gardens Association
<p>Vendors (including contractors and suppliers)</p> 	<ul style="list-style-type: none"> • Tendering and procurement process • Stakeholder engagement events with service providers • Regular meetings • Focus groups/interviews/surveys
<p>Local Community and NGOs</p> 	<ul style="list-style-type: none"> • Community engagement events • Lee Gardens Association • Memberships of Task Force and Committees • Partnership at volunteering events • Stakeholder tours • Focus groups/interviews/surveys
<p>Tenants</p> 	<ul style="list-style-type: none"> • Information kits • Workshops/activities • Tenant relationship personnel • Mobile app • Focus groups/interviews/surveys
<p>Shareholders and Investors</p> 	<ul style="list-style-type: none"> • Annual general meeting and results announcements • Annual and interim reports • Corporate website
<p>Government and regulators</p> 	<ul style="list-style-type: none"> • Regular and special meetings • Signatories of government campaigns • Conferences

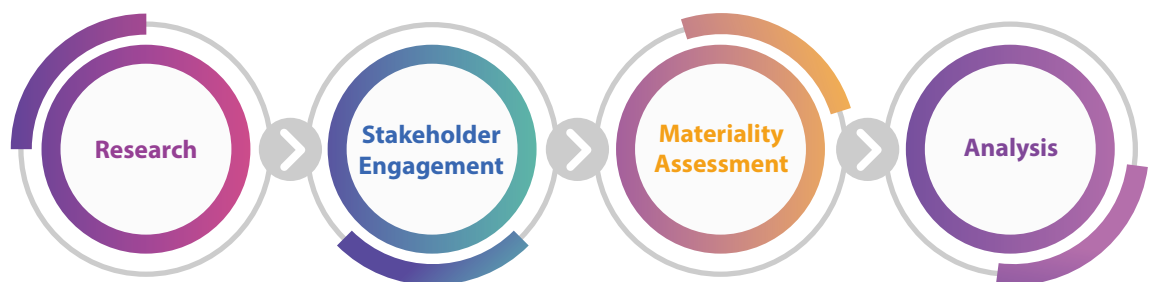
Accordingly, the Group has established various communication channels. These allow us to maintain open, transparent, regular and timely communication with various groups of stakeholders to solicit their opinions and make better-informed business decisions. Our stakeholder groups include employees, tenants, customers and members of the local community, NGOs, shareholders and investors, suppliers and vendors, and government. The following table summarises our key stakeholders and how they were typically engaged.

In 2023, we engaged an independent consultant to assist us in identifying stakeholders and conducting stakeholder engagement exercises. These exercises aimed to gain insights into their perceptions and expectations regarding ESG topics material to Hysan. Through this process, we were able to contextualise, identify, and prioritise sustainability-related opportunities from the stakeholders' perspective, allowing Hysan to better align our strategies with their needs and expectations.

We also conducted focus group sessions, organised interviews and distributed individual questionnaires to gather insights on the importance of each issue from both an internal and external perspective. A total of 388 stakeholders actively participated in the online survey, and 11 focus group sessions and interviews were held with various stakeholder groups.

Engagement methodology	Frequency	Representatives of stakeholder groups engaged
Face-to-face interviews	5	Board Chairman, C-suite, Senior managements
Focus Group discussions	6	Joint Venture Partners, Contractor and Suppliers
Online Survey	388	Investor, Joint venture partners, Tenants, Customers, Vendors (including contractors and suppliers), Industry peers, NGOs, internal employees

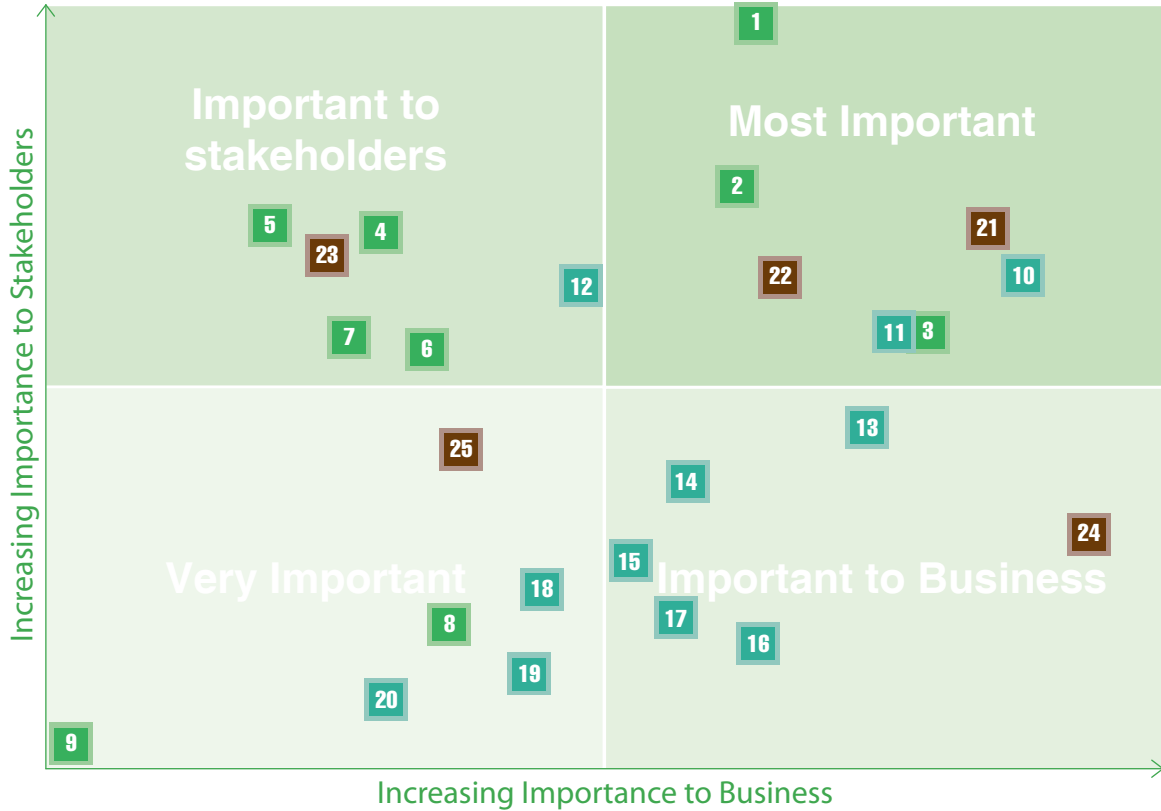
Approach to Stakeholder Engagement



Materiality

To ensure our list of ESG topics relevant to Hysan's business was comprehensive, we considered global megatrends, industry peers, local regulations and other pertinent factors. Our shortlist of 25 material ESG topics also took reference from the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and the latest trends and industry best practices from rating agencies and peers. Focus group discussions and interviews with internal and external stakeholders together with an online survey allowed us to prioritise the material issues discussed in this Report.

































The Materiality Matrix





E Environmental	S Social	G Governance
1 Energy Efficiency Management	10 Wellness, Health and Safety	21 Ethics and Integrity
2 Green Building	11 Customer Satisfaction	22 Corporate Governance
3 Air Quality	12 Barrier-free Access	23 Sustainable Procurement and Supply Chain Management
4 Climate Resilience	13 Tenant/Customer Engagement	24 Cybersecurity
5 Greenhouse Gases Emissions	14 Diversity and Inclusivity	25 Sustainable Finance
6 Waste Management	15 Employee Development	
7 Circularity and Material Use	16 Employee Attraction and Retention	
8 Water and Wastewater Management	17 Community Investment and Engagement	
9 Biodiversity	18 Community Space	
	19 Heritage and Culture	
	20 Local Economic Development	

In accordance with the latest materiality assessment, we have highlighted the top identified material aspects. These include ethics and integrity, corporate governance, community investment and engagement, customer needs, energy efficiency management and green building. A summary of actions identified to address the material issues is provided in the table below. Details of the progress made are described throughout the respective sections of the Sustainability Report.

Summary of Key Material Issues

Community Business Model	Numbers	Materiality Topics	Importance of Impact		Actions to address the issues
			Internal	External	
 Governance	21	Ethics and Integrity 			<ul style="list-style-type: none"> • Provide induction training and refresher training to staff • Perform regular internal audit to ensure regulatory compliance
	22	Corporate Governance 			<ul style="list-style-type: none"> • Robust Board governance structure with 54% INEDs and 27%NEDs • Board diversity including 36% of female directors. • Annual Board effectiveness evaluation in line with listing rules best practices • Regular training provided to the board of directors • Board oversight on ESG and Climate Change issues
	23	Sustainable Procurement and Supply Chain Management 			<ul style="list-style-type: none"> • Established Sustainable Procurement Policy and Supplier Code of Conduct • Proactive collaboration with supplier and vendors on aligning sustainability goals in procurement process.
	24	Cybersecurity 			<ul style="list-style-type: none"> • Perform comprehensive risk assessments to identify vulnerabilities and potential threats to the IT systems. • Strategy to mitigate cyber threats eg, implemented MDR and MDM solution. • Regular mandatory training to staff
 Positive Economic Impacts	11	Customer Satisfaction 			<ul style="list-style-type: none"> • Customer Hotlines • Act on feedback by addressing customer concerns, making necessary improvements.
	13	Tenant/Customer Engagement 			<ul style="list-style-type: none"> • Engagement programmes to tenants and customers • Running club for stakeholders. • Pilot food waste collection programme for office tenants
	25	Sustainable Finance 			<ul style="list-style-type: none"> • 49% of debt financed by sustainable financial instrument.
	20	Local Economic Development 			<ul style="list-style-type: none"> • Rolled out WeOutside event series. • Organised various marketing events to attract footfall to Lee Gardens neighbourhood.eg. CoffeeFest
 Inclusivity	15	Employee Development 			<ul style="list-style-type: none"> • Hysan Academy and Lunch and Learn forum. • Education and training sponsorship provided for staff.
	16	Employee Attraction and Retention 			<ul style="list-style-type: none"> • Management Trainee Programme 2023. • Employee benefits provided for wellness and work life balance.
	12	Barrier-free Access 			<ul style="list-style-type: none"> • Barrier free design at Caroline Hill Road project. • 24-hour weatherproof covered walkways.
	14	Diversity and Inclusivity 			<ul style="list-style-type: none"> • Became signatory of the Racial Diversity and Inclusion Charter for Employers by the Equal Opportunities Commission (EOC). • Provision of nursing room in our head offices. • D&I talk and training sessions for employees.

 Environmental  Social  Governance

Community Business Model	Numbers	Materiality Topics	Importance of Impact		Actions to address the issues
			Internal	External	
 Social Wellbeing	10	Wellness, Health and Safety S	✘	✘	<ul style="list-style-type: none"> • Attained WELL HSR at all properties in the Lee Gardens portfolio. • Application of medical grade air filters in our MVAC system. • Provision of wellness programmes to stakeholders e.g., running club
	17	Community Investment and Engagement S		✘	<ul style="list-style-type: none"> • Development of the Caroline Hill Road project includes 6,000 sqm of public open space. • Established a 1st covered skateboard park at Hysan Place • Events and activities held by Lee Gardens Association.
	19	Heritage and Culture S		✘	<ul style="list-style-type: none"> • Music busking and “Urban Talks Series” series. • Encompass urban culture eg, skateboarding. • Preserved 166m in length of masonry wall and incorporated in project design.
 Liveability	3	Air Quality E	✘	✘	<ul style="list-style-type: none"> • Reduce air pollution in construction by encouraging the use of electrified plant and equipment. • Maintained good and above rating of IAQ certification in our portfolio. • Implemented new technology to enhance exhaust air quality from kitchen prior to discharge.
	18	Community Space S		✘	<ul style="list-style-type: none"> • Development of the Caroline Hill Road project includes 6,000 sqm of public open space. • Music busking at Urban Sky at Hysan Place. • Skateboard enjoyment at Urban Park of Hysan Place.
	9	Biodiversity E	✘	✘	<ul style="list-style-type: none"> • Sky Wetland at Hysan Place and associated ecological baseline studies at Sky Wetland. • Organic Farming at Hysan Place. • Old and Valuable Trees (OVT) preservation at the Caroline Hill Road project.
 Environmental Stewardship	1	Energy Efficiency Management E	✘	✘	<ul style="list-style-type: none"> • Whole-life cycle facilities management plan. • Application of smart Building Management System (BMS). • Design target for “super-low carbon readied” design for Caroline Hill Road project.
	5	Greenhouse Gases Emissions E	✘	✘	<ul style="list-style-type: none"> • Implemented measures to reduce electricity use in our portfolio eg, application of chiller plant and lighting replacement.
	2	Green Buildings E	✘	✘	<ul style="list-style-type: none"> • >59 % of buildings by GFA are certified as green buildings (including Lee Gardens Shanghai). • First supporters to HKGBC Zero Carbon Ready Building scheme • Pursue BEAM Plus/ LEED certifications for existing buildings of the portfolio.
	4	Climate Resilience E	✘	✘	<ul style="list-style-type: none"> • Conducted 1st stage of climate risks assessment (physical and transition) in 2023. • Committed to SBTs (near-term and net zero targets).
	7	Circularity and Material Use E	✘	✘	<ul style="list-style-type: none"> • Hardware installation such as Food TranSmarter for handling food waste. • Design to achieve towards zero landfill in Caroline Hill Road project.
	6	Waste Management E	✘	✘	<ul style="list-style-type: none"> • Provision of recycling facilities for tenants. • Engagement activities to educate stakeholders on waste management.
	8	Water and Wastewater Management E	✘	✘	<ul style="list-style-type: none"> • Sky Wetland at Hysan for tertiary treatment of wastewater for educational demonstration. • Rainwater harvesting installation in our portfolio. • Attain WSD Quality Water Supply Scheme for Buildings.

E Environmental
 S Social
 G Governance

Sustainable Finance

Over the years, Hysan's Sustainable Finance Framework ("the Framework") has evolved and successfully guided the launch of green and sustainable financial products. We instituted the Framework in 2019 and expanded its scope in 2021 to include social elements in eligible projects.

As directed by the Framework, financing from the sustainability bond provides funding for projects that meet the eligibility criteria under certain categories. These include green buildings, energy efficiency, renewable energy, waste management and recycling, climate change adaptation, affordable basic infrastructure and social impacts, as well as expenditures to control outbreaks of disease and infections. The Framework received a second party opinion from Sustainalytics, confirming its alignment with the *Sustainability Bond Guidelines 2021*, *Green Bond Principles 2021*, *Social Bond Principles 2021* and *Green Loan Principles 2021*.

Since the issuance of the first sustainable financial instrument in July 2021, 49% of our total indebtedness has been secured through sustainability financing, including our largest-ever green loan of HK\$12,951 million in 2022.

Summary of Sustainable Finance raised since 2019

Type of Sustainable Finance	Year of Issue	Currency	Principal Amount	Coupon Rate	Maturity Date
Green Bonds ⁴	2019	HK\$	300,000,000	3.33%	25 January 2026
			500,000,000	3.64%	22 March 2034
			500,000,000	3.10%	4 April 2029
			250,000,000	3.05%	10 June 2029
Sustainable Bonds	2021	HK\$	400,000,000	1.50%	27 July 2026

Type of Sustainable Finance	Year of Issue	Currency	Facility Amount	Amount Drawn	Maturity Date
Sustainability-linked derivative hedging solution	2020	US\$	125,000,000	125,000,000	16 June 2035
Sustainability Linked-loan	2021	HK\$	965,000,000	–	26 September 2024
Green Loan ⁴	2022	HK\$	12,951,000,000	7,912,000,000	25 January 2027
Sustainability Linked-loan	2022	HK\$	500,000,000	–	4 April 2025
Sustainability Linked-loan	2022	HK\$	1,000,000,000	500,000,000	4 May 2025
Sustainability Linked-loan	2022	HK\$	1,000,000,000	400,000,000	24 August 2026

Use of Proceeds

Type of Sustainable Finance	Year of issue	Status of Allocation (%)	Unallocated (%)	Category of Allocated Proceeds
Green Bonds	2019	100	–	<ul style="list-style-type: none"> Green building (refinanced LG3 redevelopment)
Sustainable Bonds	2021	36	64	<ul style="list-style-type: none"> Energy efficiency Pandemic and infection-related Waste management and recycling Climate change Adaptation
Green Loan	2022	61	39	<ul style="list-style-type: none"> Green buildings (CHR project land premium and construction)

⁴ The Green Bond of HK1,550 million issued in 2019 referenced the Green Finance Framework established in 2018. The Green Loan of HK\$12,951 million issued in 2022 was HKQAA Green Finance pre-certified.

Environment

↓ 38%

carbon intensity
(scope 1 and 2) from
baseline year of 2005



↓ 19%

purchased
electricity intensity
from baseline of 2005



Committed Science Based Target
Initiative (SBTi)



Over 2.7 million sq ft by GFA is green
building certified



Generated over 34,000 kWh renewable
energy in 2023



At Hysan, environment-related initiatives lie at the heart of our sustainable business practices. The Group's environmental practices and performance are governed by policies that include the Climate Change Policy, Sustainability Policy and Environmental Policy.

In caring for the environment, we strive for responsibility and accountability towards a greener future. We are committed to regulatory environmental compliance and encourage our staff, business partners and other stakeholders to meet their environmental obligations.

We continually identify the environmental impacts associated with our operations and set targets to improve our environmental performance. We have also developed and implemented internal management mechanisms that enable us to integrate environmental considerations into our daily operations.

In Hong Kong, buildings account for 90% of electricity used, generating over 60% of Hong Kong's carbon emissions⁵. We therefore recognise the urgent need of taking climate action aligned with the Paris Agreement and creating value for our business and stakeholders in pursuit of a net-zero future.

⁵ Environment and Ecology Bureau – Energy Saving and Green Building 2023

Climate Resilience and Adaptation

Hysan is aware of the pressing need to embrace decarbonization in our strategies and daily operations. We are in full support of the Government's Climate Action Plan 2050 released in 2021.

A clear direction for us is to reduce our demand-side energy consumption and adopting new technologies are critical to reducing our buildings' carbon emissions and energy consumption. We have produced and acted on our climate action plan, which refers to the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") and the recently published IFRS⁶ S2 Climate-related Disclosures published by the ISSB, on our way developing net-zero carbon strategy that incorporating these recommendations.



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Commitment to the Science-based Targets initiative

In 2023, Hysan made a significant commitment by joining the Science Based Targets initiative (SBTi) as a crucial step towards addressing climate change. By signing the pledge, we are dedicated to combating climate change by setting GHG emissions reduction targets aligned with the Paris Agreement's goal of limiting global average temperature rise to 1.5°C above pre-industrial levels. We are currently strategizing our decarbonization roadmap, which will include establishing near-term and long-term decarbonization targets to achieve net-zero carbon emissions by 2050 at the latest. We are actively preparing for validation, and we anticipate completing this process within the next two years.

Key Climate Actions

1. Assess our climate resilience

Determine scenario-based climate-related risks, including both physical and transition risks, to identify the potential impacts on our business and assets, assess our preparedness and develop resilience strategies for addressing these risks. Key findings of the Phase 1 results will be elaborated in the next section.

2. Engage suppliers on low-carbon alternatives

Engage third party service providers, including consultants, contractors and suppliers, on innovative low carbon designs, practices and/or products.

3. Establish Scope 3 emission data collection

Develop robust Scope 3 data collection, including partnerships with our tenants and supply chains for collecting our Scope 3 emissions data.

4. Invest in renewable and alternative energy solutions and technologies

Encourage use of on-site renewables through green energy sources such as solar PVs, where practicable.

5. Set science-based targets as references for establishing near – and long-term decarbonization targets

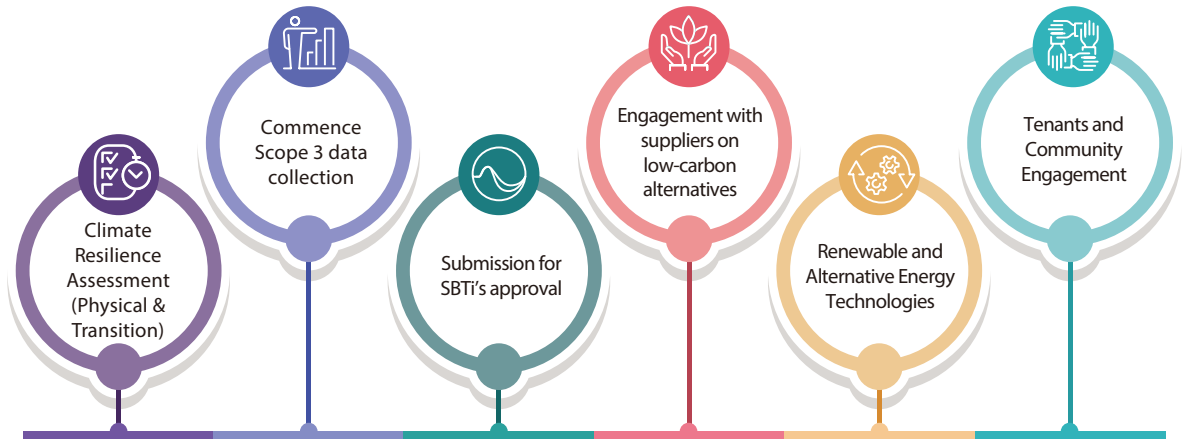
Set our GHG emission reduction targets in line with science-based criteria that will guide us towards a net zero future.

6. Engage our tenants and community

Work with our tenants and community to build an eco-conscious community through our climate change initiatives and campaigns.

6 IFRS – International Financial Reporting Standards

Key Climate Actions 2022-2024



Climate Risk Assessments

Climate risk assessments are driven by physical risks, transition risks, regulatory requirements, investor pressure, stakeholder expectations, and most importantly, the need for business continuity.

Regulations such as the HKEX Listing Rules, ISSB and TCFD, increasingly require companies to assess and disclose climate-related risks. Investors also demand transparency and expect to see effective risk management in place. Other stakeholders expect organisations to address climate risks for environmental and business sustainability.

Assessing physical risks helps us identify vulnerabilities and develop adaptation strategies, while transition risks associated with policy changes and market shifts require assessment for strategic planning. Finally, climate risk assessments ensure our business continuity by identifying potential disruptions and developing resilience strategies.

In accordance with the TCFD’s guidelines for disclosing climate-related financial risks, we have conducted a thorough climate-related risk assessment that encompasses both physical and transition risks. This assessment is being carried out in phases by third party consultants. The initial phase of our study was nearing completion as of the writing of this Report.

The initial phase of our study includes a physical risk assessment, which involved computing climate hazards at asset locations across different timeframes using proprietary datasets and the most updated climate models with local meteorological data. Our objective was to identify both chronic and acute risks associated with our portfolio in Hong Kong and Shanghai.






Concurrently, we assessed transition risks and identified inherent risks within categories that include Policy and Legal, Technology, Market, and Reputation. We are in the process of evaluating and identifying these inherent risks at the operational level in collaboration with various business departments. The residual risks identified will be incorporated into our corporate risk management framework, in line with our proactive approach to addressing climate-related risks.

Physical Risks

The physical climate risk assessment was conducted on our Hong Kong and Shanghai portfolio with two climate scenarios based on the Sixth Assessment Report (AR6) released by the Intergovernmental Panel on Climate Change (“IPCC”)’s. Two Shared Socioeconomic Pathways (“SSP”) have been considered (IPCC: SSP2-4.5 and SSP5-8.5) and three time-horizons (Baseline, 2030 and 2050).

Most climate hazard risks identified for our portfolio are applicable to the entire region, with impacts at city level. Key acute perils include tropical cyclones, extreme heat, pluvial floods, and landslides. Water stress is a significant and chronic peril that affects our overall portfolio. While flood and landslide risks were specifically modelled for our assets, we examined them with a focus on the local context and granularity to better understand their potential impacts. In our forthcoming assessment phase, we will prioritise assets of business materiality with consideration given to the potential physical damage to our properties, such as exterior façade damage from tropical cyclones and equipment malfunctions from floods, as well as business interruptions and associated risks such as increased maintenance and staff health concerns.

Key Climate Hazards Identified

Risk type	Key climate hazards	Relative implication of each climate hazard		Remarks
		Hong Kong	Shanghai	
Acute	Tropical Cyclone 	*****	*****	Top peril contributing to Hysan’s portfolio’s climate risks, both Hong Kong and Shanghai.
	Extreme heat 	****	****	Hong Kong has relatively higher combined heat index ⁷ risks than Shanghai.
	Flood 	***	**	A pluvial (surface water) flood is identified as a risk to both our Hong Kong and Shanghai portfolio, with relatively higher risk observed in the Hong Kong portfolio.
	Landslide 	***	*	The landslide risk assessment is based on geological analysis and precipitation conditions and does not consider the local landslide prevention and mitigation measures implemented. A further deep dive was carried out to better understand the local context and the comprehensive measures put in place by the Hong Kong Government, which are considered to have substantially reduced the landslide risk.
Chronic	Water Stress 	**	***	Shanghai has relatively higher water stress risks than Hong Kong.

When considering climate hazards alone, without factoring in existing climate adaptation measures and following the “worst-case” scenario of SSP5-8.5, our assessment reveals that the proportion of our assets categorised as “high risk” and above buildings will be projected to over 50% in 2030 and further escalate to over 90% by 2050. These findings suggest a potential increase in the vulnerability of our assets to climate risks over time if adequate adaptation measures are not implemented. It highlights the urgency and importance of addressing future climate risks and implementing robust adaptation strategies to mitigate potential impacts on our portfolio.

In the next phase, we will build on the findings from the initial phase and carry out a detailed asset-level assessment of selected properties that exhibit the highest iso-risks⁸. The aim of this assessment is to evaluate the sensitivity and adaptive capacity of these properties under the potential effects of the identified climate risks.

The assessment of the next phase will have a more engineering- and management-focused perspective, considering factors such as existing building infrastructure, systems in place, and their susceptibility to extreme weather events. By conducting this in-depth evaluation, we will gain a comprehensive understanding of the vulnerabilities and resilience of our assets, enabling us to implement appropriate measures to enhance their ability to withstand and adapt to climate-related challenges.

Transition Risks

As the economy shifts towards a low-carbon, business-related risks can include policy and legal risks, technological risks, market risks, and reputational risks. Our transition risk assessment adopted the Net Zero 2050 and Delayed 2 degree scenarios developed by the Network for Greening the Financing System (NGFS). Risks and opportunities were examined based on their risk impact, including regional specifications and risk horizons.

⁷ Combined Heat Index considers both high temperature and high relative humidity.

⁸ Factoring in financial value of the property.

Key transition risks/opportunities:

Category	Risk	Opportunity	Description	Actions to date
Policy and regulations	R		Tightened mandates on and regulation of existing buildings.	<ul style="list-style-type: none"> Stay abreast of the latest regulatory updates to ensure compliance.
	R		Expanded adoption of low- and zero- carbon/ carbon building	<ul style="list-style-type: none"> Engage with professional institutions such as HKGBC and HKIE to stay updated on industry trends. Adopt more aggressive sustainability objectives in design, going beyond regulatory requirements and industry norms.
	R		Enhanced requirements for increasing electrification and higher utilisation of renewable energy (RE)	<ul style="list-style-type: none"> Collaborate with the main contractor to facilitate the adoption of electricity in the construction site and optimise the utilisation of electric-powered plants and equipment Review the wider adoption of EV charging at Lee Gardens parking Continuously review RE installation to optimise its use and effectiveness
	R		Increased pricing of GHG emissions	<ul style="list-style-type: none"> Stay updated on carbon schemes developments in Mainland China, the GBA, and Hong Kong, as well as Shanghai (one of the pilot cities in the emission trading system (ETS)).
	R		Enhanced emissions-reporting obligations	<ul style="list-style-type: none"> Stay on track with disclosures (ISSB and TCFD aligned climate disclosures) by FY2025.
	R		Increased exposure to litigation risks	<ul style="list-style-type: none"> On-going monitoring in policy change. Enhance internal awareness training to prevent greenwashing and ensure all departments understand the associated risks.
	O		Stronger policy and economic incentives supporting net zero transition	<ul style="list-style-type: none"> Drive strategic partnerships with industry stakeholders and sustainability organisations to jointly develop and implement initiatives that support the adoption of sustainable practices and technologies, e.g on embedded carbon initiatives among real estate peers Foster an innovative culture at Hysan and support the adoption of new technologies through programs like the Community Lab. Adopt the latest Building Management System (BMS) with integration of IoT and AI technologies as we upgrade our building system.
	Technology	R	O	Adoption of green and low carbon technologies
Market	R		Increased costs of raw materials	<ul style="list-style-type: none"> Engage with suppliers, particularly of green construction materials such as cement and steel, to stay updated on their availability.
	R	O	Growing tenant preference for green and climate resilient properties	<ul style="list-style-type: none"> Commit to SBTi Design CHR project with the objective to become a super low carbon building with climate resilient measures.
	R	O	Growing tenant preference for green and climate resilient properties	<ul style="list-style-type: none"> Ensure these measures are well communicated in our marketing materials and training of agency personnel.
Reputation	R		Increased stakeholder concern or negative stakeholder feedback	<ul style="list-style-type: none"> Continue to monitor our climate actions and decarbonization strategies. Provide awareness training to staff on our actions.

The identified inherent risks will be evaluated at the operational level through collaboration with various business departments. The residual risks identified will be incorporated into our corporate risk management framework, ensuring a proactive approach to addressing climate-related risks.

Summary of climate actions as per TCFD recommendations

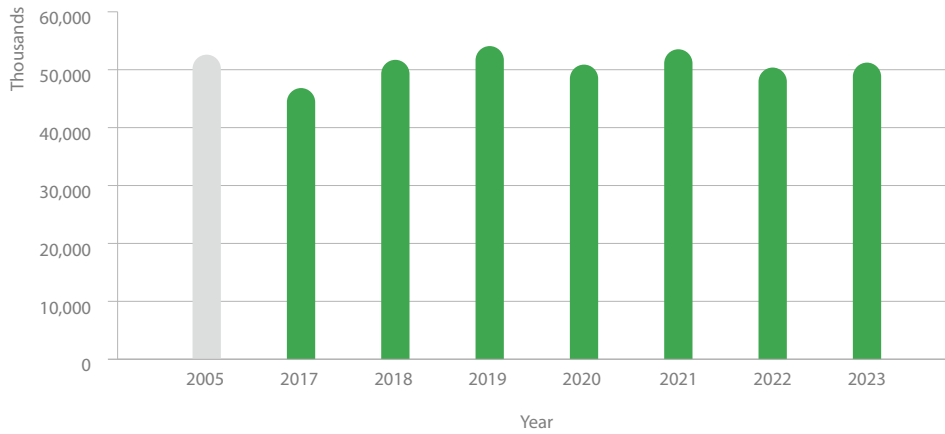
Recommendations of TCFD	Our actions and approach
<p>Governance</p> 	<ul style="list-style-type: none"> • With oversight from the Board and Sustainability Committee, the Sustainability Executive Committee sets out a clear direction for developing an implementation plan for climate-related issues, which is executed by the Sustainability Task Force at various business units. • Climate-related risks integrated into our corporate risk management and internal control framework are also overseen by the Board. • The Sustainability Department is responsible for engaging all levels in our operations to advise and drive Hysan’s sustainability commitments, including climate-related actions. • Sustainability/ESG performance, including progress made on climate-related issues, is regularly monitored by the Sustainability Department and reported to the Sustainability Committee and Board. <p>For further information on Governance on climate-related risks, please refer to the Governance section of this report.</p>
<p>Strategy</p> 	<ul style="list-style-type: none"> • An initial phase climate scenario analysis, including physical and transition risks, was carried out in 2023. • Climate change, extreme weather events and energy efficiency have been central issues which will be more specifically addressed as we continue our climate risks assessment. • With our SBTi commitment in 2023, we are in the process of strategizing the decarbonization roadmap, which will include setting near-term and long-term decarbonization targets to achieve net-zero carbon emissions no later than 2050. • We have adopted climate-related risks for our new property development – the Caroline Hill Road Project throughout the building lifecycle. • We will continue to explore funding sources via sustainable financing. • We will explore and adopt the use of innovative solutions and technologies to accelerate our progress towards a low carbon economy. • We will continue implementing decarbonization in our operations. • Disclosure of our Scope 3 GHG emissions data begins in 2023 and the coverage will continue to expand e.g. during construction.
<p>Risk Management</p> 	<ul style="list-style-type: none"> • Climate-related risks are integrated into our corporate risk management and internal control framework. Identified climate-related risks, both physical and transitional, will be adopted for assessing climate risks in our daily operations. • The transitional risk study conducted in 2023 included policy and legal risks, technology risks, market risks and reputational risks. Some of the risks and opportunities identified include <ul style="list-style-type: none"> – changing perceptions and demands by our investors, tenants, shoppers and employees for a lower-carbon economy and living and working environments – potential development of and price movements in a carbon trading market – potential increase in insurance premiums – potential exposure to litigation risks due to market and policy transition and green washing. – demand for technological improvement and innovation to improve energy efficiency – potential financial impacts from property damage; and – increased costs of raw materials, especially on construction materials with high embedded carbon such as concrete and steel • Adopt international management systems, such as ISO 14001 EMS and ISO 50001 EnMS, in our operations as part of our risk identification process
<p>Metrics and Targets</p> 	<ul style="list-style-type: none"> • Plan our decarbonization strategies towards the long term net-zero target • Scope 1 and 2 GHG emissions targets set by intensity and continual monitoring of absolute emissions • Collect Scope 3 GHG emissions • Adopt climate parameters under extreme weather conditions into new development designs • Use green and sustainable finance to promote adoption of climate resilient initiatives

GHG Emissions and Energy Use

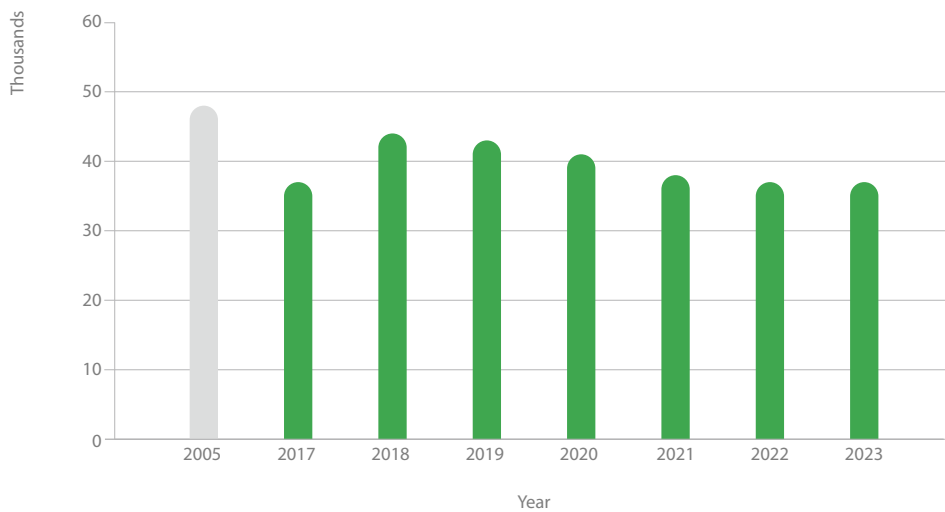
In the post-pandemic year of 2023, our combined Scope 1 and 2 greenhouse gas (GHG) emissions and the amount of purchased electricity, which accounted for over 99% of our total energy use, remained relatively unchanged compared to 2022. As we continue to renew our buildings' infrastructure, we prioritise the ongoing improvement of our equipment and plant's energy efficiency.

Throughout 2023, we focused on enhancing our energy management practices by leveraging technologies such as the Internet of Things (IoT) and Artificial Intelligence (AI) in our Building Management System (BMS). To optimise energy usage, we implemented a phased approach to control chillers at various buildings in our portfolio, effectively reducing energy wastage.

Total Purchased Electricity (kWh)



Total Scope 1 & 2 (Tonne CO₂e)



Adopting High-Efficiency and Environmentally Friendly Chillers

As part of Hysan's Whole Life Cycle Master Plan and our commitment to decarbonization and enhanced building energy efficiency, we recently upgraded the chiller plants at Lee Garden One and Hysan Place.

The upgraded chiller plant system incorporates cutting-edge features, including variable speed drives. Additionally, we have implemented the use of R514A, a hydrofluoroolefin (HFO) refrigerant with a negligible Global Warming Potential (GWP) of less than 2.

Use of R514A refrigerant with **GWP <2**



Scope 3 Indirect Greenhouse Gas Emissions from Value Chain Activities

We recognise that the real estate industry has an obligation to disclose its Scope 3 greenhouse gas emissions. Scope 3 emissions are the indirect emissions that arise from value chain activities, including the procurement of goods and services, business travel and tenants' energy consumption.

As part of our commitment to transparency and responsible business practices, we started reporting our Scope 3 emissions in 2023. We began by collecting data and implementing tracking systems across our operations, with the intent of extending our scope of data collection in phases. We also engaged with our suppliers and partners to obtain reliable information on their emissions and environmental performance.

Calculating and reporting Scope 3 emissions requires careful consideration of various factors and methodologies, which we have taken into account. To assess and quantify our Scope 3 emissions, we have utilised the *GHG Protocol's supplement – Corporate Value Chain (Scope 3) Accounting and Reporting Standard*. This approach has enabled us to identify significant sources of emissions and develop targeted strategies for reducing them.

Scope 3 emissions in SBT

Scope 3 emissions also play a crucial role in our Science-based Targets commitment. As we set ambitious sustainability goals, we consider and address these indirect emissions within the real estate industry. By actively managing and reducing our Scope 3 emissions, we align with the Science-Based Targets initiative (SBTi).

By disclosing our Scope 3 emissions, we aim to provide stakeholders with a holistic view of our environmental impact and demonstrate our commitment to sustainability throughout our value chain. We actively seek opportunities to collaborate with suppliers, tenants, and other partners to drive emissions reductions and promote sustainable practices across the real estate industry.

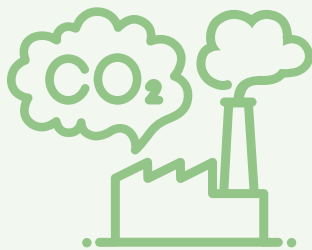
Subject to data availability, we are making progress in collecting Scope 3 data. In 2023, our Scope 3 emissions accounted for 12% of our



overall carbon emissions (Scope 1, 2, and 3). These emissions encompassed water use, waste-to-landfill, wastewater discharge, and business travel. While this initial analysis provides a starting point, we aim to obtain more reliable information on our Scope 3 carbon footprint as we continue our efforts. While this initial analysis provides us with a starting point, we will obtain more reliable information of our Scope 3 carbon footprint as we progress.

Scope 3 emissions in 2023
5,016 tonnes CO₂e

Given the nature of our business, we anticipate that embedded carbon in our development projects and our downstream tenant's energy usage will be the most significant Scope 3 emissions source. To address this, we will continually work closely with our partners, such as consultants and contractors and engage with our tenants to develop future strategies aimed at reducing these emissions. We understand the importance of addressing our Scope 3 emissions and remain committed to minimising their impact as we move forward.



Decarbonization initiatives throughout our buildings' lifecycle

Buildings are associated with about 90% of electricity consumption in Hong Kong. We also understand that buildings generally have long lifecycles, starting from design and construction to operation, which involves regular maintenance and retrofitting.

As an environmentally conscious property owner, we have a critical role to play in reducing electricity consumption and carbon emissions by optimising the way we design and operate our buildings. At the same time, we are working closely with our contractors to integrate sustainability strategies into each project's construction phase. We also encourage our tenants to adopt sustainable practices, from sustainable fit-outs to waste reduction. All these efforts are examples of how Hysan has taken a management approach that injects sustainability into each lifecycle stage.

Green Building Design

We see green building design as the first step in energy efficient operations. In 71% of Hysan's commercial portfolio area in Hong Kong, we have obtained green building certifications, including the Leadership in Energy and Environmental Design (LEED) by the U.S. Green Building Council, Building Environmental Assessment Method (BEAM) Plus by the Hong Kong Green Building Council, and China Green Building Label (CGBL) by the China Green Building (HK) Council.

Lee Gardens Shanghai has received pre-certification for a LEED Platinum rating, while our Caroline Hill Road project aims to achieve a Platinum rating in both green and WELL certifications. Furthermore, the Caroline Hill Road project is applying for a "Super Low" rating in HKGBC's new Zero-Carbon Ready Building (ZCRB) Certification programme.

Our ultimate objective is to go beyond the current Building Energy Code requirements in our new developments and incorporate sustainability into all our building designs. This means adopting efficient designs that can mitigate potential impacts on our buildings in a rapidly changing climate. Surpassing the existing standards also means constructing buildings that are not only environmentally conscious but resilient against future challenges associated with climate change.

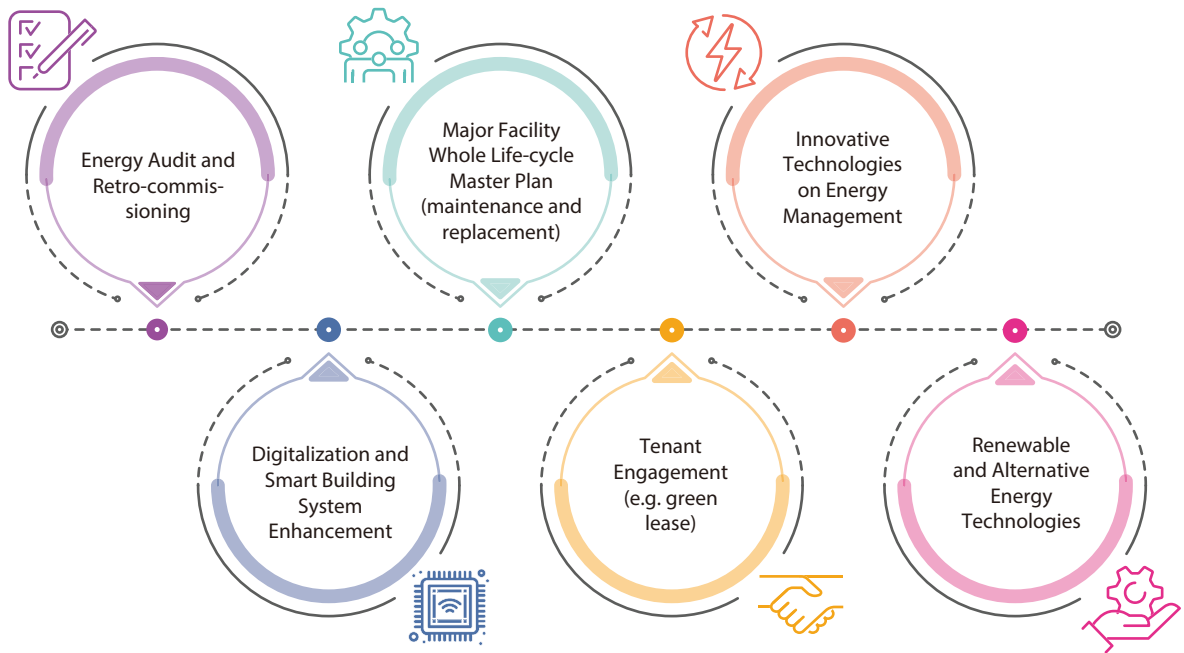
Operations and Maintenance

In managing our existing portfolio, our aim was to complete energy audits for 75% of our portfolio by 2025. We are currently ahead of schedule, with 100% of our energy audits already completed. We have also put in place a Whole Life-cycle Master Plan, which includes maintenance and replacement of major facilities such as lighting, lifts & escalators, chiller plant optimization, chiller and pump replacement, and new air handling units (AHU) and primary air handling units (PAU) with electronically commutated (EC) plug fans.

Our lighting replacement plan for the back of house, plant room, staircase, and carparks is progressing as scheduled in 2023, along with the installation of motion sensors. To avoid any unnecessary waste of functional equipment, the replacement of front-of-house lighting will be carried out during renovations.

In addition to conducting energy audits as required by the Technical Guidelines on Energy Audit Code issued by EMSD⁹ in 2012, we will commence retro commissioning after completing the smart building enhancement of our portfolio. We also piloted the use of AI technology for chiller plant optimization at Hysan Place and Lee Garden Three in 2021 then began installing this advanced building analytic in other buildings of our portfolio, which was completed by the end of 2023.

Key actions of our Decarbonization Strategy



Sustainable construction

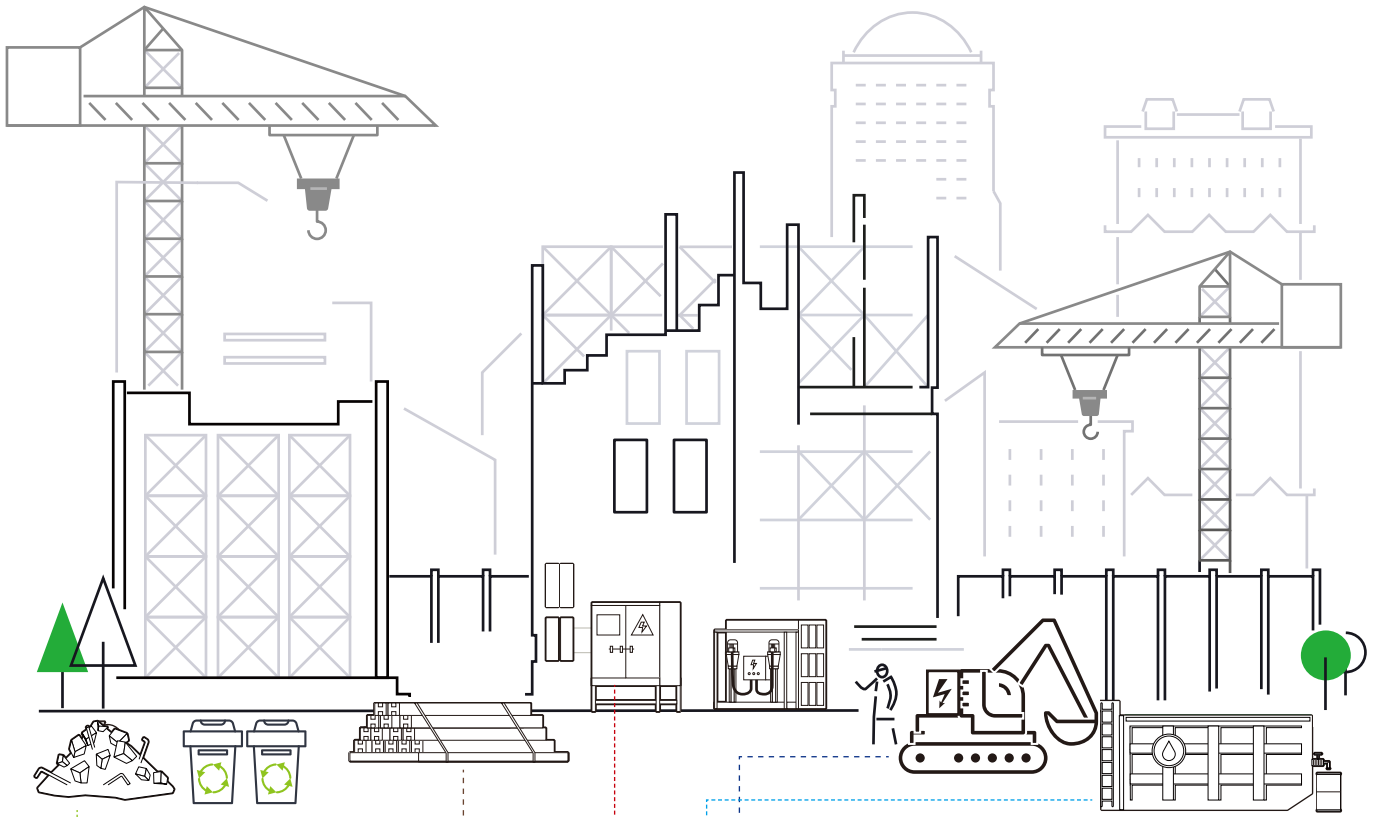
In addition to the abovementioned strategies for reducing operational carbon, Hysan is working with value chain partners to lower upstream carbon emissions. This starts in the building design phase and continues through to the construction stage, including carbon emissions on-site, and extends to the operational stage.

To reduce embodied carbon in the early project stage, we will select green contractors and suppliers, choose environmentally friendly materials and structural options, optimise energy use on-site, minimise waste and use water resources responsibly. Priority is given to materials with high recycled content that can be sourced regionally and transported over shorter distances, thereby causing lower emissions. During the design and construction stage, our project team makes use of advanced Building Information Modelling (BIM) technology to compare structural design options that minimise material use and wastage due to reworks in construction.

To better manage on-site energy use, we use electricity-powered rather than diesel generators, whenever practicable, and avoid over-designing on-site plant and equipment capacity. At our Caroline Hill Road project site, we used a temporary supply of electricity from HK Electric during the foundation stage, which significantly reduced the use of diesel and contributed to better energy management and air quality.

9 Electrical and Mechanical Services Department https://www.emsd.gov.hk/beeo/en/mibec_beeo_codtechguidelines.html

Embedded carbon reduction design adopted at our construction site



Materials selection

- Review structural options to reduce embedded carbon by optimising the mix of R-bars and concrete
- Use of greener concrete mix to reduce embedded carbon

Waste management

- Minimise C&D waste generation on site through material reuse in-situ and recycling

Energy management by optimising equipment arrangement

- Electrically-powered plant and equipment used where practicable
- Avoid over-design of plant and equipment capacity optimise, plant capacity arrangement, e.g. use of air compressors

Electrification at construction site

- Temporary electricity from HKE to reduce use of diesel generators

Water recycling and reuse

Renewable Energy

As part of our decarbonization strategy, we use renewable energy wherever practicable. In 2023, the total renewable energy power capacity in our Hong Kong portfolio is 42.6kW. During the reporting year, over 34,000 kWh of renewable energy was generated, equivalent to the annual consumption of over 10 domestic households in Hong Kong¹⁰. Of the renewable energy generated, 100% was fed into the grid of the local power company in support of Hong Kong’s decarbonization roadmap. In 2023, a total amount of 29,503 REC was purchased

A largest EV charging hub on Hong Kong Island



In October 2023, Hysan announced the launch of an EV charging hub at Lee Gardens – the largest on Hong Kong Island – and the first V4 Supercharging Station in Asia in its partnership with Tesla. The new hub offers drivers a more seamless charging experience that will not only help to meet the increasing demand for EV charging but also accelerate our green mobility journey in Lee Gardens, contributing to improving roadside air quality in Causeway Bay.

175 EV chargers
at Lee Gardens including
15 Superchargers



¹⁰ Average monthly Electricity Consumption of household: 275 units Energy Label Net | 能源標籤網 (emsd.gov.hk)

Waste Management

Hysan understands the significance of waste management, particularly in anticipation of the forthcoming implementation of the HKSAR Municipal Waste Charging scheme in 2024. We recognise the impact waste has on our operations, encompassing daily property management and responsible handling of construction and demolition waste at our sites. Notably, food waste constitutes a substantial portion, accounting for approximately 30% of Hong Kong's overall waste. To address this issue and promote a waste reduction culture, we have implemented a range of initiatives, encompassing hardware solutions and engaging activities. These initiatives aim to drive behavioural change and cultivate a holistic waste management ethos.

Engaging Stakeholders on the Plate Revolution

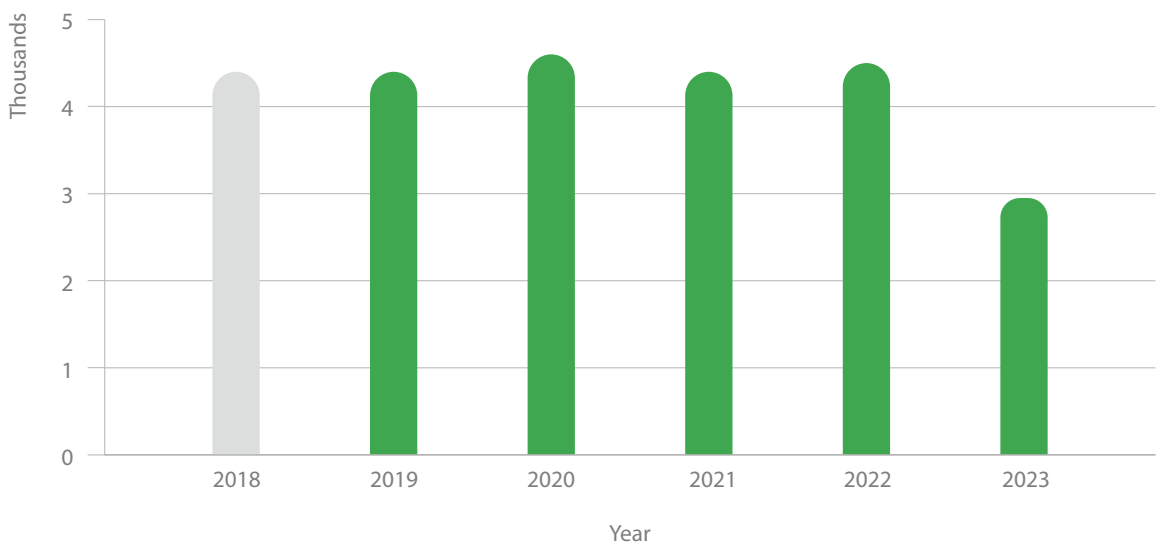
Hysan's Plate Revolution campaign in 2023 included a series of initiatives aimed at promoting waste management, with a special focus on food waste. We began hosting a sustainable Happy Hour event, bringing together tenants, staff, and Lee Gardens Club members. Collaborating with a local startup that repurposes surplus bread into beer, we showcased innovative solutions for food waste reduction. Additionally, stakeholders had the opportunity to making soap from coffee grounds, preparing food packs for Food Angel as well as going on a site tour to witness how food waste is managed on Hysan's premises and transported to O-park, the government facility that turns food waste into energy.



In the post-pandemic year of 2023, we observed contrasting trends in waste management. On a positive note, there was a significant reduction in the total amount of waste sent to landfill, indicating progress in our waste management practices. The figures showed a notable decrease of over 27%, with the amount decreasing from 4,459 tonnes in 2022 to 3,239 tonnes in 2023. However, we need to approach these positive results with caution as we suspect the slower than expected resumption of business activities had an impact on waste generation and recycling. This resulted in a decline in the total amount of

recyclables as well, an over 40% reduction from 1,017 tonnes in 2022 to 602 tonnes in 2023. Nevertheless, we remain committed to continuously improving waste management practices, promoting awareness, and collaborating closely with stakeholders, particularly with our tenants. We will maintain a balanced perspective and address the forthcoming challenges in waste management while meeting the expectations of our stakeholders. A long-term perspective is crucial in navigating these complexities and striving for sustainable waste management practices.

Waste to Landfill (tonne)



Construction and Demolition Waste

As we progress on new project development and renovations, we exercise a collaborative approach in management construction waste. We actively collaborate with contractors during construction and engage tenants during fit-out to ensure responsible waste practices. At our CHR project site, we exemplified this dedication by successfully repurposing 100% of the construction and demolition (C&D) materials from the original two-storey structure for backfill during foundation works.

During the fit-out of our commercial spaces, we encourage tenants to adopt the existing conditions of the leased space, minimising construction and

demolition waste resulting from renovations. By embracing the current layout and features of the space, tenants contribute to our collective efforts in waste reduction and environmental preservation.

In our new project design and development, we work closely with designers to encourage the preservation and integration of architectural features with conservation value into the design. In the CHR project, we are designed to preserve, repurpose and integrate masonry walls and earthenware pipes that remain from the original site. By emphasising the retention of these features, our project design not only reduces waste generation but also honours the past, embraces the present, and contributes to a vibrant future.

Preservation and Integration of Masonry Walls

Dedicated efforts were made in the Caroline Hill Road project to preserve and repurpose a total of 166 metres in length of masonry wall and earthen pipes. The beautifully aged masonry walls showcase their unique texture and character, serving as remnants of the original site. These walls have been carefully integrated into the project's design, emphasising their significance and contributing to the overall aesthetic. By incorporating these masonry walls, we not only reduce waste generation but also pay homage to the past. The integration of these historical elements showcases our commitment to honouring the site's heritage while embracing the present and shaping a vibrant future.



Design to repurpose **166m**
of masonry wall in Caroline Hill Road project

Food waste

In Hong Kong, food waste accounts for around 30 percent of all municipal solid waste. At Hysan, we recognise the importance of reducing food waste at its source and we have been a signatory of the the Hong Kong Government’s Food Wise Charter Signatory campaign since 2017. As part of our commitment to handling food waste responsibly, we divert it away from landfills and encourage our tenants, F&B tenants in particular, to do the same through arrangement to dispose of food waste through designated cleaning contractors. During the reporting period, a total of 42 tonnes of food waste was collected and processed.

In 2023, we installed a food waste conversion system, the Food TranSmarter, to automatically liquefy

food waste into slurry. The slurry can then be easily transported by suction trucks to the Organic Waste Treatment Facility or the Tai Po Wastewater Treatment Plant. At these facilities, the slurry is utilised to generate energy and/or produce animal feed. Over 10 tonnes of food waste was collected and processed this way in 2023.

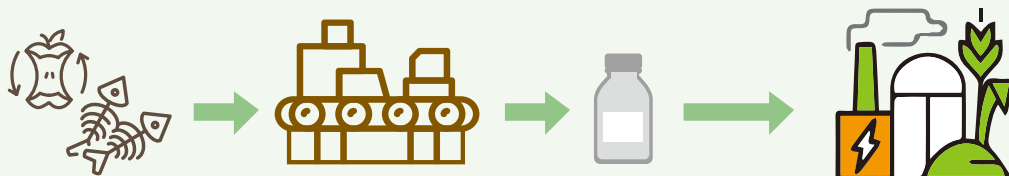
Additionally, we partnered with Food Angel and BREER to organise a series of sustainability workshops for our tenants and colleagues, which raised their awareness of surplus food and supply chain sustainability impacts, particularly around food waste management.

Innovative solution in food waste management

In 2023, Hysan supported a pioneering project, under the Innovation and Technology Fund of the Hong Kong Productivity Council (HKPC), by installing a food waste conversion system at Lee Garden One and Hysan Place - the FoodTranSmarter. This system can pre-treat food waste into a slurry in an enclosed system, of which the slurry can be easily transported to government facilities, such as O·PARK or the Tai Po Sewage Treatment Works for further anaerobic co-digestion and energy recovery into biogas for electricity generation.

Key advantages of the FoodTranSmarter system:

- Pre-treats food waste into a slurry, minimising transportation for further treatment at designated government facilities.
- Enclosed system design eliminates odour and nuisance associated with food waste processing.
- Capable of segregating impurities, such as cutlery, for more efficient waste conversion



Capacity of the Food TranSmarter
500 kg/day

97%
of food waste
turned into slurry

10 tonnes
of food waste
processed in 2023

Single-use and Disposable Plastic

A new government regulation will be implemented in April 2024 aimed at reducing disposable plastic tableware and other plastic products.

Ahead of this new regulation, we introduced reusable cutlery at our Hysan Place food court and eliminated all plastic bottled drinks in the vending machine at our head office. In line with our commitment to drive behavioural change, we also set up an eco-friendly alternative to plastic umbrella bags at the entrances of our portfolio properties. For this initiative, we received a Gold Level award from Greeners Action in their Umbrella Bags Reduction Accreditation Program 2023.

In 2020, we collaborated with our service provider – Cornerstone Smart Recycling to install a reverse vending machine at Hysan Place that collects plastic bottles from our shoppers and tenants. For every bottle recycled, we offered a cash rebate as an incentive. More than 7,000 plastic bottles were collected in this machine during 2023. In addition, support of the Environmental Protection Department (EPD)'s Pilot Programme on the Smart Recycling Systems launched in 2023, we have installed two Smart Recycling Bins (SRBs) at Hysan Place for paper and aluminium cans recycling and earn points for gift redemption through the Green\$ Electronic Participation Scheme.



Water Management

Recognising that water is a valuable resource, Hysan makes every effort to preserve the quality and quantity of the water resources we use in our properties.

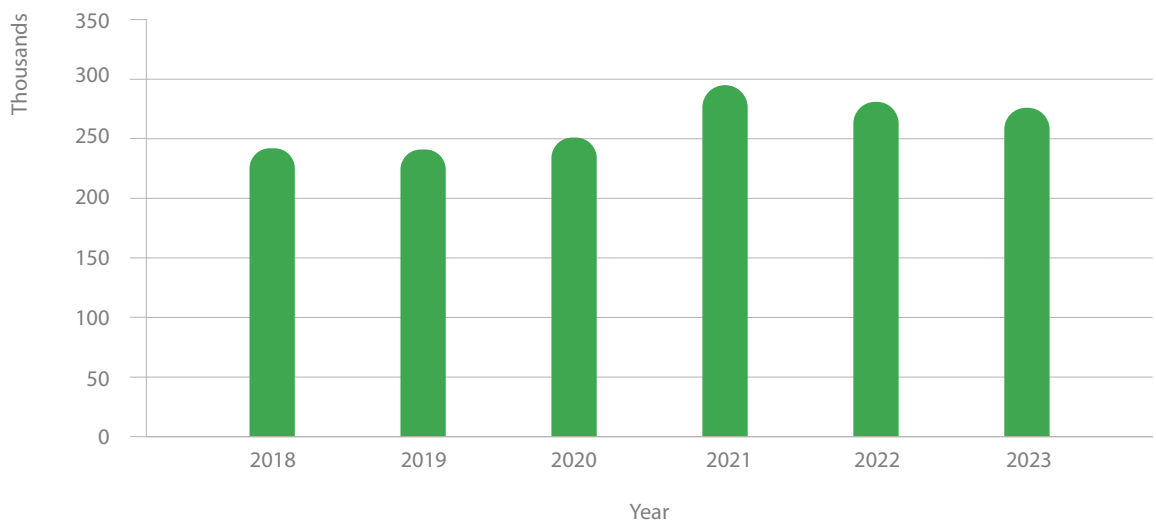
Water quality

To provide a safe, high quality water supply, we regularly maintain our buildings' water systems by cleaning and maintaining water storage tanks. We also ensure the quality of our last mile drinking water by installing advanced treatment systems, such as reverse osmosis filters conforming to WELL HSR at our head office, and conducting regular water quality testing. As a result of these efforts, our properties have been attaining Quality Water Supply Scheme for Buildings – Fresh Water (Management System) Certificates and Flushing Water Certificates since 2019.

Water conservation

We ensure the water in our cooling towers is used efficiently and have installed irrigation systems, water-saving fixtures and appliances in our renovation projects. Our rainwater harvesting system collects and reuses rainwater for irrigation and general cleaning. At our Sky Wetland at Hysan Place, we have a system that helps to clean and filters grey water from the building's offices that can be used to provide water for wetland species. Moreover, we encourage water reuse in construction for washing wheels and suppressing dust with on-site treated water.

Municipal Water Use (m³)



Air Quality

Indoor Air Quality

Since our shoppers and staff spend most of their time indoors, maintaining satisfactory indoor environmental quality is critical for maintaining good health. Our air-handling units (AHUs) are equipped with medical-grade HEPA filters to better filter environmental contaminants. We have also installed ultraviolet-C disinfection devices in all air-handling units (AHU)/ primary air-handling units (PAU) throughout our portfolio. In addition, we have an automated system targeting indoor air pollutants such as formaldehyde, PM2.5 and TVOC. It also detects thermal levels so that our air conditioning systems can be adjusted according to occupants' comfort levels.

All these stringent control measures in our properties have been recognised with Good grade Indoor Air Quality Certification at a minimum.

Ambient Air Quality

In our construction project site, we employ various measures to manage air quality. In addition to standard practices such as dust suppression and wheel washing, we have embraced technology to enhance our efforts. We utilise equipment like sensors to measure and monitor air quality on-site and to ensure proper coverage of trucks before they leave the site. This enables us to proactively address any concerns in potential environmental non-compliance, minimizing the impact on the surrounding environment.

Air quality management at construction site

Site sensors are installed to continuously measure various parameters such as temperature, humidity, wind speed, noise levels, dust particulates (PM2.5), and volatile organic compounds. This enables us to proactively monitor and manage air quality,



Use of technology in enhancing exhaust air quality from F&B

In addition to addressing construction impacts, we also pay close attention to the quality of exhaust air from F&B establishments within our premises. In 2023, we trailed out installing the Albacastor Technology UVent Smart Ventilation System at Hysan Place's food court as part of our Last Mile Testing Program in the Community Lab.

This system, developed by a start-up venture, incorporates UVC technology to treat odour from kitchen exhaust prior to discharging to ambient air. With the integration of IoT for real-time air quality monitoring, we observed a significant reduction in odour-related substances, including PM2.5, PM10, TVOC, CH2O, and oil mist. The system not only saves energy but also offers a promising alternative to conventional water curtains used in commercial kitchens.



Sustainable Procurement

Hysan's Sustainable Procurement Policy extends to the supplies, building materials, and services we procure for both property development projects and the day-to-day operation of our investment property portfolio. We prioritise sustainable choices in our purchases, including Forest Stewardship Council (FSC) certified products. From building materials to office paper products, we opt for FSC-certified options to promote responsible forest management.

In addition, we prioritise electrical appliances with energy efficiency labels, water-efficient water appliances, and paints with no or low volatile organic compounds (VOCs). These choices contribute to energy conservation, water efficiency, and healthier indoor environments.

When engaging contractors, we prioritise safety and risk management. We require contractors to complete a safety briefing and sign a work safety and risk assessment agreement, ensuring safe working conditions. For fitting-out, renovation, or reinstatement works, we have established standardised House Rules and Green Fitting Out Guidelines. These guidelines ensure compliance with applicable statutes, codes, regulations, and sustainable practices, as well as the provision of safe and fair working conditions.

In our tendering process, we have introduced e-tendering to reduce wasted resources. This requirement encourages all contractors involved in Hysan's business operations to minimise resource waste, contributing to our overall sustainability efforts.

Cultivating a Sense of Community at Playdot: A Sustainable and Wellness-Centric Playgroup Venue



Playdot is more than just a playgroup venue. We believe in cultivating a sense of community where families can come together and connect. With a focus on sustainability, we have chosen eco-friendly materials for our space. Additionally, we provide amenities such as a nursing room, high-quality drinking water, and touchless handwashing facilities to enhance the overall experience.

Our family-centric design encourages interaction and learning, while ensuring safety that complies with EU safety standards fulfilled in play equipment and spaces as well as using 100% PEFC certified wood. At Playdot, we strive to create a nurturing and inclusive environment where families can build lasting connections.



EU safety standards fulfilled in
play equipment and spaces

100%

PEFC certified wood

Biodiversity

At Hysan we are committed to biodiversity conservation, which is integrated into our business operations to the greatest extent possible. Through education and engagement, we aim to inspire responsible actions that contribute to preserving biodiversity.

Although our impact on biodiversity is limited in an urban setting, we make every effort to minimise our impacts. This includes raising awareness among our employees and stakeholders about the importance of biodiversity conservation.

In our built environment, we support biodiversity through measures such as green landscape design and tree protection during construction. We also organise events and programmes, including organic farming workshops and a farmers' market, to promote sustainable practices and community involvement.

In 2023, we undertook a biodiversity survey to better understand how our Urban Farm and Sky Wetland at Hysan Place are performing after years of operation. The knowledge gained from this survey guides our targeted conservation efforts and informs future developments.

Urban Farm and Sky wetland

The Hysan Urban Farm provides a green roof and reduces building temperatures, energy consumption by air conditioning, and helps avoid the urban heat island effect.

The rooftop was designed to set up an 8,000 sq. ft. organic urban farm which promotes well-being, community involvement and education about organic food production by designing and managing farm food production on-site, meanwhile offering sustainable living and farming workshops for tenants and communities.



In 2023, over

300 participants

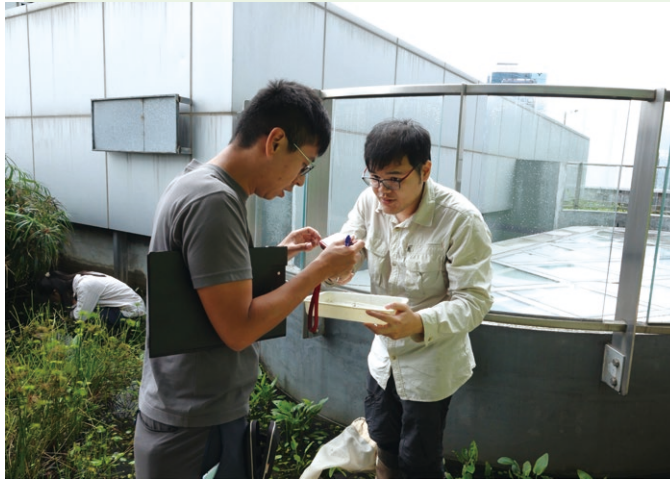
attended workshops at the Urban Farm



Since 2012, we have been operating an artificial wetland – the Sky Wetland – at Hysan Place to support a range of plants and other living organisms in an urban environment. This wetland not only retains and treats precipitation on site but is also part of a water treatment system providing tertiary treatment of greywater generated from office floors.



CASE STUDY



Our Biodiversity Footprint at Hysan Place

Hysan designated three locations in the Lee Gardens area to promote biodiversity: The Urban Farm and Sky Wetland at Hysan Place, and the Butterfly Garden at Lee Gardens Three.

To understand our biodiversity footprint, we partnered with Outdoor Wildlife Learning Hong Kong (OWLHK) to carry out ecological baseline surveys during the dry and wet seasons. The surveys assessed vegetation, fauna, pollinators and freshwater macroinvertebrates. From the valuable insights obtained in these surveys, we are able to make more informed conservation efforts and enhance biodiversity in an urban environment.

The biodiversity survey conducted in the Lee Gardens area provided interesting findings about the local ecosystem. The study focused on four target taxa (units of biological classification): vegetation, terrestrial fauna, pollinators, and freshwater macroinvertebrates. A total of 1,272 species were identified, with breakdown as follows:

Category	Number of species
Terrestrial Fauna	9
Pollinator	111
Freshwater macroinvertebrate	295
Others (found in opportunistic studies)	857

During the survey, experts observed several *Cacatua sulphurea*, or yellow-crested cockatoos, a species classified as critically endangered by the International Union for Conservation of Nature (IUCN). Surprisingly, these birds, which are typically found in wooded areas or forest margins, were spotted in the urban setting, highlighting their adaptability to city environments.



Camponotus mitis



Ixora chinensis



Cacatua sulphurea

Source of photos: Outdoor Wildlife Learning Hong Kong



CASE STUDY

Caroline Hill Road Project

Integrating biodiversity considerations into the project design stage is crucial for promoting ecological sustainability and supporting the conservation of biodiversity. In the latest Caroline Hill Road project, we have incorporated biodiversity into the project since the design stage.



The Caroline Hill Road project will feature 60,000 sq ft of urban park.

Our objective is to design a building that is to the building is designed to integrate with the environment, regenerate vibrancy and variety, connect the people around it, by adopting a regenerative design approach, we aspire to retaining a green habitat and biodiversity on-site.

- Approximately 3000 square metres of greenery provided
- 57 trees preserved on-site
- Total tree number will increase by 38%
- Total flora species number will increase 39%
- Preserved an Old and Valuable Tree (OVT) on-site
- Adopt a cradle to cradle material management approach:
 - Utilises eco pavers made from demolished concrete.
 - Uses wood chips created from yard waste

People

Injury rate **0.97%** recorded



Zero work-related fatalities



44% of management staff¹¹ are women



↑ 13% in total number of training hours



At Hysan, we prioritise the development of our young staff by providing them with growth and learning opportunities. By cultivating leadership, business management and communication skills, we enable our young leaders to advance in their careers with us. We continuously strive to build a strong, vibrant community of talented individuals, with access to a fair, positive and motivating work environment.

Additionally, we endeavour to create a sense of belonging by encouraging our employees to take pride in their work, support their colleagues and be inspired, as this will have a constructive and holistic impact on the company and the community as a whole.

Our Workforce

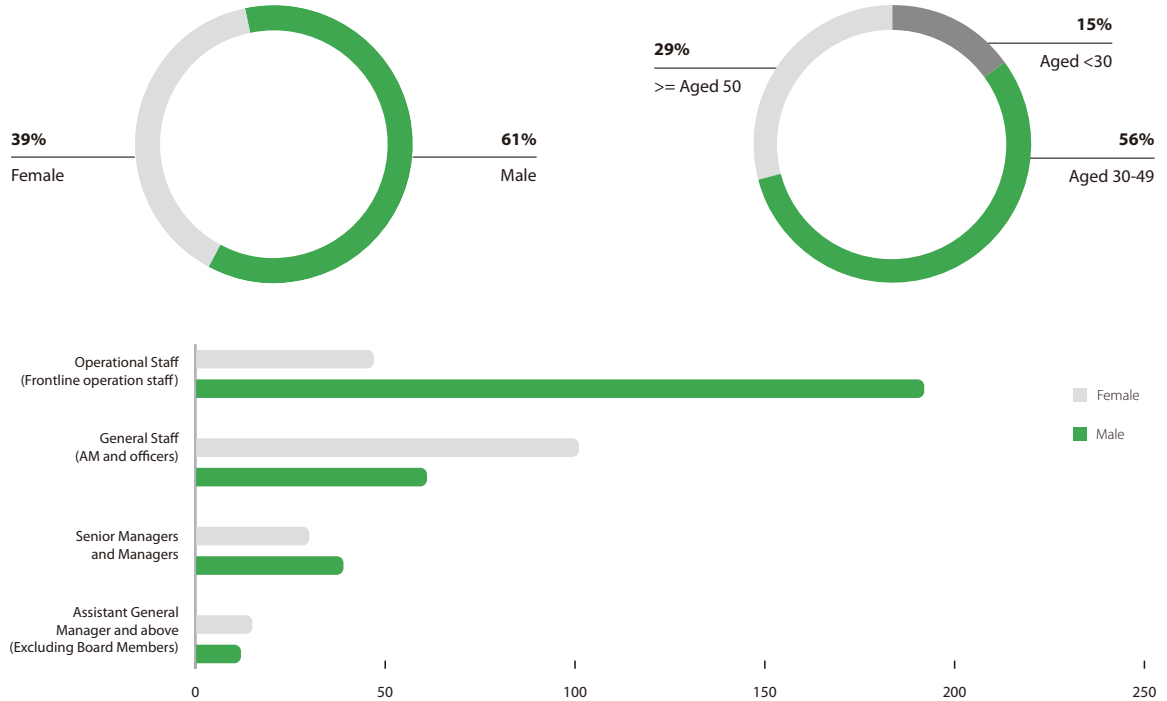
As of 31 December 2023, our workforce at the Group level had a total of 514 full-time employees which was an increase of about 3.4% from 2022. The overall workforce gender ratio in the property management industry is approximately 6.1:3.9, with more males than females. This can be attributed to factors such as gender availability, workforce availability, and the job nature of property facilities management, which often involve night shifts and technical services. The turnover rate of the overall workforce remained relatively stable from 2022 to 2023, with a slight increase from 19% to 20%.

In 2023, we recorded

- A decrease in the injury rate of 0.97% compared with 1.41% in 2022.
- Continuation of zero work-related fatalities.
- 44% of management staff¹² held by women.
- More than 13% increase in total training hours, compared with 2022.

¹¹ "Management position" refers to Manager grade staff and above.

The distribution of employees by gender, employment type and age group is illustrated below:



Employee Rights

Protecting and enforcing human rights within our operations is a priority for Hysan. Our Human Rights Policy is aligned with the United Nations Guiding Principles on Business and Human Rights, the International Bill of Human Rights, and the International Labour Organisation’s (ILO)’s Declaration on Fundamental Principles and Rights at Work.

This policy guides our compliance with human rights requirements across our business value chain. We are committed to providing equal opportunities and building inclusivity and diversity within our business operations as directed by our Code of Ethics and Respect for People Policy. Discrimination on the basis of one’s gender, marital or family status, pregnancy, disability, age, sexual orientation, race, colour, descent, nationality, ethnic origin or religion, whether direct or indirect, is strictly prohibited. Any form of discrimination

during recruitment, promotion/demotion, transfer, termination, rate of pay/wages or other forms of compensation or training is also strictly prohibited.

All employees are required to undergo anti-discrimination training on our mobile learning platform. Our Respect for People Policy outlines our grievance handling procedure, with a reporting structure and listing of responsible parties clearly identified and established. All complaints are investigated thoroughly by relevant department heads and handled with strict confidentiality. For security personnel at our property management teams, we have a Standard Operation Procedure Manual and regular drills in place to provide guidelines in executing their daily operations and observing human rights. During the reporting year, there was no case of non-compliance with relevant laws and regulations that had a significant impact on Hysan.

Our Employment and Staff Policy contains details of recruitment, performance management and compensation, as well as benefits such as overtime work remuneration, statutory and special leaves (such as leave for a birthday, study, volunteer, marriage, and paternity), medical coverage, and retirement benefits. Our extensive medical coverage continues to include mental health support and extra wellness benefits, such as health check-ups, vaccinations, fitness classes, eye health coverage, and psychological counselling. With a flexible medical budget, colleagues can choose the wellness options most appropriate to their needs.

Diversity and Inclusion

Diversity and inclusion are driving considerations when it comes to our people, who we insist are treated with fairness and respect. Under our Diversity Policy, we set out to achieve diversity on the Board and senior management team at Hysan. The Board, in turn, will endeavour to identify and implement programmes that will assist the development of a broader and more diverse pool of skilled and experienced employees, which over time will prepare them for senior management and/or Board positions, thus ensuring better employee attraction and retention.

As we believe diversity and inclusion enrich our corporate culture, we signed the Racial Diversity and Inclusion Charter for Employers by the Equal Opportunities Commission at the end of 2023. The Charter provides a checklist of policies and practices for promoting racial diversity and inclusion in the workplace, with goals such as establishing fair recruitment and promotion, encouraging engagement with racial minorities from underprivileged communities, and providing a safe and collaborative work environment for all employees. For example, we

have equipped our workplace with gender and family-friendly provisions for our employees, such as nursing and breastfeeding rooms. For the medical needs of our pregnant employees, we provide a work-from-home option.



Talent Development

Employee development is essential for our business to thrive and grow sustainably. The strong learning culture we have established at Hysan helps us to attract, nurture and retain talent. From upskilling programmes for existing employees to apprenticeship and mentorship opportunities for young talent, recent graduates and management trainees, our training system gives Hysan a distinct competitive advantage. It allows us not only to strengthen employee management and development across all levels but also to bridge skill gaps in our people.

We encourage internal communication through the Hysan Forum, in which we provide regular updates on the Company's business as well as discussion platforms for department heads to share their thoughts and the challenges they encounter in decision-making. We believe consistent communication within the Company is essential for developing our employees' sense of belonging and optimising performance.



Our award-winning young leaders

Our young leaders were the 2nd runner-ups at the Hong Kong Management Game for Young Leaders 2023.

During the Hong Kong Management Game for Young Leaders 2023, we fielded a vibrant team of eight young leaders from a diverse mix of backgrounds and expertise across various departments for this mind-provoking challenge. Against strong competition, our young leaders excelled in areas in financial analysis, operations management and strategic marketing in this business simulation game. Working in collaboration, they elevated their business acumen to new levels, while participating in several simulated business scenarios.

Prospective employees with relevant education or qualifications who wish to pursue a career in property management can take advantage of Hysan's apprenticeship scheme. It provides comprehensive technical training in building management, including subjects such as air-conditioning, plumbing, electricity and fire prevention. Apprentices with satisfactory performance will be offered permanent employment at Hysan.

We have also been supporting the Hong Kong Government's Youth Employment and Training Program since 2014, through which we have hired a total of 11 youths. They typically start as building services mechanics and will be considered for promotion after the completion of the apprenticeship programme. We also provide job opportunities to applicants from disadvantaged and ethnic minority backgrounds.

In addition, we offer internship opportunities for university students. Our aim of with these internships is to provide meaningful and challenging experiences that raise awareness of social issues, while providing them with professional workplace skills needed in their future careers.

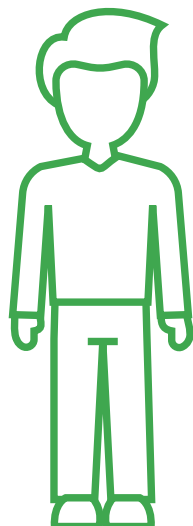
Health & Safety training session

Our property management and frontline customer service staff took part in several in-house sessions to enhance safety awareness and communication skills in challenging customer service scenarios.

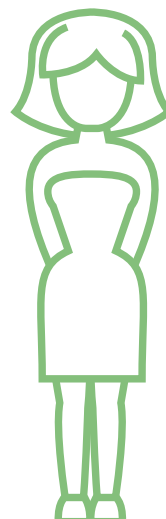


Hysan's online Mobile Learning Platform boasts a variety of learning modules and resources for staff, including live videos. Professional industry knowledge is conveyed, in areas ranging from compliance and occupational safety and health to soft skills in leadership, personal capabilities and physical and mental health. For entry-level employees, the platform has a comprehensive set of property management lessons to familiarise them with the day-to-day operations of our Company.

Average Training Hours by Gender

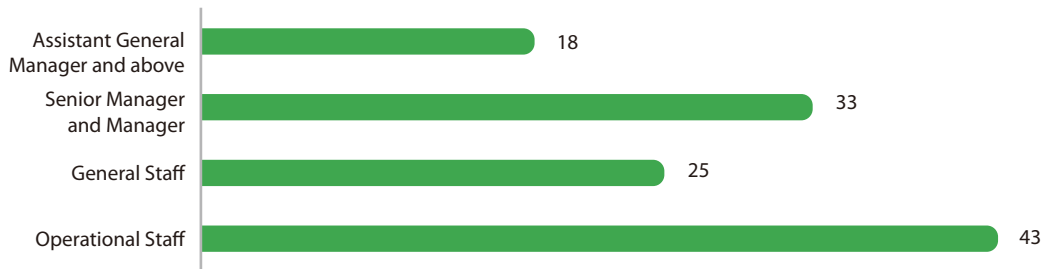


Male
32 hrs



Female
38 hrs

Average Training Hours per Person by Employment Category



In addition to internal training, we encourage our employees to take professional training courses from external institutions and to apply for educational memberships sponsored by the Company. We also recognise their achievements with quarterly rewards and provide financial subsidies for any training and/or membership fees they might incur. What’s more, we will grant two days of study paid leave and three days of examination paid leave to help employees prepare for examinations.

The total number of training hours in 2023 increased by over 13% compared to the previous year, primarily attributed to the more systematic tracking of external professional training introduced since 2023.

Besides job-related training, we offer diverse learning opportunities on general topics to raise morale and employees’ sense of belonging. The Lunch and Learn programme, for example, periodically holds lunchtime talks by internal and external experts who share their insights and knowledge in different fields, including physical and mental health, family communication and biodiversity, among other topics.

Performance Management

Performance management is an important tool for ensuring our employees’ business activities are aligned with Hysan’s business objectives. It is a continuous process in which management shares the Company’s vision with employees on a regular basis and invites continuous feedback through open communication. In addition to helping employees perform their jobs

to the best of their ability, a robust performance management system can achieve the following:

- Highlight training needs and improve accountability and efficiency
- Promote employee retention and reduce attrition
- Support workforce planning and proper and fair utilization
- Help our management identify employees for promotion or additional support and guidance
- Help define career paths and boost morale

Department heads carry out reviews and analyse their employees’ performance to help them unleash their full potential. For employees with development potential, we offer more senior positions, incentives with promotion opportunities, and salary reviews. To ensure our salary packages are competitive enough to attract talented individuals, peer benchmarking exercises are held regularly.

Talent Engagement and Wellbeing

Employees and Workplace Wellness

Hysan is committed to building a comfortable and safe workplace for all our employees. Both our office headquarters at Lee Garden One and Lee Garden Two are WELL v2 platinum rated, with features and initiatives that were showcased in a virtual education tour of the Lee Garden One Office.

Mental wellness

Mental health is a fundamental aspect of our overall health and thus has a critical impact on our work and in our personal lives.

At Hysan, we recognise the importance of mental health and are dedicated to providing care and support to our colleagues facing difficulties. In the first half of 2023, we hosted two Lunch and Learn sessions on Emotional Blackmail and the Unconscious Mind in March and April respectively.



LUNCH & LEARN

情感勒索 Emotional Blackmail

- 咩係「情感勒索」？
- 「請求」算唔算「情感勒索」？
- 「管教」算唔算「情感勒索」？

17 MAR
1300-1400
50/F LG1

嘉賓：劉穎琪小姐

During the year, we maintained a comfortable indoor environment for employees, with enhanced indoor air quality (IAQ), controlled ambient (thermal) ventilation and comfortable lighting levels. In one of our staff engagement activities, we discussed the importance of a healthy diet, organic farming, meditation and mind and body relaxation in accordance with our Ergonomic Support Policy and Stress Management Plan, as well as our new wellness awareness programme.

During the year, we continued to provide staff wellness and recreational programmes along with benefits such as free influenza vaccinations, medical insurance briefings, and online seminars on physical and mental health under our "Hysan Care" initiative. We also enriched our health protection programme to cover physical and mental health for all employees by organising at least six employee engagement activities to promote better health and wellbeing while working at Hysan. These included lunch break activities such as massages and talks on office ergonomics to help our employees relax and relieve stress. We also encouraged employees to embrace an active lifestyle outside office hours.

In addition to these activities, we have been running the Employee Assistance Program since 2009 with an external NGO that offers consulting for employees and their family members to manage stress, anxiety and work-life balance problems.

Corporate Culture Survey

We conduct periodic group-wide corporate culture satisfaction surveys so that employees can share their views on the Company's culture, values, organisational structure, innovations and reputation.

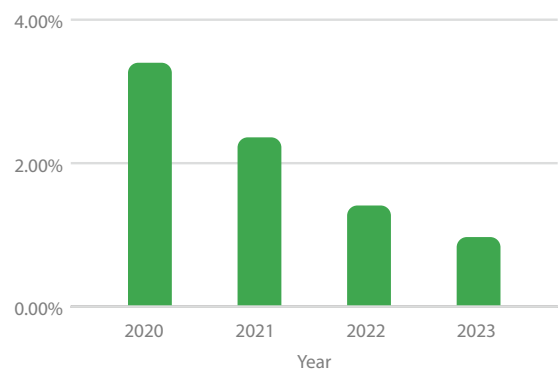
In our last survey in 2021, we received a strong response rate of over 90%. It covered topics such as leadership, organisational structure and inter-unit dynamics, team identity, creativity, talent management, business strategy, governance, moral values, and rewards and recognition. The survey results were reviewed by senior management and board members for developing initiatives and programmes that enrich our working environment and fuel Hysan's ongoing growth.

Health & Safety

Providing a safe and healthy work environment for all stakeholders across our operations is one of Hysan's highest priorities, as specified in our corporate Health & Safety Policy. We also have an Accident, Incident and Emergency Manual detailing emergency handling procedures, safety instructions for contractors, safety precautions related to our daily operations, and providing assistance to customers and tenants.

During the reporting year, Hysan conducted 7,014 hours of health and safety training, which included teaching our frontline employees essential H&S knowledge and the latest government regulations and requirements on workplace safety, as well as handling special equipment. In 2023, we recorded a 30% reduction in the injury rate to 0.97% and no fatalities among our employees.

Injury Rate



Site Safety



Morning safety briefing in construction site

As a responsible property developer, we are committed to safeguarding the health and safety of our employees, including those of the companies with whom we do business and the communities in which we operate. We also communicate the standards and requirements of our Health & Safety Policy to contractors through our tender documents and method statements.

At our on-going projects, all workers entering the sites are required to register and attend site induction training and daily morning safety briefings, which include information on emergency responses and preparedness. To accurately reflect the latest site conditions, our project teams conduct regular site walks, review construction safety plans with contractors, and discuss suitable risk avoidance and mitigation measures.

Tenants Wellness

Our entire Lee Gardens portfolio has been WELL Health-Safety Rated (HSR) by the International WELL Building Institute since 2021. By following the WELL HSR guidelines, we are better prepared for dealing with health and safety related challenges, as well as developing operational policies, maintenance protocols and emergency plans.

Meanwhile by undertaking periodic testing of air quality, water quality, and lighting conditions, as well as conducting employee surveys to gather feedback on the effectiveness of the wellness initiatives. By incorporating these and other elements, we aspire to create healthier and more supportive environments that prioritise employee well-being, leading to improved productivity, job satisfaction and overall quality of life.

The Community

20

NGOs engaged



16,856

beneficiaries



Sponsorships to over

1,000

youths in Rugby
Tournament



Hysan places strong emphasis on connecting with the community as the primary driver of our sustainable business development. Our core aspiration is to deliver sustainability, resilience, and a sense of enjoyment to our community through dedicated efforts. We strive to create an environment where the public and our stakeholders can experience the prosperity and harmony of our community. As part of our Community Business Model, we actively consider the social impacts of our initiatives, working collaboratively to build a harmonious society and enhance the well-being of the community and our key stakeholders.

Lee Gardens as the Community Lab

Having curated the Lee Gardens Community into what is today, we believe the high traffic and diverse audiences in our portfolio provide the perfect setting for The Community Lab for testing new and experiential concepts.

To enrich and accelerate Hysan's sustainability journey, we have developed our Community Lab as a technological incubator and business catalyst, where start-ups can test their innovative solutions in a real-world setting and refine them before a market launch.



CASE STUDY

Innovations and Partnerships

The Last-Mile Testing Programme (LMTP) of The Community Lab, a collaborative effort between Hysan and Hong Kong Science and Technology Park (HKSTP), has laid the groundwork for a future smart city in Hong Kong. Leveraging Hysan’s concentrated real estate and retail assets in the vibrant Lee Gardens Area, it serves as an ideal living lab for HKSTP’s tech ventures to test their proof-of-concepts (PoCs) in real-life scenarios, right in the heart of Hong Kong.

Following the success of Cohort 1, LMTP introduced Cohort 2 in 2023 with the aim of creating a Hong Kong Smart City Blueprint under different industry scenarios. Among the selected start-ups in the second cohort were Albacastor Technology, Immune Materials and Palmeco Tech.

Albacastor Technology conducted a test at Hysan Place’s food court, showcasing their UVent Smart Ventilation System that utilises advanced air treatment methods for enhanced odor control. The positive results affirmed the system’s effectiveness in managing emissions from food exhaust, thereby improving air quality and controlling odors.



Since April 2021

- **2** cohorts of Last-mile Testing Programme
- **14** trials and **8** adoption cases at Lee Gardens



Incubating startups within the living lab at Lee Gardens

Empowering Local Businesses, Fueling Economic Growth

To support the local business environment and achieve our objective of creating a positive economic impact in the community, Hysan acknowledges its role as a major stakeholder in the Lee Gardens Area. We are dedicated to curating the neighbourhood and contributing to the well-being of the communities we serve. In 2023, we actively participated in Hong Kong SAR's vision of boosting the local economy and organised transformative events like "WE OUTSIDE." Our events celebrated urbanhood and aimed to stimulate economic activity, showcasing the collective efforts of Hysan and other stakeholders in supporting and promoting local businesses within the community.

We Outside – immersing lively night vibes and urban spirit



In October 2023, Hysan transformed Lee Gardens area into a nighttime extravaganza with a series of exciting events that attracted an influx of locals and tourists. Aimed at revitalising the Hysan community as business returned to normal after the pandemic, WE OUTSIDE catalyse the energetic atmosphere at Causeway Bay.

The events consisted of four themes: WE CHILL, WE GROOVE, WE BALLERS and WE SURPRISE. For WE CHILL, we transformed Pak Sha Road into a covered urban campsite with tents, camping furniture and food trucks providing special drinks and snacks.

We also partnered with the online cultural platform, G Magazine HK, to host a sequence of parties under the umbrella of Urban Culture in WE GROOVE. Events included a movie and Cantonese song-themed POPUP event. Other themes captured the vibrant and distinctive atmosphere of the Lee Gardens area, with collaborative efforts involving tenants and community partners that captivated visitors and created cherished memories.





Inclusive Art and Culture

Hysan values the integral role of art and culture in our community. We support both local and international artists and celebrate creative expression that preserves our distinctive heritage. By partnering with arts organisations, we promote inspiring experiences that unite and educate the community. With music busking, engaging urban talks, and immersive city walks, we cater to diverse interests.

Urban Talks Series



7 Urban Talks
conducted in 2023

Urban Talks, a monthly programme hosted by Hysan, offers an opportunity for representatives of cultural industries to share their insights and for everyone to explore Causeway Bay from a fresh perspective. This engaging series covered an array of fascinating topics, such as Turkish coffee, hospitality, wine, the re-discovery of Causeway Bay, city walks and much more.

The Urban Talks series also introduced people to boutique shops and experiences they might not have otherwise discovered in the Lee Gardens Area. One example is Everything's, an ethical clothing and lifestyle store with a vision of responsible travel, where founder Clifford demonstrated how Turkish coffee is brewed. Led by guest speaker Dr Wong Kim Fan, discussion centred on hospitality and the balance between travellers and the places they visit from a historical and philosophical perspective.

Through Urban Talks, Hysan is helping to develop a deeper understanding of the vibrant tapestry that defines Causeway Bay, inspiring meaningful connections and a broader appreciation of the unique experiences it offers.

gLEEful Music Busking programme

The popular gLEEful Music Busking programme returns in 2023 with captivating performances by talented up-and-coming local artists. From Lee Garden Theatre to Urban Sky, these vibrant sessions took place at various locations within the dynamic Lee Gardens community. A total of 8 sessions were held, leaving audiences spellbound throughout the year.



8 sessions
of music busking held



Kathaa 2023 – Stories from India on Hong Kong Walls

A remarkable celebration of India's cultural heritage, showcasing the profound richness of traditional folk arts, among the world's oldest art forms. Hysan proudly partnered with the festival organisers, providing an exhibition area to showcase the exquisite artworks to a diverse audience. The festival featured four talented Indian artists, who created captivating artworks displayed across various locations in Hong Kong.

Artworks of
4 Indian artists
 featured.

Community Health and Wellness

Hysan invests in programmes and events that promote physical and mental wellbeing and contribute to a higher quality of life and sense of belonging.

HKRU X Hysan – Hysan Youth Tournament

In 2023, the Hong Kong Rugby Union (HKRU) with the support of Hysan and other co-title sponsors hosted a three-week-long Hong Kong Sevens Festival at Lee Gardens in Causeway Bay. After the success of last year's debut Hong Kong Sevens FanWalk at Lee Gardens, the HKRU again partnered with Hysan to transform Causeway Bay into rugby central with the festival held just a drop-kick away from the Hong Kong Stadium.

The Hysan Youth Tournament provided an opportunity for young rugby players in Hong Kong to showcase their skills alongside international teams, mirroring the professionalism seen in the sport. Through this event, we aimed to cultivate a vibrant and inspiring atmosphere that fires the passion and talent of the younger generation.



Over **1,000** youths were sponsored in the rugby tournament

Mini Touch Rugby

Through a partnership with Gai Wu Rugby Football Club, Hysan has created a space at Lee Gardens for children to develop a passion for touch rugby. Under the guidance of professional coaches, kids are provided with a unique opportunity to learn this dynamic sport in a safe and supportive setting. This initiative exemplifies Hysan's commitment to promoting active lifestyles and providing enriching experiences for the younger generation.





A cumulative total of **24 sessions** were held in 3 different phases

Hysan Running Club: Taking Steps Towards Community Wellness

As part of our comprehensive wellness programme, Hysan Running Club is playing a significant role in promoting health and wellbeing. This initiative goes beyond running techniques to support meaningful charity elements that contribute to the betterment of society.

One of the charities assisted by the Club is Mind HK 香港心聆, a mental health organisation dedicated to ensuring that no one in Hong Kong faces mental health challenges alone. Through its activities, Mind HK is striving to make the city a global leader in public mental health by raising awareness, reducing the stigma around mental health, providing therapy and collaborating with like-minded partners.

The Hysan Running Club supports mental health awareness by donating a portion of its proceeds to Mind HK. It also collaborated with Feeding Hong Kong to organise a Bread Run, which collects surplus bread from local bakeries in the community and delivers it to food banks, thus addressing food waste and supporting those in need.

An Urban Culture Hub at the Heart of Causeway Bay

At Hysan, we are dedicated to cultivating a vibrant urban culture and setting new trends. Located in the heart of Causeway Bay, our efforts in trendsetting and celebrating urban culture are evident throughout the Lee Gardens community. We strive to engage with both locals and tourists, providing a dynamic environment where the energy of urban culture thrives.

Skateboarding at Hysan



Through a strategic partnership with the Hong Kong Skateboard Association, Hysan has been providing local teenagers the opportunity to participate in the thrilling world of skateboarding. At Urban Park in Causeway Bay, Hysan supported classes that enabled young enthusiasts to develop their skills under expert guidance.

Another skateboarding event, the highly anticipated Lee Gardens Skateboard Fest 2023, made a triumphant return to Urban Park, giving skateboarders a dedicated venue to showcase their impressive skills and compete in a spirited atmosphere.

Hysan employees also took part in an exhilarating skateboarding session at Urban Park, organised by the Hysan Recreation Club, as a post-work activity to promote holistic wellbeing.



Environmental Sustainability Awareness

To raise environmental awareness, we organise green initiatives such as our Urban Farm and Farmer's Market, where members of the public can learn why it is so important to minimise our ecological footprint and live sustainably.

Urban Farmers' Market



In a partnership with the Sustainable Ecological Ethical Development Foundation (SEED), Hysan established the Lee Gardens Urban Farmers Market to showcase organic farm produce and brands from across Hong Kong. This event not only highlights the exceptional quality of locally sourced organic products but also underscores their positive environmental impact. By supporting local organic farms, which emit less carbon, Hysan is contributing to the creation of a sustainable living environment in Hong Kong.



Green Care for the Community

Clementine Mama, a group of mothers who care for their autistic children, has a common vision that all hardships can overcome and be rewarded with joy just like the clementine fruit, a symbol of abundance, happiness and good fortune.

In 2023, members of Clementine Mama were invited to participate in the Lee Gardens Farmers Market Programme and showcase their farm fresh organic products and homemade handcrafts.

Since a noisy, busy environment can be overwhelming for teenagers with autism, it was a challenge for them to feel secure and confident while managing a stall. Yet, with persistence and encouragement, they were able to overcome their fears and set up their stall quickly and efficiently.

Volunteering and Charitable Donations

We work with stakeholders and mobilise our strengths and resources to support the underserved, by providing monetary funds, in-kind donations, and volunteers to achieve long-term positive community impacts.

Waste not, hunger not volunteer event



In September, we organised a volunteer event in partnership with Food Angel, a local NGO that retrieves surplus edible food from different sectors of the food industry that would otherwise be disposed of. More than twelve of our colleagues dedicated their time to this event and processed over 500 hot meals and food packs using surplus food in Food Angel's Chai Wan Kitchen. The food packs were then served to people who need food assistance in the community.



Over **500** meals were prepared

Earthquake donation programme for Turkey



In September, a major earthquake with an intensity of 7.8 occurred in the southeastern part of Turkey on the border with Syria. More than 10,000 deaths were recorded and tens of thousands injured. Since the earthquake struck during severe winter weather with below zero temperatures, local residents were in urgent need of assistance. The Hysan Volunteer Team responded immediately by raising money at the Company's headquarters to help purchase supplies for the affected local population.

Over **800** relief items donated

Appendix 1: Three-Year ESG Performance and Impact Data

Environmental

	Unit of Measure ¹	2021	2022	2023	Y-o-y % change
Air Emissions					
Nitrogen oxide (NO _x)	kg	2.01	2.13	2.30	
Sulphur oxide (SO _x)	kg	0.06	0.07	1.89	
Particulate matters (PM10)	kg	0.11	0.12	0.14	
Energy Consumption					
Towngas	Unit	2,947	2,382	2,146	
Petrol	Litres	4,200	4,009	4,285	
Diesel ²	Litres	4,383	5,456	4,389	
Purchased Electricity	MWh	53,409	50,375	51,232	+1.7%
Purchased Electricity Intensity	MWh/sq ft	0.012	0.011	0.011	+1.7%
Total Energy Consumption	MWh	53,530	50,504	51,349	+1.7%
	GJ ³	192,554	181,668	184,709	
Total Energy Consumption Intensity	MWh/sq ft	0.012	0.011	0.011	+1.7%
	GJ/sq ft	0.042	0.040	0.041	
On-site Renewable Energy generation ⁴	kWh	6,850	24,700	34,062	
Renewable Energy Certificate (REC) Purchased ⁵	kWh	641	19,701	29,503	
Refrigerants					
Refrigerant refilled	Tonne	0.63	0.54	1.12 ⁶	
GHG Emission from refrigerants	Tonne CO ₂ e	1,210	758	1,724	
Greenhouse Gas ("GHG") Emission^{7,8}					
Scope 1 ⁹	Tonne CO ₂ e	548	789	1,754	
Scope 2 ¹⁰	Tonne CO ₂ e	37,922	35,767	34,839	
Total GHG Emission (Scope 1 & 2)	Tonne CO ₂ e	38,470	36,557	36,593	+0.1%
Total GHG Emission (Scope 1 & 2) Intensity	Tonne CO ₂ e/sq ft	0.0084	0.0080	0.0080	+0.1%
Water Consumption					
Municipal water use	m ³	295,899	281,790	276,824	-1.8%
Water use Intensity	m ³ /sq ft	0.065	0.062	0.061	-1.8%
Wastewater Generation ¹¹	m ³	236,719	225,432	221,459	
Waste¹²					
Hazardous waste disposed					
Chemical waste (solid)	kg	5,357	325	465	
Non-hazardous waste disposed					
General waste disposed to landfill	Tonnes	4,409	4,459	3,239	
Materials Recycled					
Paper	Tonnes	1,100	949	555	
Aluminium Cans	Tonnes	3	5	1	
Glass	Tonnes	2	2	4	
Plastic Bottles	Tonnes	3	27	1	
Food waste	Tonnes	29	34	43	
Total materials diverted from landfill	Tonnes	1,137	1,017	602	-40.8%

NA: Data not available or not collected.

Notes:

- Majority of figures are rounded to whole number unless otherwise presented with decimals as appropriate.
- Diesel was used for routine maintenance and checking of emergency generators only.
- The conversion unit of 1 Gigajoule (GJ) is 0.278 MWh.
- The scope covers the solar PVs installed at our commercial properties only. RE generation in Bamboo Grove is not metered. All RE generated in commercial building (HP/ LG1/ LG3) is fed-in to the grid of Hongkong Electric Company Limited.
- RECs purchased was not used to offset any of Hysan's GHG emissions.
- Refrigerants included Bamboo Grove after the change of management in 2023.
- Greenhouse Gas (GHG) emissions were calculated based on the Department for Environment Food and Rural Affairs (DEFRA) Conversion Factors 2023, (IPCC) Intergovernmental Panel on Climate Change – GWP Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong, 2010 Edition published by the Environmental Protection Department and the Electrical and Mechanical Services Department, which includes carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), HFCs and CFCs.
- Emission factor (EF) adopted for purchased electricity is 0.68 kgCO₂e/kWh as provided by HK Electric Investments Sustainability Report 2022. The EF for Towngas is 0.576 kg CO₂e/unit as provided by The Hong Kong and China Gas Company Limited ESG Report 2022. The EF for Water Consumption and Sewage discharge, which being categorised into Scope 3 emissions are 0.435 kg CO₂e /m³ and 0.21 kg CO₂e/m³ as provided by Water Supplies Department Annual Report 2021/22 and Drainage Services Department Sustainability Report 2021-22 respectively.
- Scope 1 emissions included direct emissions from Towngas, diesel, petrol and refrigerants.
- Scope 2 emissions included in direct emissions from purchased electricity and Towngas.
- Quantity of sewage is estimated to be 80% of total municipal water consumed.
- Refer to waste collected from tenants, and common areas, unless otherwise specified.

Social

		Unit of Measure	2021	2022	2023
Workforce¹³ (as of 31 December 2023)					
Total Number of Employees			467	497	514
by Gender	Male	No. of employee	290	304	316
	Female	No. of employee	177	193	198
	Male in managerial position	%	51	53	56
	Female in managerial position	%	49	37	44
by Employment Type	Full-time	No. of employee	467	497	514
	Part-time	No. of employee	0	0	0
by Employment Grades	Assistant General Manager and above and above	No. of employee	NA	27	25
	Senior Manager and Manager	No. of employee	NA	69	70
	General Staff	No. of employee	NA	162	166
	Operation Staff	No. of employee	NA	239	253
by Employment Contract	Permanent	No. of employee	439	460	456
	Temporary	No. of employee	28	37	58
by Age Group	≤ Aged 29	No. of employee	70	71	78
	Aged 30–49	No. of employee	276	297	285
	Aged ≥ 50	No. of employee	121	129	151
by Geographical Region	Hong Kong	No. of employee	467	484	501
	The Mainland	No. of employee	0	13	13
Number of employee entitled paternal leave	Male	No. of employee	NA	304	316
	Female	No. of employee	NA	193	198
Number of employee applied paternal leave	Male	No. of employee	NA	6	2
	Female	No. of employee	NA	5	6
Number of employee return to work	Male	No. of employee	NA	6	2
	Female	No. of employee	NA	5	6
Return to work rate	Male	%	NA	100	100
	Female	%	NA	100	100
Training					
Total Training Hours		No. of hours	10,252	15,565	17,676
by Type of Training	Anti-corruption	No. of hours	NA	227	119
	Cybersecurity training	No. of hours	NA	1,290	1,020
	Environmental	No. of hours	NA	136	93
	Health & Safety Related Topics	No. of hours	3,176	8,808	7,014
	Professional training	No. of hours	NA	4,497	9,061
	Others	No. of hours	NA	607	368
Average Training Hours per Employee		No. of hours	22	31	34
by Gender	Male	No. of hours	19	35	32
	Female	No. of hours	26	26	38
by Employment Grades	Assistant General Manager and above	No. of hours	NA	19	18
	Senior Manager and Manager	No. of hours	NA	19	33
	General Staff	No. of hours	NA	26	25
	Operation Staff	No. of hours	NA	40	43

Appendix 1: Three-Year ESG Performance and Impact Data

		Unit of Measure	2021	2022	2023
New Hires					
New Hires	New hires rate	%	NA	29	28
by age group	≤ Aged 29	%	NA	61	45
	Aged 30–49	%	NA	28	25
	Aged ≥ 50	%	NA	7	23
Gender breakdown	Male	%	NA	23	27
	Female	%	NA	37	29
by Geographical Region	Hong Kong	%	NA	27	28
	The Mainland	%	NA	100 ¹⁴	23
Turnover					
Total Number of Leavers¹⁵		No. of employee	120	95	104
Turnover Rate¹⁶		%	26	19	20
by Employment Grade	Assistant General Manager and above	%	NA	4	12
	Senior Manager and Manager	%	NA	22	19
	General Staff	%	NA	25	22
	Operation Staff	%	NA	16	20
by Gender	Male	%	13	14	20
	Female	%	12	27	21
by Age Group	≤ Aged 29	%	54	34	26
	Aged 30–49	%	25	21	25
	Aged ≥ 50	%	11	8	9
by Geographical Region	Hong Kong	%	26	20	21
	The Mainland	%	NA	0	8
Health and Safety					
	Total number of workdays	No. of days	NA	132,494	137,212
	Total number of workhours	No. of hours	NA	1,035,799	1,072,720
	Total number of lost days due to work-related injuries	No. of days	55	24	158
	Total number of work injuries	No. of cases	11	7	5
	Injury Rate ¹⁷	%	2.36	1.41	0.97
	Lost Day Rate ¹⁸	%	0.04	0.02	0.12
	Total number of Fatality	No. of cases	0	0	0
	Work-related Fatality Rate ¹⁹	%	0	0	0
Supplier²⁰					
by Geographical Region	Hong Kong	No. of supplier	NA	1,527	1,534
	The Mainland	No. of supplier	NA	2	4
	Others	No. of supplier	NA	16	15

NA: Data not available or not collected.

13 Workforce-related figures included all Hysan's employees, excluding Chairman, Executive Director & Chief Operating Officer and the Board of Directors.

14 100% of new hire rate in FY2022 is due to the expansion of Lee Gardens Shanghai office following to its acquisition.

15 Total Number of Leavers includes both voluntary and involuntary leavers as of 31 Dec of the respective year.

16 Turnover Rate is calculated as the Total Number of Leavers divided by Total Number of Employees. Turnover Rate for specific categories is calculated by dividing the Total Number of Leavers in that category by Total Number of Employees in that category.

17 Injury rate is calculated by the Total Number of Work Injuries divided by Total Number of Employees.

18 Lost day rate is calculated by the Total Number of Lost Days due to Work-related Injuries divided by Total number of Workdays.

19 Work-related Fatality Rate is calculated as the Total Number of Work-related Fatalities divided by the Total Number of Employees.

20 The number of suppliers is the number of "active service providers" in the reporting period. "Active" is defined as the service providers used or with an active contract in the past 3 years.

Appendix 2: Membership and Charters, Awards and Recognitions

Memberships and Charter

ULI – Corporate Member

Urban Land Institute

HKGBC patron member – Gold Member 2023

Sustainable Development Committee (SDC) – Co-opted Member 2022-23
Hong Kong Green Building Council

BEC Council Member

Climate Change Business Forum Advisory Group
Circular Economy (CE) Advisory Group
Sustainable Living Environment (SLE) Advisory Group
Net-zero Carbon Charter
Business Environment Council

HKCSS Caring Company

The Hong Kong Council of Social Service

The Racial Diversity & Inclusion Charter for Employers

Equal Opportunities Commission

Energy Saving Charter 2023

Environmental Protection Department

Green Event Pledge

Environmental Protection Department

Sustainable Procurement Charter

Green Council

Bring Your Own Containers (BYOC) Eateries Scheme

Environmental Protection Department and Environmental Campaign Committee

Glass Container Recycling Charter of EPD

Environmental Protection Department

Awards and Recognition

9th Investor Relations Awards 2023

- **Best IR Company (Mid Cap)**
- **Best Investor Presentation Material (Mid Cap)**
- **Best Annual Report (Mid Cap)**
- **Best ESG (S) (Mid Cap)**
- **Best ESG (G) (Mid Cap)**

Hong Kong Investor Relations Association

Best Corporate Governance and ESG Awards 2023

- **Corporate Governance Awards (Non-Hang Seng Index (Medium Market Capitalization) Category)**

Hong Kong Institute of Certified Public Accountants

Sustainability Award 2023

- **Distinction Award (Large Organizations)**

Hong Kong Management Association

The Excellence Building Award 2023

- **Grand Award – (Existing Building) Revitalization project for Hysan Office Headquarter at Lee Garden One**

The Hong Kong Institution of Engineers

Zero-Carbon-Ready Building Certification Scheme – Existing Building – EUI Pathway

- **Hysan Place**
- **Lee Garden One**

Hong Kong Green Building Council

Hong Kong Awards for Environmental Excellence – Certificate of Merit – Property Management (Commercial & Industrial)

- **Hysan Property Management Limited – Hysan Place**

HKAAEE Environmental Campaign Committee

LEED Certification (C&S, O+M)

US Green Building Council

BEAM Plus Certification (NB, EB)

The Hong Kong Green Building Council

WELL Certification

The International WELL Building Institute

WELL Health Safety Rating Certificate

The International WELL Building Institute

Hong Kong Green Organization Certificate

Environmental Campaign Committee

Breastfeeding friendly workplace – Gold

Hong Kong Committee for UNICEF

Indoor Air Quality Certificate Awards – Excellent and Good Class

Environmental Protection Department

IAQwi\$e Certificate – Excellent and Good Class

Environmental Campaign Committee

Quality Water Supply Scheme for Buildings – Flushing Water

Water Supplies Department

Quality Water Supply Scheme for buildings – Fresh Water (Management System) Certificate

Water Supplies Department

Umbrella Bags Reduction Accreditation Program 2023 – Diamond, Gold, Silver and Bronze Medal

Greeners Action

Wastewi\$e Certification – Excellence and Good Level

Environmental Campaign Committee

Mooncake Boxes Recycling Program 2023 – Certificate of Appreciation

Greeners Action

Peach Blossom Trees Recycling Programme 2022-2023 – Certificate of Appreciation

Environmental Protection Department

23/24 Natural Christmas Trees Recycling Programme – Certificate of Appreciation

Environmental Protection Department

Appendix 3: HKEX ESG Reporting Guide Index

Hysan continues to comply fully with the requirements of the provisions contained in the Environmental, Social and Governance Reporting Guide, Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Aspect & Key Performance Indicator	General Disclosure and Key Performance Indicators (KPIs)	Section/Remarks
General structure	A statement from the board containing the following elements: <ol style="list-style-type: none"> a disclosure of the board's oversight of ESG issues the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses. 	<ul style="list-style-type: none"> Sustainability Governance
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: <ol style="list-style-type: none"> Materiality Quantitative Consistency Balance 	<ul style="list-style-type: none"> About This Report
Reporting Boundary	Reporting boundaries of the ESG report and process of setting them	<ul style="list-style-type: none"> About This Report

A. Environmental

A1 Emissions

General disclosure	Information on: <ol style="list-style-type: none"> the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 	<ul style="list-style-type: none"> Environment <p>In 2023, there was no non-compliance with relevant laws and regulations that had a significant impact on Hysan.</p>
KPI A1.1 The types of emissions and respective emissions data	The types of emissions and respective emissions data.	<ul style="list-style-type: none"> Environment Appendix 1: Three-Year ESG Performance and Impact Data – Environmental
KPI A1.2 Direct (Scope 1) and energy indirect (Scope 2) GHG emissions and intensity	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
KPI A1.3 Total hazardous waste produced and intensity	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
KPI A1.4 Total non-hazardous waste produced and intensity	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
KPI A1.5 Description of emission target(s) set and steps taken to achieve them	Description of measures to mitigate emissions and results achieved.	<ul style="list-style-type: none"> Sustainability at Hysan Environment
KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	<ul style="list-style-type: none"> Environment Hazardous waste is not material to our operations. We manage it according to the local regulatory requirements, from storage to disposal, where the use of a qualified third-party contractor is mandatory

Aspect & Key Performance Indicator	General Disclosure and Key Performance Indicators (KPIs)	Section/Remarks
A2 Use of resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	<ul style="list-style-type: none"> Environment
KPI A2.1 Direct and/or indirect energy consumption by type in total and intensity	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	<ul style="list-style-type: none"> Environment Appendix 1: Three-Year ESG Performance and Impact Data – Environmental
KPI A2.2 Water consumption in total and intensity	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	<ul style="list-style-type: none"> Environment Appendix 1: Three-Year ESG Performance and Impact Data – Environmental
KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them	Description of energy use efficiency initiatives and results achieved.	<ul style="list-style-type: none"> Environment
KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set taken to achieve them	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	<ul style="list-style-type: none"> Environment <p>There were no problems in sourcing water encountered in our operations.</p> <p>Freshwater is municipally sourced which is considered adequate and fit for use and thus not anticipating any material impact on the Group, yet we strive to conserve water consumption.</p>
KPI A2.5 Total packaging material used for finished products	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Data not tracked. The use of packaging material is not material to the Group.
A3 The environment and natural resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	<ul style="list-style-type: none"> Environment
KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	
A4 Climate change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	<ul style="list-style-type: none"> Sustainability Governance – Risk Management Environment
KPI A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change Policy is established in 2022 to demonstrate our commitment in addressing climate-related risks.
B. Social		
Employment and Labour Practices		
B1 Employment		
General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. 	<ul style="list-style-type: none"> People <p>There were no reported cases of non-compliance related to employment that had a significant impact on the Group in 2023.</p> <p>There is no collective bargaining legislation in Hong Kong, yet we do respect the right of association of our employees as stated in our Human Rights Policy.</p>

Aspect & Key Performance Indicator	General Disclosure and Key Performance Indicators (KPIs)	Section/Remarks
KPI B1.1 Total workforce by gender, employment type, age group and geographical region	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	<ul style="list-style-type: none"> Appendix 1: Three-Year ESG Performance and Impact Data – Social
KPI B1.2 Employee turnover rate by gender, age group and geographical region	Employee turnover rate by gender, age group and geographical region.	
B2 Health and safety		
General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. 	<ul style="list-style-type: none"> People There were no reported cases of non-compliance related to health and safety in 2023.
KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	Number and rate of work-related fatalities.	<ul style="list-style-type: none"> People Appendix 1: Three-Year ESG Performance and Impact Data – Social
KPI B2.2 Lost days due to work injury	Lost days due to work injury.	
KPI B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored	Description of occupational health and safety measures adopted, how they are implemented and monitored.	<ul style="list-style-type: none"> People
B3 Development and training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	<ul style="list-style-type: none"> People
KPI B3.1 The percentage of employees trained by gender and employee category	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	All staff receives corporate training and subject to the job nature, specific training is further provided and thus training percentage to our employees is 100%. More relevant data including the average training hours completed per employee by gender and employee category, and total training hours by training topics completed is available.
KPI B3.2 Average training hours completed per employee by gender and employee category	The average training hours completed per employee by gender and employee category.	<ul style="list-style-type: none"> People Appendix 1: Three-Year ESG Performance and Impact Data – Social
B4 Labour standards		
General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. 	<ul style="list-style-type: none"> People Corporate website – Group Policies and Governance There were no reported cases of non-compliance related to child and forced labour in 2023.
KPI B4.1 Description of measures to review employment practices to avoid child and forced labour	Description of measures to review employment practices to avoid child and forced labour.	While child and forced labour is illegal and absolutely forbidden, any identified or suspected incidents can be reported and will be followed-through as per our Whistleblowing Policy.
KPI B4.2 Description of steps taken to eliminate such practices when discovered	Description of steps taken to eliminate such practices when discovered.	

Aspect & Key Performance Indicator	General Disclosure and Key Performance Indicators (KPIs)	Section/Remarks
Operating Practices		
B5 Supply chain management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	<ul style="list-style-type: none"> Sustainability Governance Environment
KPI B5.1 Number of suppliers by geographical region	Number of suppliers by geographical region.	<ul style="list-style-type: none"> Appendix 1: Three-Year ESG Performance and Impact Data – Social
KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	<ul style="list-style-type: none"> Sustainability Governance Environment People
KPI B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	
KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	
B6 Product responsibility		
General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 	<ul style="list-style-type: none"> Sustainability Governance In 2023, there was no non-compliance with relevant laws and regulations that had a significant impact on the Group. We are committed to ensuring that our marketing and communications materials comply with relevant government regulations and industry guidelines, including the Residential Properties (First-hand Sales) Ordinance in Hong Kong and the Consent Scheme of the Lands Department, HKSAR.
KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Recalls of product sold is immaterial to our business operations.
KPI B6.2 Number of products and service related complaints received and how they are dealt with	Number of products and service related complaints received and how they are dealt with.	In order to effectively handle complaints and requests from tenants and customers, Hysan has an automated case management system with electronic standard operating procedures (“SOPs”) to ensure efficient resolution of cases through real time updates and quick access to information. We also have a standardised customer complaint handling procedure to ensure written requests or complaints shall be answered in a timely manner. In 2023, there were no substantiated complaints received relating to products and services provided that had a significant impact on the Group.
KPI B6.3 Description of practices relating to observing and protecting intellectual property rights	Description of practices relating to observing and protecting intellectual property rights.	<ul style="list-style-type: none"> Sustainability Governance We respect property rights, including intellectual property rights, and require our employees to comply with applicable legal requirements relating to the collection, holding, processing, disclosure, and use of personal data, and to respect the privacy of others and the confidentiality of information received through our operations.

Aspect & Key Performance Indicator	General Disclosure and Key Performance Indicators (KPIs)	Section/Remarks
KPI B6.4 Description of quality assurance process and recall procedures	Description of quality assurance process and recall procedures.	<ul style="list-style-type: none"> Sustainability Governance People <p>Hysan has always placed the highest priority on safety and quality in our property development projects. We do not consider recall procedures to be material to our operations.</p>
KPI B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	<ul style="list-style-type: none"> Sustainability Governance <p>We respect personal data privacy and are committed to fully implementing and complying with the data protection principles under the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) (the "Ordinance"). Employees are required to comply with the Ordinance and the Group's privacy compliance policies and procedures. Please refer to our Privacy Policy Statement for further details.</p>
B7 Anti-corruption		
General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 	<ul style="list-style-type: none"> Sustainability Governance <p>In 2023, there was no non-compliance with relevant laws and regulations that have a significant impact on the Group.</p>
KPI B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	In 2023, there were no concluded legal cases regarding corrupt practices brought against Hysan or its employees.
KPI B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	<ul style="list-style-type: none"> Sustainability Governance
KPI B7.3 Description of anticorruption training provided to directors and staff	Description of anti-corruption training provided to directors and staff.	<p>Anti-corruption training is provided to Directors and all employees. Specifically, training materials for Directors are embedded in a comprehensive memorandum on Directors' Duties and Responsibilities and are available at a separate portal for Directors to access anytime and anywhere.</p> <p>Senior management are reminded of their relevant duties on a half-yearly basis with training materials accessible on our Intranet.</p> <p>All employees are required to complete anti-corruption training courses within the first three months of their employment. Training materials are available on Hysan's Mobile Learning Platform, which features with live videos and interactive features to support employee learning at any time, any pace and any place.</p>
Community		
B8 Community investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	<ul style="list-style-type: none"> The Community
KPI B8.1 Focus areas of contribution	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	
KPI B8.2 Resources contributed	Resources contributed (e.g. money or time) to the focus area.	

Appendix 4: GRI Content Index

GRI Indicator	Description	Section/Remarks
GRI 2: General Disclosures 2021		
The Organisation and its reporting practices		
2-1	Organisational details	<ul style="list-style-type: none"> About Hysan/Sustainability at Hysan
2-2	Entities included in the organization's sustainability reporting	<ul style="list-style-type: none"> About this Report
2-3	Reporting period, frequency and contact point	<ul style="list-style-type: none"> About this Report
2-4	Restatements of information	<ul style="list-style-type: none"> Not applicable
2-5	External assurance	<ul style="list-style-type: none"> Appendix 5: Verification Statement
Activities and Workers		
2-6	Activities, value chain and other business relationships	<ul style="list-style-type: none"> Sustainability at Hysan Stakeholder Engagement and Materiality Assessment Corporate website – Business <p>There is no significant change in the sector of our operation and thus the value chain and business relationships.</p>
2-7	Employees	<ul style="list-style-type: none"> People Appendix 1: Three-Year ESG Performance and Impact Data – Social
2-8	Workers who are not employees	<ul style="list-style-type: none"> Sustainability Governance Stakeholder Engagement and Materiality Assessment Environment People <p>Examples of the most common types of workers who are not Hysan's employees include consultants, construction contractors, and service providers who support our business operations.</p>
Governance		
2-9	Governance structure and composition	<ul style="list-style-type: none"> Sustainability Governance Annual Report 2023 – Corporate Governance Report
2-10	Nomination and selection of the highest governance body	<ul style="list-style-type: none"> Annual Report 2023 – Corporate Governance Report Corporate Website – Group Policies and Governance
2-11	Chair of the highest governance body	<ul style="list-style-type: none"> Sustainability Governance
2-12	Role of the highest governance body in overseeing the management of impacts	<ul style="list-style-type: none"> Annual Report 2023 – Corporate Governance Report
2-13	Delegation of responsibility for managing impacts	
2-14	Role of the highest governance body in sustainability reporting	
2-15	Conflicts of interest	
2-16	Communication of critical concerns	
2-17	Collective knowledge of the highest governance body	
2-18	Evaluation of the performance of the highest governance body	<ul style="list-style-type: none"> Annual Report 2023 – Corporate Governance Report
2-19	Remuneration policies	
2-20	Process to determine remuneration	
2-21	Annual total compensation ratio	<ul style="list-style-type: none"> Annual Report 2023 – Financial Statements, Valuation and Other Information

GRI Indicator	Description	Section/Remarks
Strategy, Policies and Practices		
2-22	Statement on sustainable development strategy	<ul style="list-style-type: none"> Message from the Executive Director and Chief Operating Officer, Sustainability at Hysan
2-23	Policy commitments	<ul style="list-style-type: none"> Sustainability Governance
2-24	Embedding policy commitments	<ul style="list-style-type: none"> Corporate website – Group Policies and Governance
2-25	Processes to remediate negative impacts	<ul style="list-style-type: none"> Sustainability Governance
2-26	Mechanisms for seeking advice and raising concerns	<ul style="list-style-type: none"> People Corporate website – Group Policies and Governance
2-27	Compliance with laws and regulations	<ul style="list-style-type: none"> Sustainability Governance <p>In 2023, there was no non-compliance with laws and regulations that had a significant impact on Hysan.</p>
2-28	Membership associations	<ul style="list-style-type: none"> Appendix 2: Membership and Charters, Awards and Recognitions
Stakeholder engagement		
2-29	Approach to stakeholder engagement	<ul style="list-style-type: none"> Stakeholder Engagement and Materiality
2-30	Collective bargaining agreements	There are no formal collective bargaining agreements in place within the Group. Yet, we do respect the right of association of our as stated in our Human Right Policy.
GRI 3: Material Topics 2021		
Disclosure on Material Topics		
3-1	Process to determine material topics	<ul style="list-style-type: none"> Stakeholder Engagement and Materiality
3-2	List of material topics	
Economic		
GRI 201: Economic Performance 2016		
3-3	Management of material topics	<ul style="list-style-type: none"> Annual Report 2023 – Business Performance
201-1	Direct economic value generated and distributed	<ul style="list-style-type: none"> Annual Report 2023 – Financial Statements, Valuation and Other Information
201-2	Financial implications and other risks and opportunities due to climate change	<ul style="list-style-type: none"> Stakeholder Engagement and Materiality
201-3	Defined benefit plan obligations and other retirement plans	<ul style="list-style-type: none"> Annual Report 2023 – Financial Statements, Valuation and Other Information
GRI 203: Indirect Economic Impacts 2016		
3-3	Management of material topics	<ul style="list-style-type: none"> Sustainability at Hysan Sustainability Governance
203-1	Infrastructure investments and services supported	<ul style="list-style-type: none"> Stakeholder Engagement and Materiality The Community
203-2	Significant indirect economic impacts	
GRI 205: Anti-corruption 2016		
3-3	Management of material topics	<ul style="list-style-type: none"> Sustainability Governance
205-1	Operations assessed for risks related to corruption	<ul style="list-style-type: none"> Annual Report 2023 – Corporate Governance
205-2	Communication and training about anti-corruption policies and procedures	
205-3	Confirmed incidents of corruption and actions taken	In 2023, there was no confirmed incident of corruption brought against Hysan.

Appendix 4: GRI Content Index

GRI Indicator	Description	Section/Remarks
Environmental		
GRI 301: Materials 2016		
3-3	Management of material topics	<ul style="list-style-type: none"> Environment
GRI 101: Biodiversity 2024		
101-2	Management of biodiversity impacts	<ul style="list-style-type: none"> Environment <p>None of our properties are located near protected areas or areas of high biodiversity value outside protected areas.</p>
GRI 302: Energy 2016		
3-3	Management of material topics	<ul style="list-style-type: none"> Environment
302-1	Energy consumption within the organisation	<ul style="list-style-type: none"> Appendix 1: Three-Year ESG Performance and Impact Data – Environmental
302-3	Energy intensity	<ul style="list-style-type: none"> Appendix 1: Three-Year ESG Performance and Impact Data – Environmental
302-4	Reduction of energy consumption	<ul style="list-style-type: none"> Environment
GRI 303: Water and Effluents 2018		
3-3	Management of material topics	<ul style="list-style-type: none"> Environment
303-1	Interactions with water as a shared resource	<ul style="list-style-type: none"> Environment <p>Municipal water is the only source for our properties in Hong Kong and Shanghai.</p>
303-2	Management of water discharge-related impacts	<ul style="list-style-type: none"> Environment <p>All wastewater from our operations is discharged to the municipal wastewater system for treatment.</p>
303-5	Water consumption	<ul style="list-style-type: none"> Appendix 1: Three-Year ESG Performance and Impact Data – Environmental
GRI 305: Emissions 2016		
3-3	Management of material topics	<ul style="list-style-type: none"> Environment
305-1	Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> Environment
305-2	Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> Appendix 1: Three-Year ESG Performance and Impact Data – Environmental
305-3	Other indirect (Scope 3) GHG emissions	
305-4	GHG emissions intensity	
305-5	Reduction of GHG emissions	
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	<ul style="list-style-type: none"> Appendix 1: Three-Year ESG Performance and Impact Data – Environmental
GRI 306: Waste 2020		
3-3	Management of material topics	<ul style="list-style-type: none"> Environment
306-3	Waste generated	<ul style="list-style-type: none"> Appendix 1: Three-Year ESG Performance and Impact Data – Environmental
306-4	Waste diverted from disposal	
306-5	Waste directed to disposal	
GRI 308: Supplier Environmental Assessment 2016		
3-3	Management of material topics	<ul style="list-style-type: none"> Sustainability Governance Environment People

GRI Indicator	Description	Section/Remarks
Social		
GRI 401: Employment 2016		
3-3	Management of material topics	<ul style="list-style-type: none"> • People
401-3	Parental leave	<ul style="list-style-type: none"> • People • Appendix 1: Three-Year ESG Performance and Impact Data – Social
GRI 403: Occupational Health and Safety 2018		
3-3	Management of material topics	<ul style="list-style-type: none"> • People
403-2	Hazard identification, risk assessment, and incident investigation	
403-9	Work-related injuries	<ul style="list-style-type: none"> • Appendix 1: Three-Year ESG Performance and Impact Data – Social
GRI 404: Training and Education 2016		
3-3	Management of material topics	<ul style="list-style-type: none"> • People
404-1	Average hours of training per year per employee	<ul style="list-style-type: none"> • People • Appendix 1: Three-Year ESG Performance and Impact Data – Social
GRI 405: Diversity and Equal Opportunity 2016		
3-3	Management of material topics	<ul style="list-style-type: none"> • People
405-1	Diversity of governance bodies and employees	<ul style="list-style-type: none"> • People • Appendix 1: Three-Year ESG Performance and Impact Data – Social • Annual Report 2023 – Corporate Governance
GRI 406: Non-discrimination 2016		
3-3	Management of material topics	<ul style="list-style-type: none"> • People
406-1	Incidents of discrimination and corrective actions taken	In 2023, there is no confirmed incident of discrimination at Hysan.
GRI 410: Security Practices 2016		
3-3	Management of material topics	<ul style="list-style-type: none"> • People
410-1	Security personnel trained in human rights policies or procedures	In 2023, 100% of security personnel have received formal training in our SOP Manual.
GRI 413: Local Communities 2016		
3-3	Management of material topics	<ul style="list-style-type: none"> • The Community
GRI 414: Supplier Social Assessment 2016		
3-3	Management of material topics	<ul style="list-style-type: none"> • Sustainability Governance • Environment • People
GRI 416: Customer Health and Safety 2016		
3-3	Management of material topics	<ul style="list-style-type: none"> • Stakeholder Engagement and Materiality • People
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	In 2023, there are no incidents of non-compliance concerning the health and safety impacts of services at Hysan.
GRI 418: Customer Privacy 2016		
3-3	Management of material topics	<ul style="list-style-type: none"> • Sustainability Governance
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2023, Hysan has not received complaints concerning breaches of customer privacy and losses of customer data.

Appendix 5: Verification Statement



VERIFICATION STATEMENT

Scope and Objective

Hong Kong Quality Assurance Agency (“HKQAA”) has been engaged by Hysan Development Company Limited (“Hysan”) to conduct an independent verification of its 2023 Sustainability Report (“Report”). The Report outlines Hysan’s continuous commitments towards sustainability for the period of 1st January 2023 to 31st December 2023.

The aim of this verification is to provide a reasonable assurance on the completeness and accuracy of the information stated in the Report which has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (“ESG Reporting Guide”) of The Stock Exchange of Hong Kong Limited and referenced the Global Reporting Initiative (“GRI”) Standards focusing on the sustainability issues that have been identified as material to Hysan’s business and its stakeholders.

Level of Assurance and Methodology

The process applied in this verification was based on the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. Our verification process was designed to obtain a reasonable level of assurance for devising opinions and conclusions. The extent of this verification process undertaken was provided for the criteria set in the ESG Reporting Guide and GRI Standards.

Our verification procedure performed covered reviewing systems and processes for collecting, collating and reporting of the performance data, verifying relevant documentation, interviewing responsible personnel with accountability for preparing the Report. Raw data and supporting evidence of the selected samples were thoroughly examined during the verification process.

Independence

Hysan is responsible for the collection and presentation of the information. HKQAA did not involve in the collection and calculation of data or the compilation of the reporting contents where HKQAA’s verification activities are independent from Hysan. There is no relationship between HKQAA and Hysan that will affect the independence of HKQAA for providing the verification service.

Conclusion

Based on the verification of the selected samples and the evidence obtained, our verification opinion is that:

- The Report has complied with the mandatory disclosure requirements and “comply or explain” provisions specified in the ESG Reporting Guide and referenced the Global Reporting Initiative (“GRI”) Standards;
- The sustainability performance and information stated in the Report is structured, balanced and consistent; and
- The data and information disclosed in the Report are factual, accurate and reliable.

In conclusion, HKQAA has obtained reasonable assurance and is in the opinion that Hysan has disclosed its sustainability performance in a transparent manner. To improve the contents coverage and address stakeholders’ expectations, Hysan refers the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”) to disclose its climate-related management measures.

Signed on behalf of Hong Kong Quality Assurance Agency

Connie Sham
Head of Audit
February 2024

Appendix 6: Glossary of key terms

Abbreviation	Full form
AHU	Air Handling Units
AR6	The Sixth Assessment Report
BEAM	Building Environmental Assessment Method
BIM	Building Informational Modelling
BMS	Building Management System
C&D	Construction and Demolition
CGBL	China Green Building Label
CH ₄	Methane
CO ₂	Carbon dioxide (GHG presented in tonnes of carbon dioxide equivalent)
COP	Coefficient of Performance
COSO	Committee of Sponsoring Organisations of the Treadway Commission
DPMG	Data Privacy Management Group
EC	Electronically Commutated
EF	Emission Factor
ETS	Emission Trading System
F&B	Food and Beverage
FSC	Forest Stewardship Council
FY	Financial Year
GJ	Gigajoule
GWP	Global Warming Potential
HFC	Hydrofluorocarbon
HFO	Hydrofluoroolefin
HVAC	Heating, Ventilation, and Air Conditioning
IAQ	Indoor Air Quality
ILO	International Labour Organisation
IPCC	Intergovernmental Panel on Climate Change
IWBI	International WELL Building Institute
kWh	Kilowatt Hour
LEED	Leadership in Energy and Environment Design
MWh	Megawatt Hour
NOx	Nitrogen Oxide
OTV	Old and Valuable Tree
PAU	Primary Air Handling Units
PM10	Particulate Matter (10 micrometres or less in diameter)
PM2.5	Particulate Matter (2.5 micrometres or less in diameter)
REC	Renewable Energy Certificate
SBTi	Science-based Targets initiative
SOx	Sulphur Oxide
sq ft	Feet Squared (ft ²)
sq m	Metre Squared (m ²)
SRB	Smart Recycling Bin
SSP	Shared Socioeconomic Pathways
TCFD	Task Force on Climate-related Financial Disclosures
UNGC	United Nations Global Compact
VOCs	Volatile Organic Compounds

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