



# Creating a **Tapestry of Life**

Sustainability Report 2022

# Table of Contents

<b>1</b>	About This Report
<b>2</b>	Message from the Executive Director and Chief Operating Officer
<b>4</b>	Sustainability at Hysan
<b>14</b>	Governance
<b>20</b>	Stakeholder Engagement and Materiality
<b>24</b>	Environment
<b>35</b>	People
<b>44</b>	Community
<b>52</b>	Appendix 1: Three-year Performance Data
<b>55</b>	Appendix 2: Charters and Membership, Awards and Recognitions
<b>56</b>	Appendix 3: HKEX ESG Reporting Guide Index
<b>61</b>	Appendix 4: GRI Standards Content Index
<b>65</b>	Appendix 5: Verification Statement

# About This Report

## Reporting Scope and Boundary

The Sustainability Report (the “Report”) provides an overview of sustainability approach of Hysan Development Company Limited (“Hysan” or the “Group”), and its Environmental, Social and Governance (“ESG”) performance for the financial year ended 31 December 2022. This is Hysan’s 17th Sustainability Report since 2006.

This Report discloses details on the ESG performance of Hysan’s real estate portfolio in Hong Kong<sup>1</sup>.

## Reporting Standards and Principles

The Report aligns with the ESG Reporting Guide (“ESG Guide”) set out in Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange” or “HKEX”), references the Global Reporting Initiative (“GRI”) Standards 2021 and focuses on sustainability issues that are material to Hysan’s business and its stakeholders.

This is the first year we are taking reference of GRI in our ESG performance disclosures. In stepping up our climate-related disclosures and addressing the expectations of our stakeholders, we also refer to the framework recommended by the Task Force on Climate-related Financial Disclosures (“TCFD”).

The Report was prepared based on reporting principles of materiality, quantitative, consistency and balance as set out in the ESG Guide. This 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. Hong Kong Quality Assurance Agency (“HKQAA”) was commissioned to conduct independent assurance of the Sustainability Report in accordance with the (i) International Standard on Assurance Engagement (“ISAE”) 3000 (Revised), (ii) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the ISAE 3410, and (iii) Assurance Engagements on Greenhouse Gas (GHG) Statements issued by the International Auditing and Assurance Standards Board.

Please refer to Appendix 5 for the independent verification statement on whether the reported information compiles with the ESG Guide.

## Report Feedback

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

<sup>1</sup> This Sustainability Report covers Hysan’s portfolio in Hong Kong including 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. Together features the performance of major investment properties controlled and operated by Hysan in Hong Kong, with a combined contribution of over 90% of the Group’s revenue in 2022, and contributing to most material ESG impact to the Group and stakeholders.

# Message from the Executive Director and Chief Operating Officer



2022 was a significant year for Hysan's sustainable development. In this Sustainability Report, we highlight Hysan's Community Business Model and how it leads our direction of sustainable development. This should give our stakeholders a much clearer understanding as to why we do what we do, in our quest to curate a portfolio not just for today, but for generations to come.

Hong Kong, unfortunately, was severely buffeted by the fifth wave of COVID-19 during the first months of 2022. Hysan reacted swiftly to the needs of the community. Within weeks of the start of the pandemic, we built fully functional Community Vaccination Centres on two floors of our Leighton Centre. We then expanded the operation into our Caroline Hill Road site and completed another Vaccination Centre within a construction time of 18 days!

These Centres became Hong Kong Island's most popular vaccination venues, and they could not have been achieved without the significant cooperation of the Hong Kong Government's Civil Service Bureau, as well as our dauntless business partners of the Caroline Hill Road Project. Indeed, forming strong partnerships is at the heart of our Community Business Model and will continue to be the driving force behind Hysan's future growth.

Throughout these difficult months, we made full use of cutting-edge health-related technology to protect the wellness of our staff and customers. We also supported our tenants who faced difficult challenges during the pandemic, as well as other small businesses and community organisations, by donating air purifiers and other anti-virus items that enabled them to keep their operations going. Beyond Lee Gardens, we extended our support to businesses in To Kwa Wan, where a new Hysan project is currently underway.

## Message from the Executive Director and Chief Operating Officer

In addition to protecting stakeholders' physical wellness, we promoted social wellness through a variety of activities and campaigns, ranging from arts & culture programmes to yoga for our employees and the public. We believe this has helped to create a positive atmosphere as the community returns to a state of normalcy and business as usual.

We are also firmly committed to harnessing technology as one of the enablers in our Community Business Model. A prime example is The Community Lab, an initiative we established in May 2022 with Hong Kong Science and Technology Parks Corporation as our partner, along with Cohort 1 of the backbone programme, Last-mile Testing Programme. Through this partnership, we engaged start-ups and provided them with the opportunity to test drive their proofs-of-concept in a complex, high-traffic real-world environment with the support of our knowledgeable and experienced Hysan mentors. Our aim here is not just to hatch brilliant technology ideas that can be commercialised, but to find innovative solutions that will benefit the whole community.

In keeping with our Community Business Model and its focus on liveability, we continued to carry out the rejuvenation of our Lee Gardens neighbourhood. This is being done by creating new spaces with their own special identity, beautifying low-rise areas with murals, and building an in-mall skatepark at Hysan Place. We are also planning to increase pedestrian connectivity in the Lee Gardens Area by putting up a network of walkways and footbridges that will encourage greater use of public transport, thus alleviating traffic congestion in Causeway Bay.

Equally important, we further integrated sustainability into our portfolio and operations. To combat climate change, we completed a gap assessment on our carbon net-zero goals and made good progress with our decarbonization strategy. In 2022, some of our sustainability targets have achieved ahead of time, with reduction of 38% in carbon intensity and 21% in purchased electricity intensity from the baseline year.

Looking ahead, one of our key sustainability considerations will be the use of low energy designs and environmentally friendly waste management practices across the entire Lee Gardens Community. These and other green features will be part of our most sustainable developments yet, the Caroline Hill Road Project. In building climate change resilience of the project, during the year we have also set aggressive environmental performance targets and incorporated climate-related design features for addressing extreme weather conditions.

Training is another key to our future as a company. To prepare our people for the challenges that lie ahead, we increased the amount of staff training and education hours by more than 50% from the year before.

In terms of corporate governance, we will be strengthening gender diversity on our Board, with a target of having at least one-third of our members represented by women by 2025. We also launched a new Anti-Bribery and Corruption Policy and Climate Change Policy, and updated some existing governance policies.

2023 is the 100th anniversary of the founding of Lee Gardens. Hysan has always been steered with a long-term vision. This mindset has turned a barren hilltop with two houses into one of the world's most dynamic commercial districts, and one with a strong community heart.

I would like to take this opportunity to thank all members of the Hysan family, our stakeholders and partners who have come along on our journey of sustainability in the past. We look forward to making more positive impacts in our communities, so that Hysan's Lee Gardens will remain the most sought-after destination for living, working and flourishing for another hundred years to come.

**Ricky Lui**

*Executive Director and Chief Operating Officer*

# Sustainability at Hysan

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## About Hysan

Occupying approximately 4.5 million square feet of office, retail and residential tenant space at the centre of Causeway Bay, 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, and 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 "Core" in the Lee Gardens – Lee Gardens Area.



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## Our Sustainability Commitment

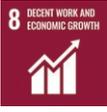
At Hysan, sustainability is embedded in all things we do, above and beyond mandatory requirements. Even when we were under the shadow of the pandemic, we continued to drive our sustainability journey forward. Our team was always on the lookout for opportunities to demonstrate our support to society, in alignment with the government's measures to combat the pandemic.

Sustainability drives the way we work with our stakeholders – from our tenants and customers to investors and employees – 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 to integrate the latest developments in business, community and the overall environment in which we operate. We also identify, assess and manage 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.

We focus on achieving the four key United Nations Sustainable Development Goals ("UNSDGs"), which are most relevant to our businesses, as illustrated on page 5 and are committed to contribute to ESG in our operations.

## United Nations Sustainable Development Goals (“UNSDGs”)

UNSDGs	Hysan’s contribution towards achieving the respective UNSDGs
 <p>3 – Good Health and Well-being</p>	<ul style="list-style-type: none"> <li>Promote community wellness and resilience, health and safety via various programmes and activities to stakeholders of the community.</li> <li>Set out and maintain comprehensive management measures to provide a safe and healthy environment for our staff at work and our community to live.</li> </ul>
 <p>8 – Decent Work and Economic Growth</p>	<ul style="list-style-type: none"> <li>Promote sustainable economic growth.</li> <li>Drive tenants’ business growth.</li> <li>Nurture entrepreneurs and incubate innovations.</li> <li>Provide an inclusive environment of decent work.</li> </ul>
 <p>11 – Sustainable cities and communities</p>	<ul style="list-style-type: none"> <li>Make cities and communities inclusive, safe, resilient, and sustainable.</li> <li>Apply climate actions and develop green and WELL buildings to optimize impacts.</li> <li>Conduct activities with focus contributing to community health and wellness, family and children, art and culture, environmental sustainability, diversity and inclusion.</li> </ul>
 <p>17 – Partnerships for the goals</p>	<ul style="list-style-type: none"> <li>Mobilize multiple resources including support from project partners, non-government organizations (“NGOs”), and the government, making positive social impacts particularly in the area of our operations.</li> <li>Enhance the use of innovation and technology.</li> </ul>

## Our Targets

In 2022, we achieved positive performance, with some targets achieved ahead of time. Although the worst of the pandemic may be over, we will nevertheless maintain a close watch on any lingering impacts it might have on our future performance as business resumes to normal levels. In 2023, we expect to further review our sustainability targets in line with a comprehensive stakeholder engagement during the year, as well as the results of the science-based targets (“SBTs”) gap assessment. We will also continue our Caroline Hill Road Project at full speed with comprehensive sustainability considerations incorporated. We will make adjustments to our sustainability strategy accordingly as new ESG trends may arise.

Category	Targets / Indicators	2022 Status
<b>Governance</b>	<ul style="list-style-type: none"> <li>Diversity and inclusion at Board Level: to achieve one-third of female directors by 2025</li> </ul>	<ul style="list-style-type: none"> <li>On track</li> </ul>
	<ul style="list-style-type: none"> <li>Zero case of cybersecurity incidents</li> </ul>	<ul style="list-style-type: none"> <li>Achieved</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>Reduce 20% carbon intensity by 2024 (Baseline: 2005)</li> </ul>	<ul style="list-style-type: none"> <li>Achieved</li> </ul>
	<ul style="list-style-type: none"> <li>Reduce 20% purchased electricity intensity by 2024 (Baseline: 2005)</li> </ul>	<ul style="list-style-type: none"> <li>Achieved</li> </ul>
	<ul style="list-style-type: none"> <li>Complete energy audit for 75% of our portfolio by 2025</li> </ul>	<ul style="list-style-type: none"> <li>Achieved</li> </ul>
	<ul style="list-style-type: none"> <li>Achieve 40% debt financed by sustainable finance by 2030</li> </ul>	<ul style="list-style-type: none"> <li>Achieved</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>Number of social impact partners (NGOs) engaged</li> </ul>	<ul style="list-style-type: none"> <li>40 NGOs</li> </ul>
	<ul style="list-style-type: none"> <li>Number of beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>4,287 beneficiaries</li> </ul>
<b>People</b>	<ul style="list-style-type: none"> <li>Achieve workplace injury rate to &lt;0.5% by 2030</li> </ul>	<ul style="list-style-type: none"> <li>On track</li> </ul>
	<ul style="list-style-type: none"> <li>Zero work-related fatalities of employee</li> </ul>	<ul style="list-style-type: none"> <li>Achieved</li> </ul>
	<ul style="list-style-type: none"> <li>Increase number of training hours by 30% by 2030 (Baseline: 2020)</li> </ul>	<ul style="list-style-type: none"> <li>Achieved</li> </ul>



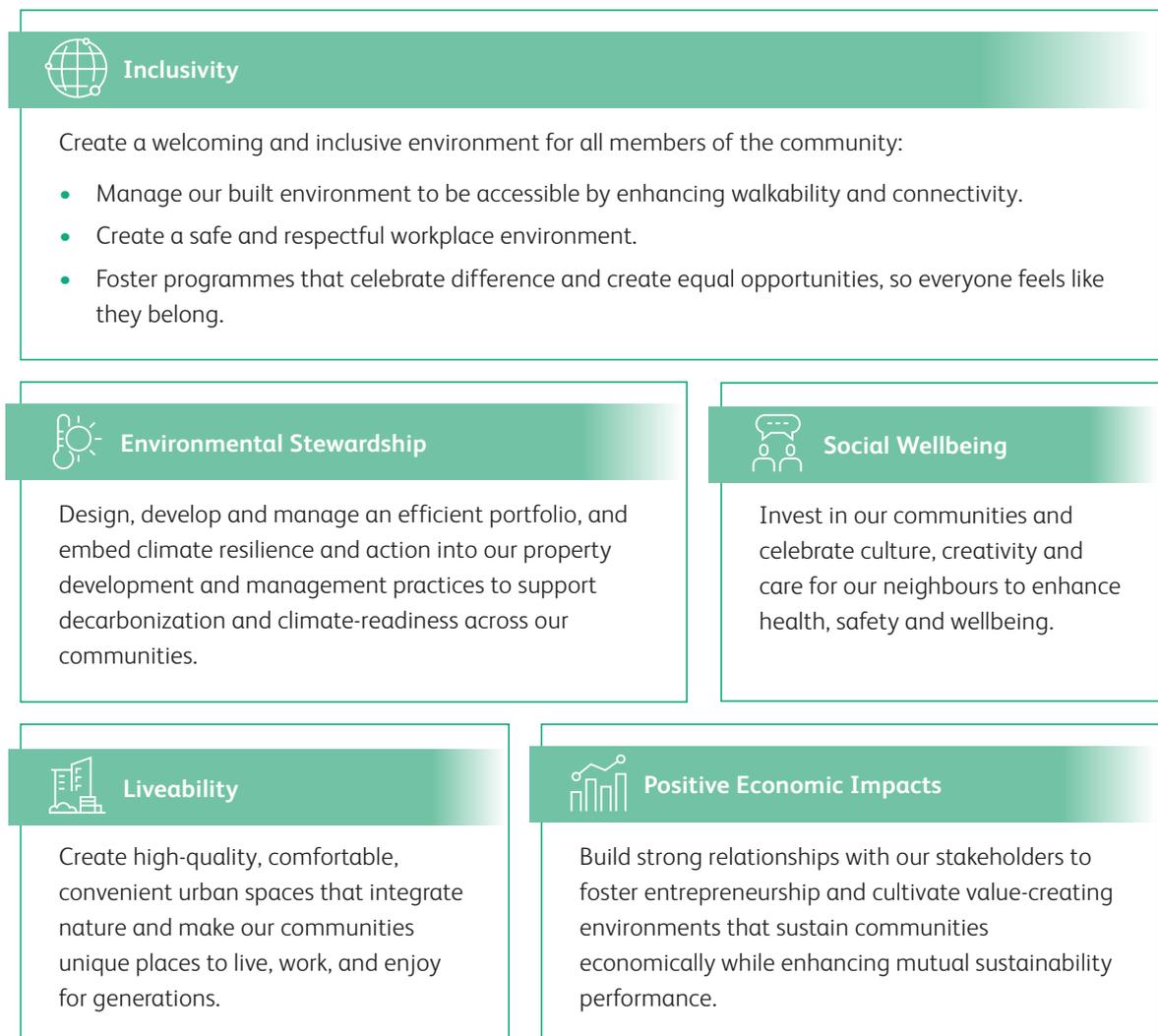
## Our Strategy

Our approach to engaging with our communities to deliver on mutual aims is not new to Hysan; we have built strong foundations and fostered connections that have enabled us to enhance our company's positive contributions. Having been through the past three years of the pandemic, we saw the need to build on and strengthen these foundations – putting our communities at the heart of our sustainability strategy.

## Community Business Model

Hysan is in the process of refreshing our sustainability strategy to curate communities that are agile, resilient and realize their full potential. We have evolved our previous LIFE Strategy into our Community Business Model, which builds on previous targets while sharpening focus on the outcomes of inclusivity, social wellbeing, liveability, environmental stewardship and positive economic impacts.

### Focused outcomes of Community Business Model



Given governance as our foundation, innovations and partnerships set forth as enablers driving us through these outcomes, which are targeted yet interconnected, all working together to enhance our neighbourhoods' health, happiness and quality of life – now and for future generations.

As we work to further identify and manage our impacts across the full value chain, we can shape our communities and connect people – our colleagues, tenants, suppliers and customers – to partner, innovate and encourage sustainable behaviour for shared value creation.

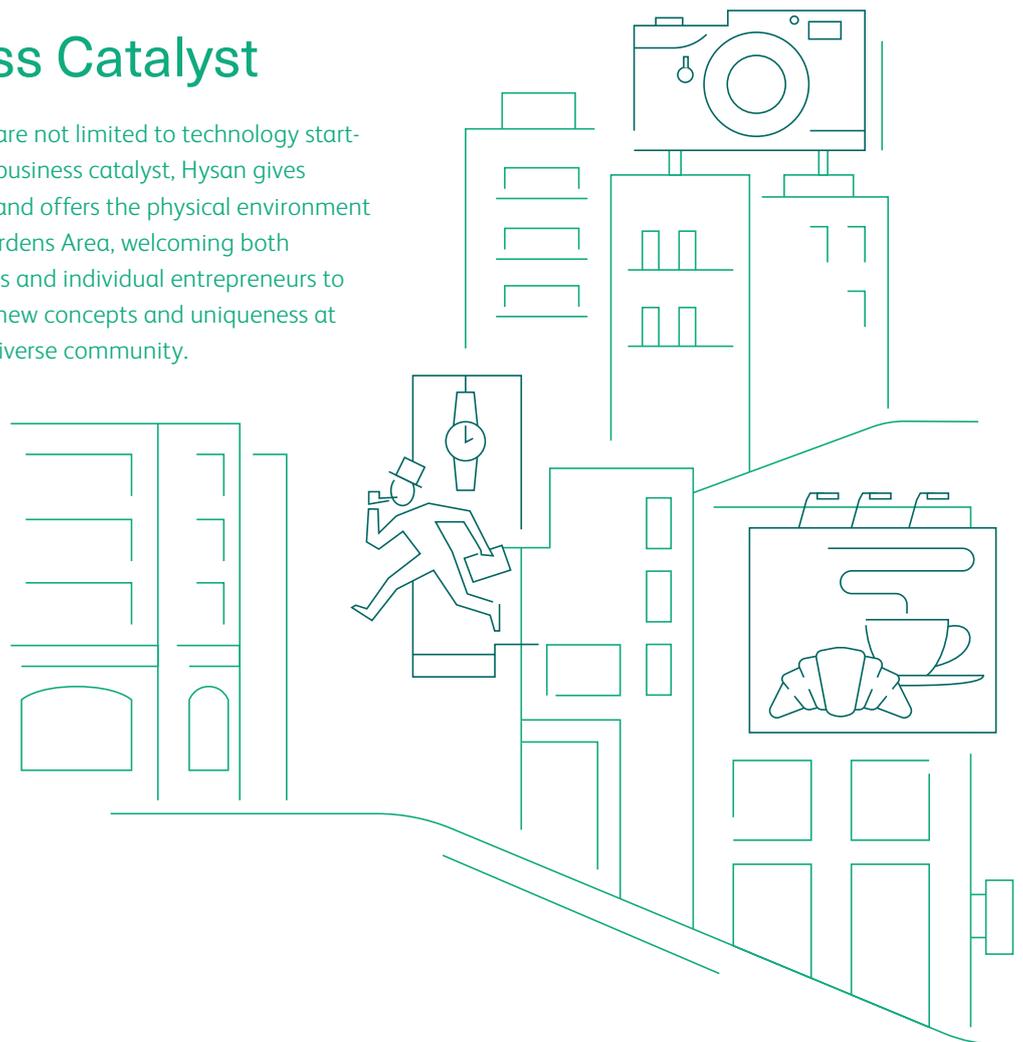
## Lee Gardens as The Community Lab

Having curated the Lee Gardens Community over the years, we believe our community is now the perfect setting for The Community Lab. High traffic, diverse audiences and our varied portfolio create the ideal environment for testing the flexibility and adaptability of new and experiential concepts.

To enrich and accelerate Hysan's sustainability journey, our community lab concept has been developed as a **business catalyst** and **technological incubator**. Stakeholders can test their new business ideas or innovative technological solutions at The Community Lab, leveraging the unique quality at Lee Gardens, curating shared value among the neighborhood.

## Business Catalyst

Innovative ideas are not limited to technology start-ups. Serving as a business catalyst, Hysan gives advice to brands and offers the physical environment within the Lee Gardens Area, welcoming both established brands and individual entrepreneurs to experiment their new concepts and uniqueness at this vibrant and diverse community.



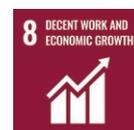
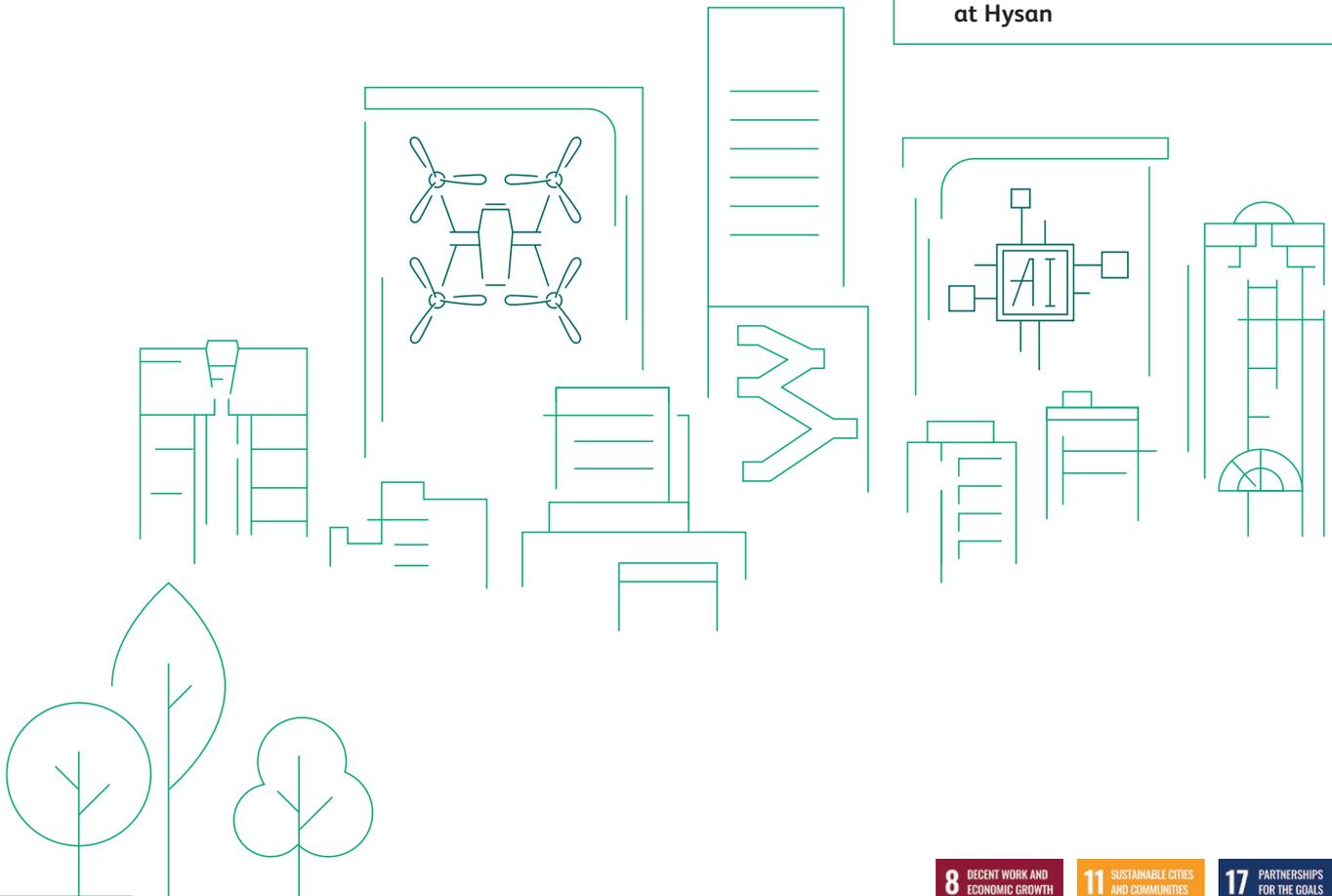
## Technological Incubator

Established jointly by Hysan and the Hong Kong Science and Technology Parks Corporation (“HKSTP”), The Community Lab was launched in May 2022 along with Cohort 1 of the backbone programme, Last-mile Testing Programme.

Adhering to the core values of Smart Living, Smart Economy, Smart Mobility and Smart Sustainability, this partnership aims to build a solid foundation for the Innovation and Technology ecosystem and provide opportunities for tech ventures with potential in commercialization to thrive and bring about new solutions contributing towards the Hong Kong Smart City Blueprint.

### Highlights of the Last-mile Testing Programme – Cohort 1

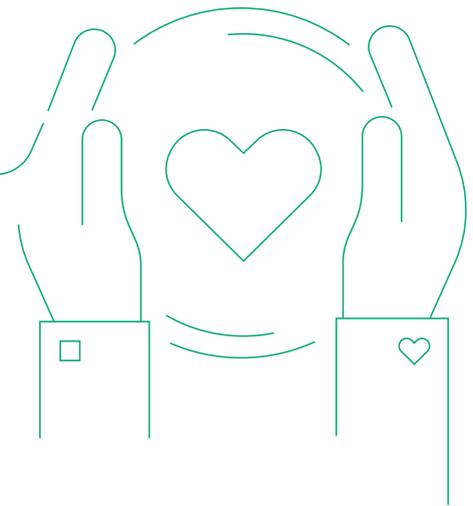
- **140+** local technology solutions reviewed
- **4** selected solutions tested in The Community Lab received mentoring from Hysan
- Invented new ways to **enhance internal operations and communications with tenants at Hysan**



## Combating COVID-19

Hysan has played a critical role in providing support to the community throughout the past few years. As one of the Hong Kong's busiest areas for stakeholders including tenants, shoppers, staff and the general public, it is essential for Hysan to play our role in protecting the community in combating COVID-19. With the support of the government and in collaboration with our partners, we brought resilience in maintaining the ecosystem at Lee Gardens, helping the community returning to a state of normalcy.

## Caring for the Community



### Promoting accessible vaccinations for the public

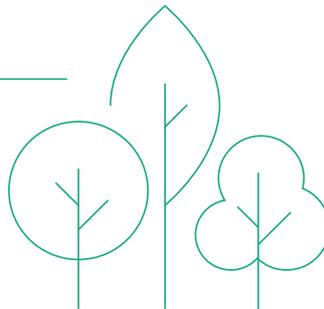
- Collaborated with the HKSAR Government and industry partners in setting up **3** vaccination centres in the Lee Gardens portfolio
- Provided around **150,000** vaccine doses

### Caring for businesses and the living environment of people in need

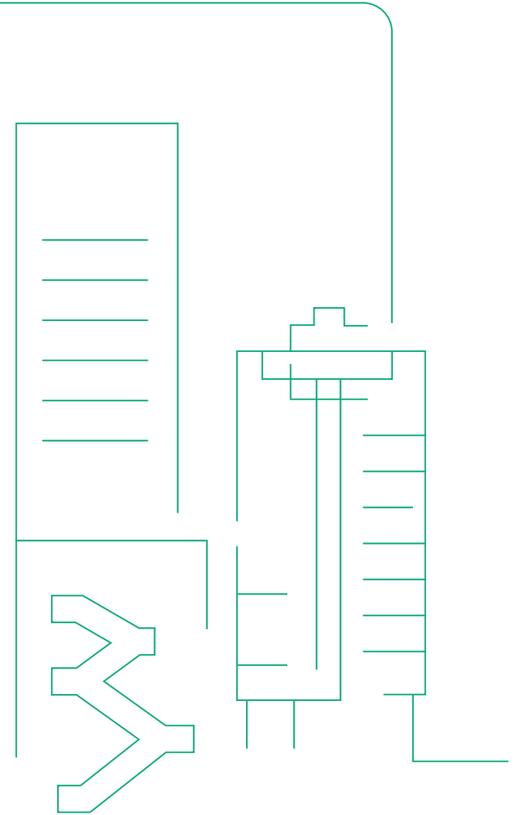
- Donated **250** air purifiers to NGOs and local businesses in To Kwa Wan
- Distributed care packages to **800** elderly
- Provided free inspections and maintained U-traps for **100** elderly singletons

### Strengthening the public's health knowledge and accessibility to healthcare

- Hosted wellness townhalls for the community
- Teamed up with Hong Kong Adventist Hospital to provide **over 750 health check packages** to frontline service industry workers and underprivileged members of the Lee Gardens Community
- Donated **\$1 million to Po Leung Kuk** to provide more health care packages to the underprivileged in other parts of Hong Kong



## Safe and Liveable Lee Gardens Community



### WELL Health-Safety Rating (“HSR”) in the entire Lee Gardens portfolio

- Installed **MERV 13 medical-grade filters** in central air treatment systems
- Regularly monitored indoor air quality and drinking water quality
- Upgraded our **sanitation protocols**, including handrail UV sterilizer and smart disinfection stations

### Safe and hygienic place for tenants and shoppers

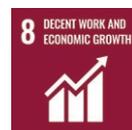
- Enhanced indoor air ventilation by providing **1,000** air purifiers to F&B tenants
- Carried out regular hygiene inspections for F&B outlets

### Prioritising our staff’s health and safety

- Platinum-level **WELL v2 Certification** in our head-offices
- **Healthy building features** in our office designs, including from touch-less access to installation of air filters in lifts and hand sanitizers



Scan the QR code to view how Hysan has been backing up the community to fight COVID-19.



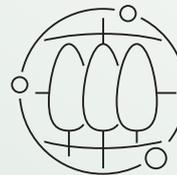
## Performance At a Glance



### Governance

- ▶ Established **Anti-Bribery and Corruption Policy**
- ▶ **Board gender diversity target** in place<sup>2</sup>
- ▶ **Zero** cybersecurity related incidents
- ▶ **48%** of debt financed by sustainable finance

2 1/3 female directors on our Board by 2025 with the ultimate goal of achieving gender parity at the Board level



### Environment

- ▶ **↓ 38%** carbon intensity (Scope 1 & 2) from baseline year of 2005
- ▶ **↓ 21%** of purchased electricity intensity from baseline year of 2005
- ▶ Completed gap assessment to **SBTs**
- ▶ **2 million sq ft** by GFA is green building certified
- ▶ Energy audit **100% completed** in our portfolio
- ▶ **3.6 times** as much renewable energy generated in 2021



G R E S B  
★★★★☆ 2022

Rated "A" for public disclosure for the fourth year running



Hang Seng Corporate Sustainability Index Series Member 2022-2023



CCC B BB BBB A AA AAA

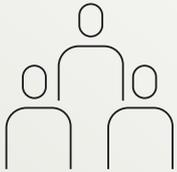


Rated "Low Risk" in Sustainalytics ESG Risk Ratings



FTSE4Good

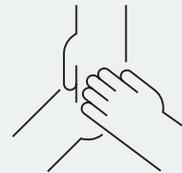
Constituent member of the FTSE4GOOD Index Series



## People

- ▶ **Zero** fatalities
- ▶ Injury rate reduced by **40%** from 2021
- ▶ **47%** management position held by women<sup>3</sup>
- ▶ **↑ 50%** in total training hours from 2021

<sup>3</sup> Management position is Manager grade staff and above.



## Community

- ▶ **40** NGOs engaged
- ▶ **>4,200** beneficiaries
- ▶ **Outstanding Partnership Project Award** accorded from The Hong Kong Council of Social Service in recognition of our partnerships with NGO

### Hong Kong Quality Assurance Agency's Hong Kong Green and Sustainable Finance Awards 2022

- Outstanding Award for Green and Sustainable Loan Issuer (Real Estate Industry) – Visionary Green Loan Framework
- Pioneering Organisation in ESG Disclosure Enhancement

### Hong Kong Institute of Certified Public Accountants' Best Corporate Governance and ESG Awards 2022

- Special Mention for Corporate Governance – Non-Hang Seng Index (Medium Market Capitalisation) Category

### Hong Kong Management Association's 2022 Best Annual Reports Awards

- Excellence Award in Environmental, Social and Governance Reporting

### Hong Kong Investor Relations Association's 8th Investor Relations Awards 2022

- Grand ESG Award
- Best ESG (E)
- Best ESG (S)
- Best ESG (G)

### The Hong Kong Council of Social Service

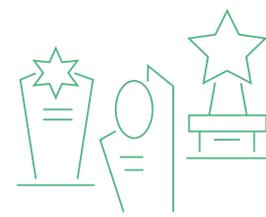
- The Outstanding Partnership Project Award – Hysan Urban Farm

### Greater Bay Area ("GBA") Carbon Neutrality Association's GBA Low Carbon Buildings Top 100 Award

- Hysan Place and Lee Garden Three

### Green Council's UNSDG Achievement Awards Hong Kong 2022

- Gold (Organisation Awards)



# Governance

Anti-Bribery and  
Corruption Policy established

Board gender diversity  
target to achieve 1/3 of females by 2025

Zero cybersecurity related  
incidents

48% of debt financed by  
sustainable finance

Sustainable development is the foundation of Hysan's long-standing commitment to creating value for our stakeholders. The concept of sustainability is integrated into our decision-making and day-to-day operations for its ability to maximize value creation. We are also continuously enhancing our sustainability governance strategies and policies in order to optimize the value creation process.

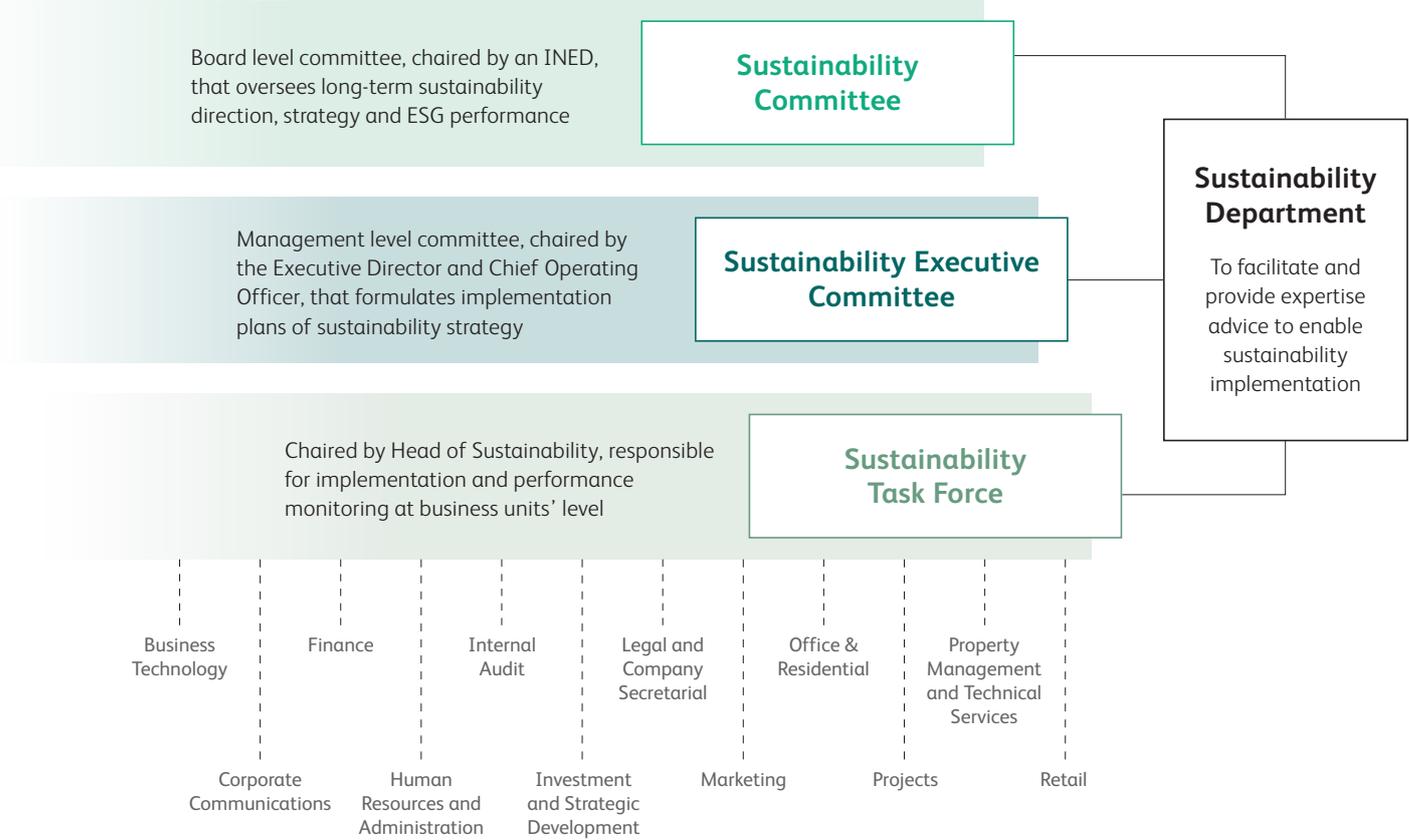
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## Governance Structure

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. The Sustainability Committee is the most involved in functions dealing with corporate responsibility and sustainable development matters at Hysan. It provides direction and advises the Board on strategies regarding ESG-related risks and issues relevant to the Group.

Members of the Sustainability Committee are appointed by the Board, which is chaired by a Non-Executive Director, Mr. Jebsen Hans Michael, and three other members, who are all Independent Non-Executive Directors ("INED").

According to the Board's Terms of Reference, the Sustainability Committee meets at least once a year; meetings were 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 ESG including 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 also among the 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.

Support from this Committee and the operation-level Sustainability Task Force ensures that sustainability concepts, principles and best practices are properly implemented and embedded in Hysan’s daily business operations.

## 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 standardize and regulate our actions, guiding Hysan’s long-term direction on sustainability issues. Regular reviews and updates of policies and guidelines are conducted by the Board-level Sustainability Committee to fully align 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. In 2022, we established 3 new sustainability-related policies and updated 4 sustainability-related policies.

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**Sustainability-related policies**

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Sustainability Policy*
Environmental Policy*
Climate Change Policy**
Health and Safety Policy*
Sustainability Procurement Policy
Sustainability Supplier Code of Conduct
Corporate Governance Guidelines*
Corporate Culture Statement**
Anti-Bribery and Corruption Policy**
Diversity Policy
Code of Ethics
Whistleblowing Policy
Human Rights Policy
Anti -Fraud Policy
Diversity Policy

\* Updated in 2022

\*\* Established in 2022

**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 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, officers and employees of the Group must abide by the Code of Ethics fully and confirm in writing that the content was understood after recruitment.

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 to promote an ethical culture and emphasizes our zero-tolerance attitude towards fraud. In 2022, we adopted an Anti-Bribery and Corruption Policy to reinforce our anti-bribery and corruption practices and procedure embedded in our Code of Ethics. During the reporting year, there were no non-compliance cases with relevant laws and regulations that had a significant impact on Hysan.

**Whistleblowing Policy**

A Whistleblowing Policy has long been maintained at Hysan to ensure that our business affairs comply with our corporate policies and applicable laws. The policy provides a mechanism for reporting any issues of irregularity or non-compliance to an independent third party. It also ensures that the whistleblower will be treated fairly. During the reporting period, no material whistleblowing cases were reported at Hysan. Please refer to our Code of Ethics, Anti-Bribery and Corruption Policy, Anti-Fraud Policy, and Whistleblowing Policy, on our corporate website for further details.

**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 belong to 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

Cybersecurity is evolving rapidly as threats to businesses' critical information and assets become more acute. As cybersecurity is a crucial component of our data protection regime, it is essential to implement adequate measures to protect our hardware, software and data from cyber threats. In 2021, an international cybersecurity expert was commissioned to conduct an information security review, covering aspects such as firewall control, patch management, enhanced protection of web servers and technical security management. In response to the findings of the review, the standard operating procedures for patch management and configuration management were updated. In 2022, Hysan also replaced a series of legacy servers during an Active Directory upgrade project and enhanced our web application firewall and endpoint protection. Additionally, end-user email phishing tests are conducted periodically to increase awareness of cyber threats. The implementation of Hysan's identity security management system and a remote secure access solution was also completed in 2022.

During the reporting period, management undertook further in-depth research into Hysan's cybersecurity measures and protection approach, as well as emerging trends in the field. Consequently, the Group

adopted the US National Institute of Standards and Technology (NIST) framework for governing its cybersecurity measures.

We continue to arrange regular cybersecurity awareness training sessions for general staff, covering topics such as internet safety and phishing awareness, as well as guidance on safe remote working practices. During the reporting year, there were no reported cases of significant impact on the Group in 2022.

### 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, in particular its data protection principles.

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 minimize the Group's risk of privacy exposure. A new internal body, Data Privacy Management Group, was also formed to oversee the data privacy risks and control system of the Group.

### Anti-corruption training at Hysan

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 are 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, with

training materials made 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.

Hysan will remain committed to upholding data protection protocols and will continue to conduct online training, while periodically revising its policies and procedures to meet new business developments and legal updates. We have also published a newly developed Data Privacy Handbook, with a focus on system development risk, third party access restriction and incident response and escalation procedures. Through our data protection framework, we will be able to ensure that data privacy matters raised in day-to-day operations across departments will be reviewed and addressed in a timely manner. During the reporting year, there were no reported cases of non-compliance that had a significant impact on the Group.

### Supply Chain Management

Hysan has established a Sustainable Procurement Policy to guide our procurement decision to become as sustainable as possible, with the lowest environmental impact and most positive social results. We appreciate the importance of holistic supply chain management as we regularly assess and review our supply chain based on our sustainable procurement commitments, and environmental and social standards. We have provided trainings to our staff members to understand our policies and encouraged them to explore more sustainable and efficient ways of carrying out our daily operations. We communicate our environmental and social requirements to our suppliers, and at the same time improve our procurement systems to facilitate regular monitoring of our environmental and social impacts. This year we have started to develop our Scope 3 emissions inventory to capture material emissions along the supply chain. For more information about sustainable procurement and our decarbonization efforts, please refer to the “Environment” chapter. On the social side, we assess our suppliers based on their safety and social performances, as we give preference to socially responsible products and suppliers, for example fair trade products and social enterprises.

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## Risk Management

Hysan is dedicated to strengthening its sustainability performance with an effective ESG risk management mechanism in place 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 for the Group to strengthen our risk mitigation and response. Business units were required to identify and highlight key ESG risks in their operations and assess the risk level according to the likelihood, impact and risk velocity based upon a defined risk-scale system. Once the major ESG risks and opportunities were reviewed by the Audit and Risk Management Committee, the management-level Sustainability Executive Committee and operation level Sustainability Task Force communicated these risks to respective business units and took relevant action.

Hysan adopts a risk management and internal control model, which is based on that of the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) in the United States and adapted to our business and organizational structure. During the reporting year, the Audit and Risk Management Committee focused their reviews and discussions on corporate risks and the overall risk management agenda, including climate-related transition risks, ESG risks and cybersecurity risks. The Group also reviewed threats arising from the COVID-19 pandemic, including related hygiene measures to ensure appropriate safeguards were in place.

In 2022, the Group engaged an external consultant to support a climate-related physical risk assessment of the Lee Gardens portfolio and the new development project, addressing concerns related to extreme weather events (refer to the “Environment” chapter for further details). More details related to climate-related risks (both physical and transition risks) are anticipated in 2023, and the results will be incorporated into our enterprise risk management framework for continuous evaluation. Risks related to COVID-19 and cybersecurity are addressed throughout this report.

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 encountered to the Audit and Risk Management Committee and, (ii) a periodic risk assessment process in which key risks identified by management are systematically assessed on a regular basis. To strengthen management’s assurance to the Audit and Risk Management Committee and the Board, annual self-assessment questionnaires were completed by senior management in 2022. This exercise ensured internal controls are being properly implemented. Through these mechanisms, we also ensure that we have effective processes against any latest regulatory and ESG-related risks.

Hysan continuously 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 increased impacts of climate change on Hysan building operations have intensified the need for integrating mitigating measures into our risk management framework. Some of the key mitigating measures for tackling climate-related impacts include the following:

- Regular reviews of the transition and physical climate risks, updates of related contingency plans and new technologies applied to mitigate operational risks.
- Systems set up to monitor emissions from existing buildings and new development projects, investment in alternatives such as energy from renewable energy.
- An ISO 14001 Environmental Management System (“EMS”), ISO 50001 Energy Management System (“EnMS”) and building analytics systems established for daily operational risk management.

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.



# Stakeholder Engagement and Materiality

## Stakeholder Engagement

We believe that maintaining communication with our stakeholders allows us to better understand their expectations of our sustainability performance, as well as to identify material issues and assess the effectiveness of our sustainability measures. Accordingly, the Group has established various communication channels and maintains regular communication with various groups of stakeholders to solicit their opinions. Stakeholders include employees, tenants, customers and members of the local community, NGOs, shareholders and investors, suppliers and vendors and government.

### Typical Stakeholder Communication Channels



#### Employees

- Intranet and internal newsletter/emails
- Training sessions
- Task force/Committee meetings
- Staff engagement events
- Focus groups/interviews/surveys



#### Tenants

- Information kits
- Tenant relationship personnel
- Mobile app
- Focus groups/interviews/surveys



#### Customers and Local Community

- Public education activities
- Community engagement events
- Corporate website
- Mobile app
- Focus groups/interviews/surveys
- Lee Gardens Association



#### NGOs

- Community engagement events
- Organizational Memberships
- Memberships of Task Force and Committees
- Partnership of volunteering events
- Stakeholder tours
- Focus groups/interviews/surveys



#### Shareholders and Investors

- Annual general meeting and results announcements
- Annual and interim reports
- Corporate website



#### Suppliers and Vendors

- Tendering and procurement process
- Stakeholder engagement events with service providers



#### Government

- Regular and special meetings
- Signatories of government campaigns

We carry out in-depth stakeholder engagement from time to time with the aim to identify the latest expectations from both our internal and external stakeholders. Our next planned in-depth engagement will be in 2023. While we did not conduct a full-scale engagement at the corporate level in this reporting year, we reviewed the material topics for their continued relevance to Hysan based on several key criteria including the review of variance in our business portfolio, research on industry peers, analysis of megatrends and engagement of stakeholders. The following table summarizes the most material topics which we have focused our disclosure in this report.

## Materiality

### ESG aspects considered in Materiality Assessment

#### Governance

- Corporate governance
- Ethics and integrity

#### Social

- Community investment and engagement
- Customer feedback
- Customer health, safety and security
- Employee attraction and retention
- Tenant/customer engagement

#### Environment

- Energy Efficiency
- Green Architecture and Infrastructure
- Climate Change
- Waste Management
- Pollution mitigation

The top material aspects at Hysan remain valid and include Corporate Governance, Ethics and Integrity, Community Investment and Engagement, Customer Needs and their Health and Safety as well as environmental aspects of energy and waste management, and climate change etc. A summary of actions identified to address the key material issues is provided in the table below. Details of the progress made are described throughout the respective sections of the Sustainability Report and Annual Report.

### Summary of Key Material Issues

Key Material Aspects	Importance of Impact		Actions to address the issues	
	Internal	External		
<b>Environment</b>	Climate Change	✓	✓	<ul style="list-style-type: none"> <li>• Engaged a third-party consultant to conduct a gap assessment on our SBTs to better understand the long-term challenges of achieving net zero</li> </ul>
	Energy Efficiency, Green Architecture and Infrastructure	✓	✓	<ul style="list-style-type: none"> <li>• Decarbonization studies</li> <li>• Facilities improvements such as automation metering and fault detection system</li> </ul>
	Waste Management, Pollution mitigation	✓	✓	<ul style="list-style-type: none"> <li>• Built recycling facilities</li> <li>• Provided free water dispensers</li> </ul>
<b>Social</b>	Customer feedback	✓	✓	<ul style="list-style-type: none"> <li>• Conducted customer service satisfaction surveys</li> <li>• Enhanced facilities in buildings</li> </ul>
	Customer Health and Safety	✓	✓	<ul style="list-style-type: none"> <li>• Attained WELL HSR at all properties in the Lee Gardens portfolio</li> <li>• Temporary vaccination centre</li> <li>• Touchless entries and access</li> </ul>
	Employee attraction and retention	✓		<ul style="list-style-type: none"> <li>• Enriched our health protection programme to cover physical and mental health for all employees</li> <li>• Launched training programmes for talent development</li> </ul>
	Community investment and engagement	✓	✓	<ul style="list-style-type: none"> <li>• Conducted survey at To Kwa Wan</li> <li>• Lee Gardens Rejuvenation</li> </ul>
	Tenant/customer engagement	✓	✓	<ul style="list-style-type: none"> <li>• In progress of planning Green Lease with tenants</li> <li>• Curated sustainability events to raise customers' environmental awareness</li> </ul>
<b>Governance</b>	Ethics and Integrity	✓	✓	<ul style="list-style-type: none"> <li>• Adopted Anti-Bribery and Corruption Policy</li> </ul>
	Corporate Governance	✓	✓	<ul style="list-style-type: none"> <li>• Provided compliance policies and training to staff</li> <li>• Developed a sustainable finance framework</li> </ul>



Hysan received the Outstanding Award for Green and Sustainable Loan Issuer (Real Estate Industry) – Visionary Green Loan Framework and the Pioneering Organization in ESG Disclosure Enhancement award at the Hong Kong Green and Sustainable Finance Awards 2022 organized by HKQAA.

As new regulatory requirements emerge, there has been increasing interest in sustainability issues among stakeholders. New business development and growing market demands may cause our stakeholders to raise concerns about material ESG issues and create higher expectations of Hysan’s sustainability performance. In upcoming stakeholder engagements, the Sustainability Executive Committee and Sustainability Task Force will review and re-identify our current material ESG issues and may refresh our materiality assessments to achieve more sustainable business development and effective resource allocation.

## Sustainable Finance

Hysan’s Sustainable Finance Framework (“Framework”), which has evolved over the years, successfully guides Hysan in the launch of green and sustainable financial products. We instituted the Green Finance Framework in 2018 and expanded its scope in 2021 to include social elements in eligible projects as Sustainable Finance Framework. As directed by the Framework, financing from the sustainability bond will provide funding for projects that meet the eligibility criteria under the categories of green building, 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 the second party opinion from Sustainalytics<sup>4</sup>, confirming its alignment with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, Social Bond Principles 2021, and Green Loan Principles 2021.

<sup>4</sup> Sustainalytics is an independent environmental, social, and governance research, ratings and analysis firm.

## Stakeholder Engagement and Materiality

Since the issuance of the first sustainable financial instrument in 2019, we have secured 48% of financing through sustainability financing, including Hong Kong's 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 <sup>5</sup>	2019	HK\$	300,000,000	3.33%	25 Jan 2026
			500,000,000	3.64%	22 Mar 2034
			500,000,000	3.10%	4 Apr 2029
			250,000,000	3.05%	10 Jun 2029
Sustainable Bonds	2021	HK\$	400,000,000	1.50%	27 Jul 2026

Type of Sustainable Finance	Year of Issue	Currency	Facility Amount	Maturity Date
Sustainability-linked derivative hedging solution	2020	US\$	125,000,000	16 Jun 2035
Sustainability-linked loan	2021	HK\$	965,000,000	26 Sep 2024
Green Loan <sup>6</sup>	2022	HK\$	12,951,000,000	25 Jan 2027

### Use of Proceeds

Type of Sustainable Finance	Year of issue	Status of Allocation (%)	Unallocated (%)	Category of allocated proceeds
Green Bonds	2019	100	0	<ul style="list-style-type: none"> <li>Green Building (refinanced Lee Garden Three's redevelopment)</li> </ul>
Sustainable Bonds	2021	28	72	<ul style="list-style-type: none"> <li>Energy efficiency</li> <li>Pandemic and infection related</li> <li>Waste management and recycling</li> <li>Climate change adaptation</li> </ul>
Green Loan	2022	61	39	<ul style="list-style-type: none"> <li>Green Building (Caroline Hill Road Project's land premium and construction)</li> </ul>

5 The Green Bond of HK1,550million issued in 2019 referenced the Green Finance Framework established in 2018.

6 The Green Loan of HK\$ 12,951million issued in 2022 was HKQAA Green Finance pre-certified.

# Environment

↓ 38%

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

↓ 21%

reduction in purchased  
electricity intensity from  
baseline year of 2005

Completed

gap assessment of SBTs

Over 2 million sq ft

by GFA is green  
building certified

100%

completed energy  
audit for our portfolio

3.6 times

as much in renewable energy  
generated in 2021

At Hysan, environment-related initiatives lie at the heart of our sustainable business practices. In 2022, we established the Climate Change Policy and updated our Sustainability Policy and Environmental Policy to keep the Group's operating practices updated with the latest developments in the industry. Caring for the environment, we strive for responsibility and accountability in our quest 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 continuously set targets to improve our environmental performance. We have also developed and implemented internal management mechanisms such that environmental considerations are well integrated into our daily operations.

## Climate Resilience and Adaptation

Global leaders reaffirmed their commitment to limiting global temperatures to 1.5 degrees Celsius above pre-industrial levels at COP27 in 2022, while in Hong Kong concerns over climate issues have been rising since the publication of the Government’s *Climate Action Plan 2050* in 2021.

Hysan is aware of the pressing need to embrace decarbonization in our strategies and daily operations. Reducing our demand-side energy consumption and adopting new technologies are critical to reducing our buildings’ carbon emissions and energy consumption. We have produced and taken action on our climate action plan, which makes reference to the recommendations of the TCFD as well as HKEX’s recently published *Practical Net-Zero Guide for Business* in developing our own pathway towards a net-zero carbon strategy.

In 2022, we engaged a third-party consultant to conduct a gap assessment on setting our SBTs to better understand the long-term challenges of achieving net zero. We strive to address and ensure potential climate-related risks and opportunities that may arise in our operations will be managed with sound financial planning. In building our resilience to climate change, we have structured our efforts around six key climate actions for 2022 to 2024:

- 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.
- 2. Engage supply chain 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 photovoltaics (“PV”), where practicable.
- 5. Set SBTs 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.

### Key Climate Actions for 2022- 2024



**Summary of climate actions as per recommendations by TCFD**

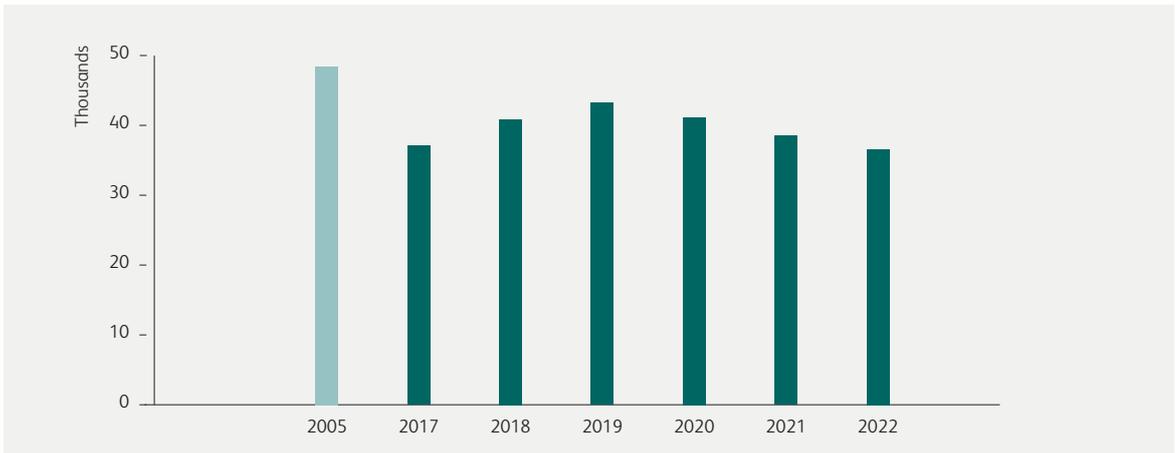
Recommendations of TCFD	Hysan's actions and approach
Governance	<ul style="list-style-type: none"> <li>• With oversight from the Board and Sustainability Committee, the Sustainability Executive Committee sets out a clear direction for developing an implementation plan for climate-related issues, which is executed by the Sustainability Task Force at various business units.</li> <li>• Climate-related risks integrated into our corporate risk management and internal control framework are also overseen by the Board.</li> <li>• The newly established Sustainability Department is responsible for engaging all levels in our operations to advise and drive Hysan's sustainability commitments, including climate-related actions.</li> <li>• 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.</li> <li>• For further information, please refer to the "Governance" chapter.</li> </ul>
Strategy	<ul style="list-style-type: none"> <li>• A more detailed climate scenario analysis, including physical and transition risks, will be conducted in 2023.</li> <li>• Climate change, extreme weather events and energy efficiency are key environmental aspects of our stakeholder engagement. More details will be looked into as we continue to develop our long-term decarbonization strategy towards net-zero with short- and medium- term goals.</li> <li>• A gap assessment in achieving SBTs was completed in 2022 to better understand the challenges of our long-term goal toward net zero.</li> <li>• Climate-related risks assessed and mitigation considered adopted in the new property development life cycle.</li> <li>• Broaden funding sources via sustainable financing.</li> <li>• Explore and adopt innovative solutions and technologies to accelerate progress towards a low carbon economy, such as through The Community Lab – our partnership with HKSTP.</li> <li>• Continue to implement and revise as needed on our decarbonization strategy in operations.</li> <li>• Collect Scope 3 GHG emissions data in 2023.</li> </ul>
Risk Management	<ul style="list-style-type: none"> <li>• Climate-related risks are integrated into our corporate risk management and internal control framework. Identified climate-related risks, both physical and transition, will be monitored and managed to help us assess climate risks in our daily operations.</li> <li>• A preliminary company-wide transitional risk study was conducted in 2021, which included policy and legal risks, technology risks, market risks and reputational risks. Some of the risks and opportunities identified are               <ul style="list-style-type: none"> <li>– Changing perceptions and demands by our investors, tenants, shoppers and employees for a lower-carbon economy and living and working environments</li> <li>– Potential development of and price movements in a carbon trading market</li> <li>– Potential increase in insurance premiums</li> <li>– Potential exposure to litigation risks due to market and policy transition</li> <li>– Demand for technological improvement and innovation to improve energy efficiency</li> </ul> </li> <li>• Adopt international management systems, such as ISO 14001 EMS and ISO 50001 EnMS, in our operations as part of our risk identification process.</li> </ul>
Metrics and Targets	<ul style="list-style-type: none"> <li>• In process of setting a long-term net-zero target and continue to fine-tune our decarbonization strategies as appropriate.</li> <li>• Scope 1 and 2 GHG emissions targets set by intensity and continual monitoring of absolute emissions.</li> <li>• Collect Scope 3 GHG emissions data in 2023.</li> <li>• Adopt climate parameters under extreme weather conditions into new development designs.</li> <li>• Use green and sustainable finance to promote adoption of climate resilient initiatives.</li> </ul>

## GHG Emissions and Energy Use

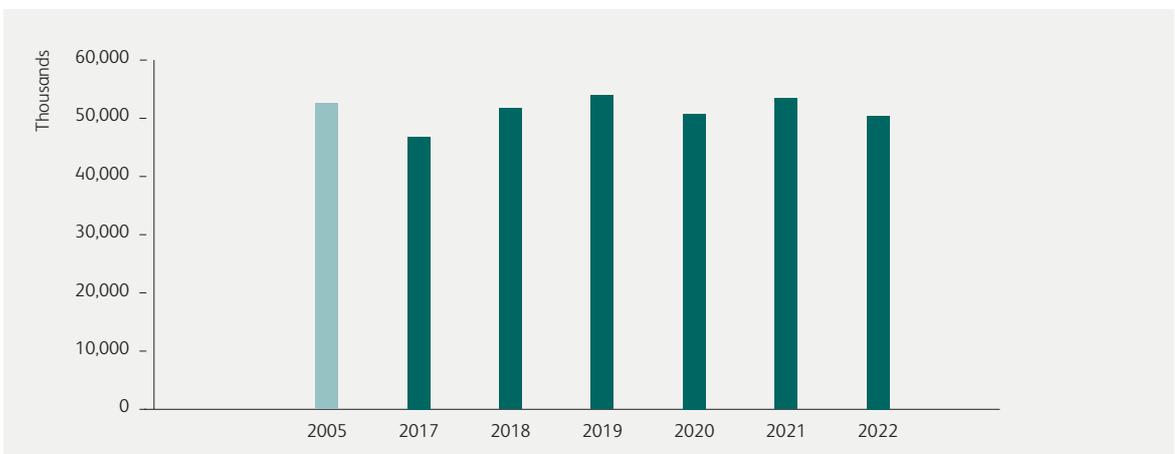
We remain committed to improving our building energy performance in our portfolio. Electricity remains the key contributor of our energy use and in our GHG emissions. During the reporting year, total purchased electricity<sup>7</sup> and carbon emissions (Scope 1 and 2) have dropped year-on-year by 6% and 5% respectively.

While energy performance in 2022 has demonstrated positive results, which we believe energy initiatives throughout the past years are bearing fruit, we also see that the impact of the pandemic has caused fluctuations in energy usage over the past few years. We are thus taking a longer-term perspective in monitoring our performance, especially as we anticipate a sequential business rebound after the pandemic.

**Absolute Carbon Emission, Scope 1 and 2 (Tonne CO<sub>2</sub>e)**

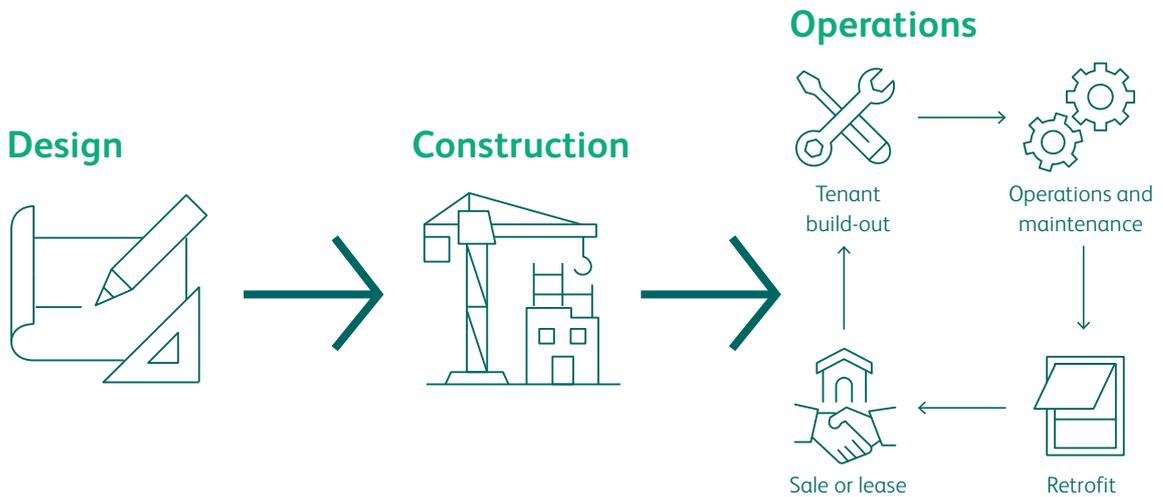


**Total Purchased Electricity (kWh)**



<sup>7</sup> Purchased electricity contributes to over 99% of our total energy consumption.

## Decarbonization initiatives throughout our buildings' lifecycle



Buildings are associated with about 90% of electricity consumption in Hong Kong. We 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 optimizing 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. With our tenants, we engage them from encouraging sustainable fit outs to reducing waste. All these efforts combined are examples of how Hysan has taken a lifecycle management approach to introduce sustainability into each lifecycle stage.

### Green building design

We see green building design as the first step in a sustainable building life cycle. Over 2 million sq ft by GFA of Hysan's portfolio area has obtained green building certifications, such as 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.

Since the opening of Hysan Place in 2012, we have pioneered green building development from design to operation. The building was the first in Greater China at that time to attain LEED Platinum (Core and Shell) and BEAM Plus (New Buildings) V1.1 Final Platinum ratings. In the years since Hysan Place began operating, we have put green building design into implementation throughout our portfolio, supported by professional testing and commissioning along with regular inspections and preventive maintenance.

Going forward, we will strive to make ultra-low carbon design a priority beyond the current Building Energy Code requirements and adopt building designs for their ability that mitigate potential impacts in a rapidly changing climate.

### Operations and Maintenance

In managing our existing portfolio, our aim was to complete energy audits for 75% of our portfolio by 2025, yet in 2022, we have already reached 100% completion, earlier than planned. We have in place a Whole Life-cycle Master Plan, which includes maintenance and replacement of major facilities such as lighting, lifts and escalators, chiller plant optimization, chiller and pump replacement, and new air handling units ("AHUs"), primary air handling units ("PAUs") with electronically commutated ("EC") plug

fans. Our lighting replacement plan, which includes the installation of motion sensors, for the back of house, plant room, staircase and carparks of our portfolio, is scheduled for completion in 2023.

In addition to conducting energy audits as required by the Technical Guidelines on Energy Audit Code issued by Electrical and Mechanical Services Department<sup>8</sup> in 2012, we will commence retro commissioning after the smart building enhancement of our portfolio. We have also piloted the use of AI technology for chiller plant optimization at Hysan Place and Lee Garden Three in 2021 and are continually installing this advanced building analytic in other buildings of our portfolio, which is anticipated to complete by 2023.

**Key actions of our Decarbonization Strategy**



**Sustainable construction**

On top of the abovementioned strategic actions to reduce operational carbon, Hysan makes a significant effort to work with value chain partners on reducing upstream carbon emissions outside our operational boundary, in particular, to reduce emissions starting from the building design through the construction stage, including carbon emissions on-site and extending this to the operation stage.

We put considerations to reduce embodied carbon in the early project stage. These include the selection of contractors and suppliers, optimization of energy use on-site, waste reduction, the selection of materials and structural options. We give priority to materials with high recycled content and regional materials for their lower emissions related to transportation and logistics. During the design and construction stage, our Projects team makes use of advanced Building Information Modelling (“BIM”) technology to compare structural design options to minimize material use and wastage due to reworks in construction.

To better manage on-site energy use on our construction site, we adopt the use of electricity over diesel generators, whenever practicable, and we avoid over-designing the plant and equipment capacity to be used on-site. In our Caroline Hill Road project site, we have early adoption of temporary electricity provision from Hong Kong Electric (“HKE”) at the foundation stage, significantly reducing the use of diesel and enhancing energy management and air quality.

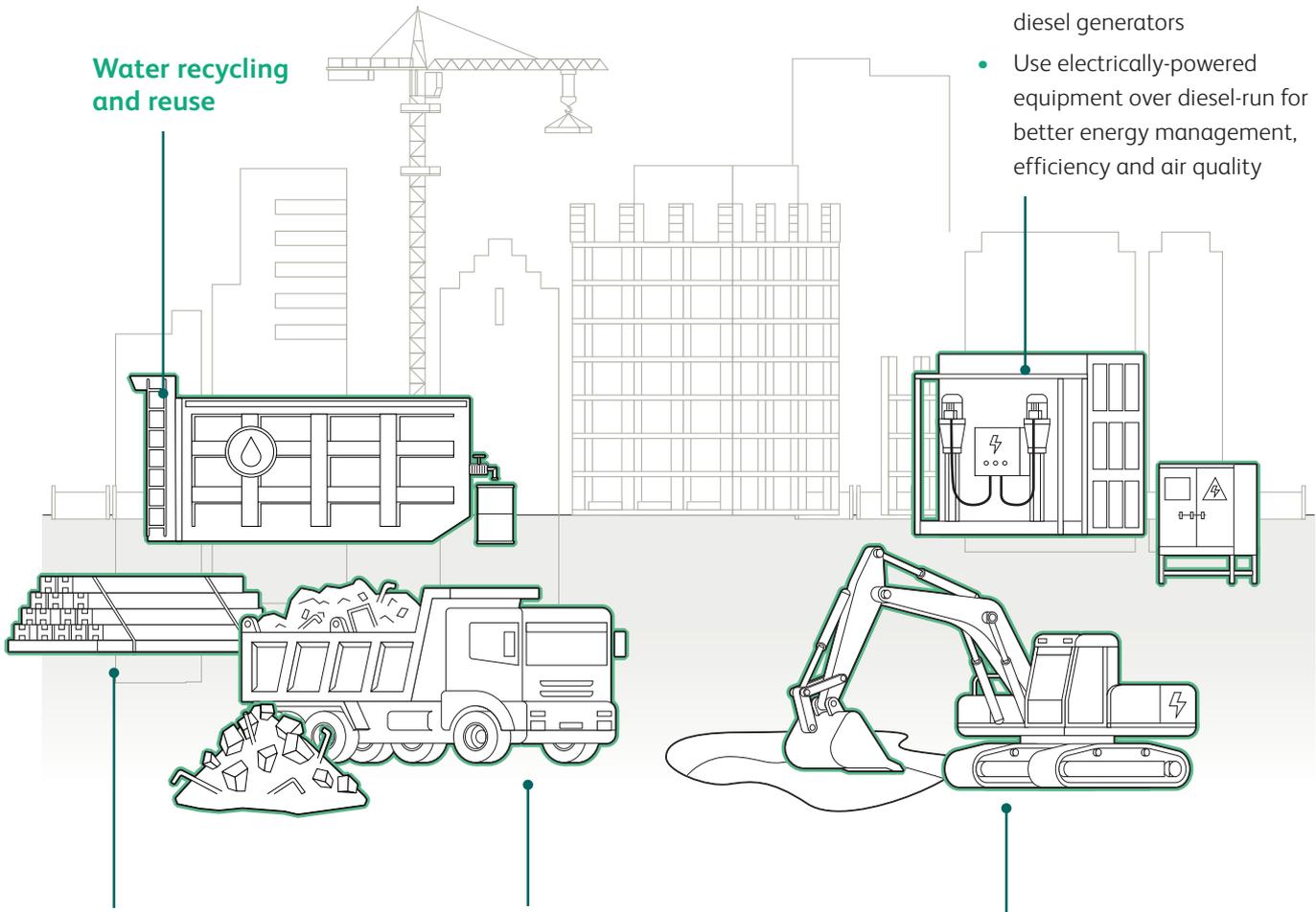
<sup>8</sup> Technical Guidelines on Energy Audit from Electrical and Mechanical Services Department [https://www.emsd.gov.hk/beeo/en/mibec\\_beeo\\_codtechguidelines.html](https://www.emsd.gov.hk/beeo/en/mibec_beeo_codtechguidelines.html)

## Embodied carbon reduction design adopted during construction

### Electrification at construction site

- Temporary electricity from HKE to reduce the use of diesel generators
- Use electrically-powered equipment over diesel-run for better energy management, efficiency and air quality

### Water recycling and reuse



### Materials selection

- Review structural options to reduce embodied carbon by optimizing the mix of rebars and concrete
- Use of greener concrete mix to reduce embodied carbon

### Waste management

- Minimize construction and demolition (“C&D”) waste generation on site through material reuse in-situ and recycling

### Energy management by optimizing equipment arrangement

- Use electrically-powered plant and equipment where practicable
- Avoid over-design of plant and equipment capacity, optimize plant capacity arrangement such as the use of air compressors

## Renewable Energy

As part of our decarbonization strategy, we use renewable energy wherever practicable. In 2022, we have installed PVs of 10 kW and 17 kW at Lee Garden One and Lee Garden Three respectively, increasing the overall renewable energy power capacity to 42.6 kW. During the reporting year, a total of 24,700 kWh of renewable energy was generated from our portfolio, equivalent to the annual consumption of over seven family homes in Hong Kong<sup>9</sup>. All renewable energy generated was fed into the grid of the local power company in support of Hong Kong’s decarbonization roadmap. During the reporting year, we have also purchased over 19,500 units of Renewable Energy Certificates (REC) from HKE.

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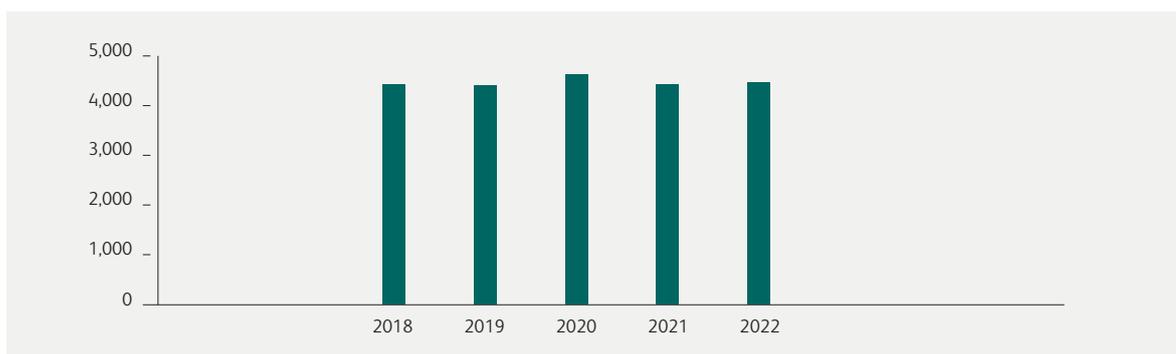
## Waste Management

Waste management is significant to Hysan’s operations, from daily property management to handling C&D waste at our construction site. We therefore strive to manage our waste generation as much as possible in the hope of minimizing the environmental impact of our day-to-day operations. Besides providing recycling bins at our premises, we invite tenants to participate in various recycling programmes, such as recycling daily food waste, recycling used laisee envelopes after the Lunar New Year, as well as collecting used clothes in collaboration with an NGO Redress.

While the amount of commercial waste (around 4,500 tonnes) remains about the same as last year, the overall recycling rate decreased from 26% in 2021 to 23% in 2022. As we begin progressing back to normal business levels, we will return to promote recycling again among our tenants, particularly with the anticipated government’s municipal waste charging scheme coming into effect.

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### 2022 Commercial Waste disposal (tonne)



## Construction Waste

As our new project developments and renovations progress, we will also strive to put more efforts in construction and renovation waste management, partnering with contractors during construction and tenants during fit-out. In 2022, we succeeded in having some tenants accepting their newly leased space in an “as is” condition, reducing construction and demolition waste generated due to renovations.

<sup>9</sup> Source: <https://www.emsd.gov.hk/energylabel/en/cal/cal.php>

Case study



## 100% recycling of demolished waste at the Caroline Hill Road Project

When foundation works were carried out at our Caroline Hill Road Project, we worked with our contractor to identify ways to reduce C&D waste, maximize in-situ reuse and recycle materials. By carefully designing and planning construction procedures, up to 100% of C&D waste was diverted

from landfill. We backfilled the foundation site with C&D materials from the existing two-story structure that was demolished, with all metals retrieved and recycled. Effective C&D waste management also reduced truck logistics in the highly congested Causeway Bay area and nuisance to neighbours during construction.



—  
**Over 5,300 tonnes**  
of C&D materials from demolition  
was diverted from disposal and used  
for in-situ backfill

—  
**100%** metals recycled

### Food waste

Since the launch of the Hong Kong Government's Food Wise Charter Signatory campaign in 2017, Hysan has been following best practices in food waste reduction in our daily operations. We encourage our food and beverage tenants to take part in our food waste collection programme. To facilitate the food waste collection process, we collect and send food waste to the Organic Waste Treatment Facility operated by the Environmental Protection Department. Besides the food waste decomposer installed at our residential property in enhancing awareness of our residents, more decomposers will be further installed in 2023. During the reporting period, a total of 34 tonnes of food waste was collected and processed.

### Single-use and Disposable Plastic

We support the reduction of plastic umbrella bag waste by setting up eco-friendly alternative facilities

at the entrances of all our portfolio properties. For this initiative, we received a Gold Level award from Greeners Action in their Umbrella Bags Reduction Accreditation Program 2022. We have also been running a Be Straw Free campaign since 2019 with our food and beverage tenants. Our aim is to further reduce the use of disposable plastic and promote the use of biodegradable or non-plastic tableware at food premises in the coming years. A reverse vending machine has also been set up at Hysan Place to collect plastic waste from our shoppers and tenants. Welcomed by our community, the machine has collected over 39,000 plastic bottles in 2022.

In addition to our existing recycling initiatives, we are developing a comprehensive waste reduction and recycling programme in support of the Hong Kong Government's Municipal Solid Waste Charging Scheme. This will see us working closely with tenants on waste management, including training and campaign.

## Water Management

Respecting water as a valuable resource, Hysan preserves both water quality and quantity in our properties by setting out a comprehensive water management plan.

### Water quality

We safeguard water quality with advanced treatment systems and regular water testing. At our head office, reverse osmosis filters conforming to WELL HSR were installed to provide safe drinking water for our staff. Regular drinking water quality tests are also carried out. Regular maintenance and monitoring of water quality are conducted in our buildings’ drinking and flushing water systems. Since 2019, our portfolio has attained the Quality Water Supply Scheme for Buildings certificates, for both fresh water and flushing water categories, and we have continued to maintain these certification annually, demonstrating our commitment to safe guard water quality for our tenants.

### Water conservation

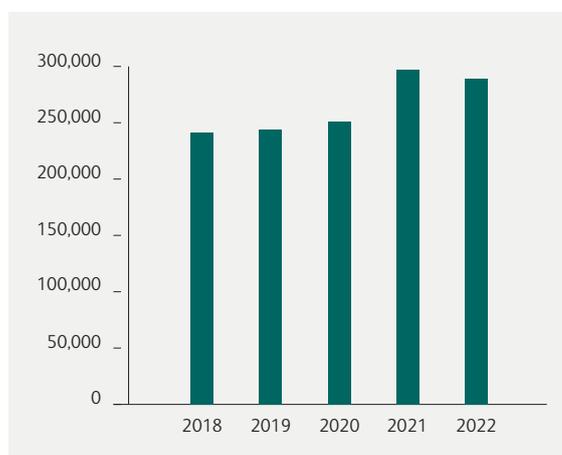
Water efficiency measures are adopted in our operations from cooling towers to irrigation systems; the application of water-saving fixtures and appliances in our projects and renovations. The water-saving and efficiency fixtures and appliances

was selected with WSD – Water Efficiency Labelling Scheme (WELS) label. Our rainwater harvesting system collects and reuses rainwater for irrigation and general cleaning purposes, while the Sky Wetland at Hysan Place helps to clean and filter grey water from the building’s offices, and provide irrigation water for the wetland<sup>10</sup>. Moreover, we encourage water reuse in construction sites by using on-site treated water for wheel washing and dust suppression.

## Indoor Air Quality (IAQ)

Maintaining satisfactory indoor environmental quality is critical for our shoppers, tenants and staff during COVID-19. Our AHUs are equipped with at least high-efficiency MERV 13 filters to better filter environmental contaminants. We have also installed ultraviolet-C disinfection devices in all AHUs/PAU in our portfolio. In addition, we have automated sensors targeting indoor air pollutants such as formaldehyde, particulate matter 2.5 (“PM2.5”) and volatile organic compounds (“VOC”) levels. Our monitoring system also detects thermal levels so that air conditioning can be adjusted according to occupants’ comfort levels. All these stringent control measures in our portfolio have been recognized with Indoor Air Quality Certifications by Environmental Protection Department for a number of years.

2022 Municipal Water Consumption (m<sup>3</sup>)



## Sustainable Procurement

Hysan’s Sustainable Procurement Policy is applicable to our procurement process of supplies, building materials and services for property development projects, as well as day-to-day operations of our investment property portfolio. Hysan supports the procurement of sustainable products, such as the purchase of Forest Stewardship Council (“FSC”) certified office paper products, including paper towels made with 100% recycled materials, electrical appliances with energy efficiency labels, water efficient water appliances, no or low VOC paints, and green cleaning products, among others. All contractors are required to complete a safety briefing

<sup>10</sup> Provision of grey water from offices was temporarily suspended during the pandemic.

and agree to a work safety and risk assessment agreement upon engagement. For all fitting-out, renovation or reinstatement works, Hysan has set out standardized House Rules and Green Fitting Out Guidelines to ensure all works comply with applicable statutes, codes, ordinances, regulations and sustainable practices, as well as the provision of safe and fair working conditions.

E-tendering has also been introduced in the tendering process for the purpose of reducing wasted resources among different business units in Hysan.

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### Biodiversity

Sky Garden and Sky Wetland at Hysan Place offer shoppers and tenants some unique outdoor environments to relax, refresh and enjoy green open spaces in the middle of a busy city. Stakeholder tours of Sky Wetland are organised from time to time to demonstrate how a greywater treatment system can co-exist with biological treatment by wetland plants inside a high-rise building such as Hysan Place. In addition, specific species are planted at the Butterfly

Garden at Lee Garden Three to attract butterflies for enriching biodiversity.

We are proud of our Hysan Urban Farm, which has been serving the community and acting as a model for organic farming since 2013. As of 2022, over 7,600 visitors have attended the workshops, stakeholder tours, farm-to-table projects, staff visits and other community campaigns. Throughout the year, we co-organized the Hysan Urban Farm workshops on the rooftop of Hysan Place in partnership with the Sustainable Ecological Ethical Development Foundation (SEED). These workshops inspired participants to appreciate and support local agriculture and, most importantly, to learn more about traditional organic farming practices such as using farming tools to plough the soil, sowing and fertilising, and dealing with traditional farming challenges such as pests and severe weather damages. Only local, organic and seasonal fruits and vegetables are planted at the farm, based on proper crop rotation and maintenance principles. This attracts a diverse range of fauna, such as grasshoppers, crickets, bees, butterflies, beetles and earthworms, all at 200 metres above ground level.

Different species are planted in Hysan Urban Farm, located at the rooftop of Hysan Place.



Sky Wetland located on 16/F of Hysan Place

# People

Zero fatalities

↓ 40% of injury rate from 2021

47% of women in management positions<sup>11</sup>

↑ 50% in total number of training hours from 2021

Our People is one of the key priorities for Hysan's business success. We are well aware of our responsibilities towards our employees, which is why we continuously strive to build a strong, vibrant community full of talented individuals, with access to a fair, positive and motivating work environment. 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

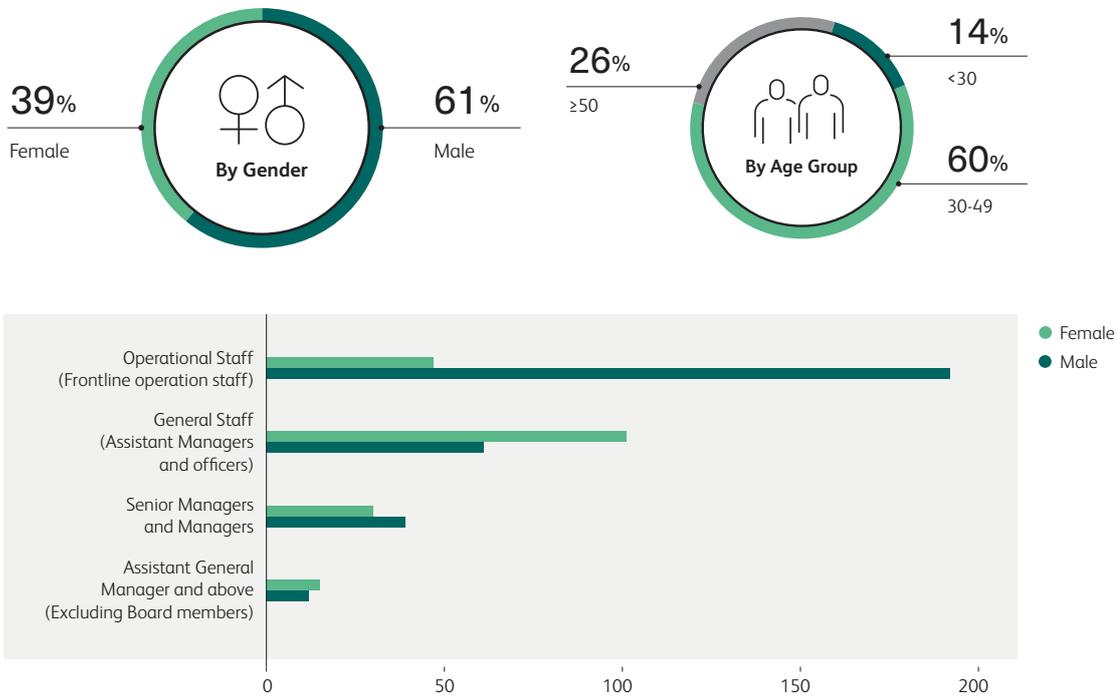
As of 31 December 2022, our workforce at the Group level has a total of 497 full-time employees, about a 6% increase from 2021. We are pleased to see that Hysan's team grew despite the impacts of the pandemic and the economic downturn. We have also a reduced turnover rate of 19% in 2022, an improvement achieved by our efforts in talent retention.

In 2022, we recorded

- A decrease in the injury rate from 2.35% in 2021 to 1.41% in 2022.
- Continuation of zero work-related fatalities.
- 47% of management positions held by women.
- More than 50% increase in total training hours, compared with 2021.

<sup>11</sup> "Management position" is Manager grade staff and above.

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



Our overall workforce gender ratio is about 6.1:3.9 male to female. The higher male ratio is mainly due to the gender availability and workforce availability in the property management market. While we strive to reduce the gender gap of our operations staff, it's important to note that other factors such as qualifications and skills are also essential in determining qualified individuals besides gender considerations.

### 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 Labor Organization'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 carried out directly or indirectly, is strictly prohibited. Any incident of discrimination during recruitment, promotion/demotion, transfer, termination, rate of pay/wages or other forms of compensation, and training is also strictly prohibited.

All employees are required to undergo anti-discrimination training on the Company's 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 Standard Operation Procedure (SOP) Manual and regular drills in place to provide guideline in executing daily operations while observing human rights. During the reporting year, there were no cases 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 and examination, volunteer, marriage, and paternity), medical coverage, and retirement benefits. Since 2021, we have extended our medical coverage to include mental health support and extra wellness benefits, such as health check-ups, vaccinations, fitness classes, eye health coverage, and psychological counselling. In 2022, we upgraded our medical scheme to provide employees with a flexible medical budget that enabled them to choose the wellness options most appropriate to their needs.

## Diversity and Inclusion

Hysan ensures diversity and inclusion are driving factors 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.

We have equipped our workplace with gender and family-friendly provisions for our employees, such as nursing and breastfeeding rooms. In consideration of the medical needs of our pregnant employees, we have provided a work-from-home option. We regularly invite speakers from various organizations such as members of the Equal Opportunity Committee (“EOC”) to provide training on equal opportunity, inclusion and diversity issues in workplace.

## Lunch & Learn with Ethnic Minority

An NGO group, The WEDO GLOBAL, was invited to discuss their beliefs, culture and capabilities with our employees at our Lunch & Learn programme. A cultural experience session was also held with South Asian Cultural Ambassadors, who taught our employees about their henna drawings and other aspects of South Asian culture as well as their current challenges in Hong Kong. We exchanged ideas with the Ambassadors on how to build a more inclusive community and embrace different cultures.



## 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 programmes for young talent, recent graduates and management trainees, our training system gives Hysan a distinct competitive advantage.

It allows us to not only strengthen employee management and development across all levels, but also to bridge skill gaps in our people.

We encourage internal communication by regularly organizing the Hysan Forum, during which we provide updates on the Company's business as well as discussion platforms for department heads to share their ideas and thoughts and the challenges encountered in decision-making. We believe consistent communication within the Company is essential for developing our employees' sense of belonging and optimizing performance.

### Hysan Agile Leaders programme



#### 4 Employees

won the Merit Award from Hong Kong Management Association

At Hysan, we encourage our colleagues to acquire new knowledge and skills beyond their day-to-day works. In 2022, we launched the signature training programme, Hysan Agile Leaders which is designed to help our staff understand their strengths and development needs through scientific self-assessment and career coaching.

During this programme, participants had the opportunity to take comprehensive leadership training in areas such as personal effectiveness,

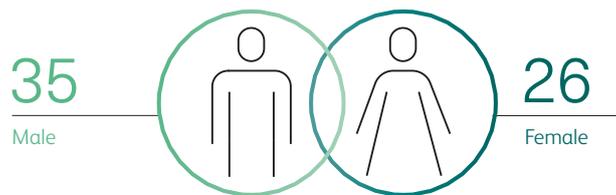
project management and leadership skills in bite-sized learning sessions. To mark the programme's completion milestone, participants put their learning into practice during the Hong Kong Management Game, organized by the Hong Kong Management Association of which we concluded winning a merit award.

## Engaging our frontline staff during a communication training session

Interactive training is regularly provided to our property management and customer service frontline staff to enhance their communications skills. Our frontline team came together to participate in role plays and shared good practices in handling various customer service scenarios.



### Average Training Hours by Gender



For young people with limited formal education or qualifications who wish to pursue a career in property management, Hysan offers an apprenticeship scheme that provides comprehensive building management technical training in subjects such as air-conditioning, plumbing, electricity and fire prevention. Apprentices with satisfactory performance are offered permanent employment at Hysan. We have also supported the Hong Kong Government’s Youth Employment and Training Program since 2014. The selected candidates started as building services mechanics and will be considered for promotion after the completion of the apprenticeship programme.

Within Hysan, for highflyers in middle management, we have an Middle Management Team Professional Training Series (“MMT Pro”) programme that offers training in subjects including developing leadership skills as an operations manager, team building and projecting a professional image.

Hysan’s Mobile Learning Platform provides an online platform boasting a variety of learning modules and resources for staff, including live videos. Training subjects range from professional knowledge, such as compliance, industry knowledge and occupational safety and health, to soft skills in leadership, personal capabilities and physical and mental health. The platform has a comprehensive set of property management lessons to familiarize our entry-level employees with the day-to-day operations of the Company.

**Average Training Hours by Employment Category**



While we observe the average training hour for male employees is higher than that for female employees, the slight skewness is due to the higher proportion of male employees in our operation team which has received 40 training hours in average.

In addition to internal training, we encourage our employees to take professional training courses from external institutions and apply for educational memberships, which are sponsored by the Company and recognized with quarterly rewards. We also provide financial subsidies to employees for training and membership fees. Two study paid leaves and three examination paid leaves are offered to help employees prepare for examinations.

Besides job-related training, we provide diverse learning opportunities on general topics to enhance 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 of mental health issues, first-aid treatment, inclusive workplaces and vegan diets, among other topics.

**Performance Management**

Performance management is an important procedure 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:

- Highlights training needs and improves accountability and efficiency;
- Promotes employee retention and reduces attrition;
- Supports workforce planning and proper and fair utilization;
- Helps management identify employees for promotion or additional support and guidance;
- Helps define career paths and boosts morale.

Department heads regularly carry out reviews and analyse our employees’ performance to help the team to reach their full potential, which empowers our employees to receive promotion opportunities and at the same time provide feedbacks to department heads to make the performance review a bi-directional dialogue. To ensure our salary packages are competitive enough to attract talented individuals, we have conducted a peer benchmarking exercise this year and made adjustments accordingly.

## 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, and have been renovated and remodelled into an open office to encourage the exchange of creative ideas. The new office design will also help the development of a holistic environment focused on health and wellness, comfort, sustainability and flexibility.

During the year, we were able to maintain a comfortable indoor environment for employees, with enhanced IAQ, controlled ambient (thermal) ventilation, and comfortable lighting levels. To minimize our reliance on bottled water, we provide high-quality drinking water by using a water filtration system with National Science Foundation (“NSF”)<sup>12</sup> certification. We also added touchless sanitary features in the washrooms for maximum hygiene conditions. Under our Ergonomic Support Policy and Stress Management Plan, as well as our new wellness awareness programme, we infuse healthy diet, organic farming, meditation, and mind and body relaxation into our staff engagement activities.

During COVID-19, we adopted work-from-home arrangement to reduce the risk of infection among employees. While staying at home, our employees were encouraged to maintain proper business attire and to focus on ergonomics for maintaining health, well-being and productivity. We also provided a series of staff wellness and recreational programmes as well as benefits such as free influenza vaccinations, medical insurance briefings, and an online seminar on treating and recovering from COVID-19. Activities

during lunch breaks included Chair Yoga, Thera-band exercises, watercolor painting, and Water Bottle Workout to help our employees relax and relieve stress.

Outside office hours, we encouraged employees to embrace an active lifestyle. During the year, we enriched our health protection programme to cover physical and mental health for all employees by adding new programmes such as yoga classes, advice on anti-chronic inflammation diets, sarcopenia (loss of muscle mass, strength and function in older adults), a mental health workplace charter and fitness classes.

We have held an Employee Assistance Program since 2009, in which an external NGO was engaged to offer a professional consulting service for employees and their family members. Issues covered include managing stress and anxiety associated with a lack of work-life balance and overcoming pandemic-related problems.

### Corporate Culture Survey

We conduct periodic group-wide corporate culture satisfaction surveys at Hysan. The survey encourages employees to share their views and insights on the Company’s culture, values, organizational 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, organizational structure and inter-unit dynamics, team identity, creativity, talent management, business strategy, governance, moral values, and rewards and recognition. The survey results were reported to senior management and board members, who reviewed these results in order to develop initiatives and programmes that enrich our working environment and fuel Hysan’s ongoing growth.

<sup>12</sup> National Science Foundation (NSF) certification mark means the water filter has been tested for safety, and contaminants have been removed from drinking water. Our drinking water filtration system meets NSF standards in over 30 parameters.

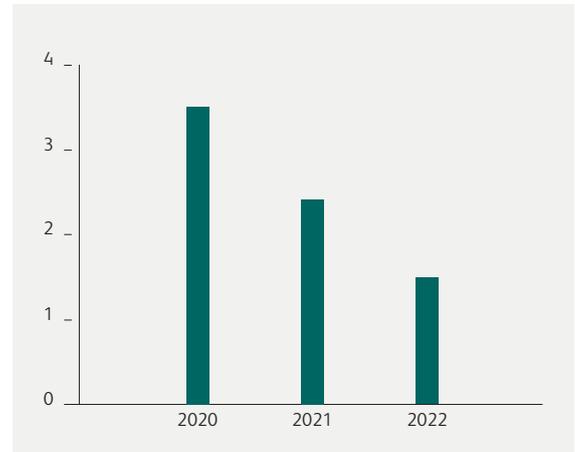
## Health & Safety

Providing a safe and healthy work environment is one of Hysan’s high priority commitments for all stakeholders across our operations, as laid out in our corporate Health & Safety Policy. We have an Accident, Incident and Emergency Manual detailing emergency handling procedures, safety instructions for contractors, safety precautions related to our daily operations and assistance for customers and tenants. This year, Hysan carried out 8,808 hours of health and safety (H&S) related training, doubling the hours compared to 2021. Training sessions included teaching our frontline employees essential H&S knowledge and the latest government regulations and requirements on workplace safety, handling special equipment, as well as wellness-related knowledge. We recorded an injury rate of 1.41 % in 2022, reducing 40% from 2021. There were no fatalities among our employees during the reporting year.

Our entire Lee Gardens portfolio has been rated WELL HSR by the International WELL Building Institute (IWBI) 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.

To support our employees during the pandemic, we provided free rapid antigen test kits as needed and free body checks. For employees who became infected, we distributed care packages and provided vaccination leave in addition to their regular sick leave. We also provided constant COVID-19 updates and information on maintaining good health, in addition to carrying out extensive sanitation measures, such as regularly disinfecting our offices and as needed.

Injury Rate (%)



### Ultraviolet-C (“UV-C”) disinfection devices installed in AHUs and PAUs



During COVID-19, we installed UV-C disinfection devices in all AHUs and PAUs to ensure our air intake was thoroughly disinfected prior to circulating throughout the building’s ventilation system.

### Site Safety

As a responsible property developer, we are committed to safeguarding the health and safety of our employees, including those of the companies whom we do business with, as well as the communities within which we operate. We have also set out a Health and Safety Policy and will communicate our standards and requirements externally to contractors within the tender documents and method statements to ensure related third parties are aware of these standards and follow them accordingly.

At our on-going projects, all workers entering the sites were required to register and attend site induction training and the daily morning safety briefings, including information on emergency responses and preparedness. To accurately reflect the latest site conditions, our Projects team conducts regular site walks, reviews construction safety plans with

contractors, and discuss suitable risk avoidance and mitigation measures.

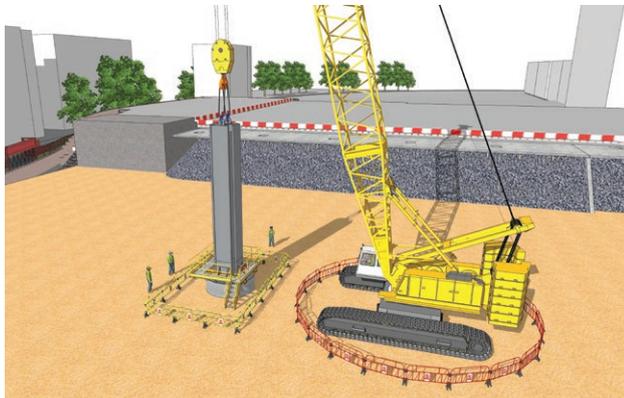
Hysan went a step further at our Caroline Hill Road Project, by seeking specialist advice from an independent third-party safety consultant to vet the project's safety plans and method statements, adding further assurance on the safe operation of the site.

Hysan pays serious attention to construction safety for we are committed to provide a safe and healthy environment not only for our own staff, but also our contractors and service providers. Taking our Caroline Hill Road Project as an example, owing to the complex site conditions, early consideration is given to safe demolition procedures. Our Projects team works with the contractor to implement a specially designed methodology so that demolition can take place at ground level without the need for temporary prop and strut supports.

### Adoption to advance techniques to enhance site safety

We frequently explore new equipment and technology that can enhance process safety and minimize risks during construction. The project becomes one of the first in Hong Kong to adopt SlingMax, an advanced lifting technique with a special lightweight lifting gear, to conduct challenging heavy lifting works of stanchions which are difficult for conventional lifting

equipment to manage. To facilitate equipment check-up before each lifting operation, it comes with a "Check-Fast Inspection System" to provide criteria for pass or fail inspection. A ground radar is used to examine the ground condition before each lifting operation, alongside with safety railing surrounding the operation zone and safety supervisors monitoring the process.



Fencing off safety zone during heavy lifting.



Use of ground radar to examine ground condition prior to lifting operations.

# Community

40 NGOs engaged

4,287 beneficiaries

## Outstanding Partnership Project Award

accorded from The Hong Kong Council of Social Service in recognition of our partnerships with NGO

Hysan believes that connecting with the community is one of the core drivers of our sustainable business development. Our simple but sincere aspiration is to deliver sustainability, resilience and enjoyment to our community through passionate efforts and to allow the public and our stakeholders feel the prosperity and harmony of our community. Taking into consideration of the interests of our community, we focus on five major areas to jointly build a harmonious society and continuously improve the well-being of the community and our key stakeholders.

**Community Health  
and Wellness**

**Environmental  
Sustainability Awareness**

**Diversity  
and Inclusion**

**Art and Culture**

**Family and Children**

As a major stakeholder in the Lee Gardens Area, Hysan plays a vital role in curating the neighbourhood. This includes giving back to the communities where we operate and creating meaningful value for the entire society.

## Community Health and Wellness

Since the outbreak of COVID-19, health and wellness have become vitally important issues. With our long-established sustainability mindset, Hysan has been promoting both mental and physical wellness as well as community-building through the various

programmes and activities we offer. We also support and improve our community's resilience so that our stakeholders are equipped with related ideas to deal with any potential challenges and difficulties that may arise in the future.

### Case study

## Sports for All: Hysan Youth Rugby Championship

Rugby, as an internationally welcomed sport, is well celebrated by the Hong Kong Sevens, which is one of the most prestigious annual rugby tournaments in Hong Kong. This Hysan-sponsored event has attracted thousands of supporters local and abroad. Riding on this enthusiasm, Hysan wishes to further unleash rugby's potential in Hong Kong, help this sport grow and make it more accessible.

In 2022, to welcome youths of both genders and from different social backgrounds, we broadened our support by sponsoring Hong Kong Rugby Union ("HKRU")

Youth Rugby Championship. Through HKRU we invited different rugby clubs to join tournaments regularly, including both international schools and local schools.

In rugby games, we saw the youths bring out a lot of characters, develop perseverance and physical health. Families came together as cheering crowd and shared the joy of this Championship. In the coming year, we hope to provide greater access to the sport at the grassroots level and promote community wellness to the younger age group.



**Sponsored over 1,000**

youths aged between 12 and 17 to join Hysan's leagues and tournaments



Engaged  
**nearly 100 participants**

## Wellness Classes to Energize the Community

Through the gLEEEfull Wellness Programmes, Hysan has organized a wide range of diversified activities in the Lee Gardens Area for office occupants, area visitors and the public to participate, learn and have fun since September 2022. Local artists and tutors were invited to host workshops such as meditation, Chinese Calligraphy, handmade bar soap, tea and floral arrangements, fitness and yoga classes. We believe all these activities provided good opportunities for participants to learn new skills in a relaxed and enjoyable environment to improve their physical and mental well-being during their busy lives.

## Hysan Hike & Run 2022

Hysan has partnered with Action Asia Events since 2011 for the signature Hysan Hike & Run programme, which we host to promote physical wellness and encourage the public to explore our city's countryside. The 2022 edition was held in November, one of the first major trail races as the COVID-19 situation improved, and was a signature event to raise awareness of health, wellness, and the environment.



Over  
**400 participants**  
for the Hysan Hike & Run 2022

## Environmental Sustainability Awareness

Hysan has been calling on the public and our stakeholders to take more action on rising environmental challenges. We promote awareness of environmental sustainability to the public and our stakeholders as part of our explicit strategy of sustainable development through tenants and community engagement.

In addition to our signature programme, the Hysan Urban Farm workshops, we partnered with SEED to hold the Lee Gardens Urban Farmers Market, which brought around 8 to 10 local organic farmers together every month. The market was not only a regular source of fresh produce, but more importantly, a meaningful communication channel

between farmers and consumers. Through their interactions with farmers, consumers came to understand how local organic produce could mitigate environmental costs during the process in transportation and storage.

To further promote a sustainable lifestyle during the festive season, the theme of our Christmas Market was specially named to be “S.L.O.W.,” which stood for four elements – Sustainability, Local, Organic and Wellness. We hosted 30 market booths in our Lee Gardens Community in 2022, where a selection of organic produce, handicrafts, wellness products and pet treats were all part of a joyful and environmentally-friendly Christmas.

### Case study

## Celebrating Hysan’s 10th year partnership with SEED

Hysan Urban Farm is located on the rooftop of one of Hong Kong’s greenest buildings, Hysan Place. We run the Farm with SEED, which provides opportunities for more than 300 farmers and stakeholders every year to participate in the workshops. Workshop participants learn how to grow different seasonal vegetables and enjoy the harvest of their hard work. From our post-workshop survey findings, 100% participants agreed that the workshops are enjoyable and stress-relieving, and will recommend others to join in the future.

This year marked the 10th year partnership between Hysan and SEED, it has been one of the our main community engagement and green building education projects since 2013. We are delighted to receive the Outstanding Partnership Project Award from The Hong Kong Council of Social Service, in recognition of our long-term strategic collaboration with SEED and contributions to society. The farming sessions highlight the advantages of organic farming, consuming local produce and biodiversity.



—  
Around  
**300 participants**  
joined our urban farm  
workshops in 2022

## Family and Children

Supporting family cohesiveness has always been a major focus for Hysan, one that we will continue to prioritize in these times of global pandemic recovery and economic uncertainties.

In 2022, our Xplore offered fun, creative and inspiring courses to children aged 3 to 10. These included a

series of activities in partnership with quality organizations and NGOs, including the All Hong Kong Skateboards Association, Hong Kong Youth Arts Foundation and SEED, as well as a number of workshop providers specializing in arts and crafts, STEM and cooking. Moving on to 2023, we will extend our support to include more outreach activities that spread care and support to families in need.

### Case study

## Educating Hong Kong's biodiversity at Lee Gardens Street Art Festival



In October 2022, Hysan and Xplore, the Lee Gardens Children's Academy, partnered with the Hong Kong Youth Arts Foundation to hold the first-ever meaningful Lee Gardens Street Art Festival. Designed to bring back the happiness of exploratory play for children and their parents in a large group setting, the festival encouraged children to contribute their

artistic efforts and creative ideas in events under the theme *The Wonder of Insects*. While the main activity involved the creation of giant paintings in Lee Garden One's iconic driveway, children and their parents could enjoy the moments together and also had the opportunity to learn more about Hong Kong's biodiversity.



Over **1,000 participants** co-created a giant work of street art



## Art and Culture



The pursuit of art and culture is integral to our everyday lives. Hysan acknowledges that the entire spectrum of the population may not have equal exposure to art and culture, so we treat it as our mission to provide accessible art and cultural activities for everyone. As part of our commitment to delivering and enriching the art and culture in Hong Kong, we have long been an important patron of budding local artists, whether they specialize in the visual or performing arts, or other artforms.

Our first introduction of skateboarding to the Lee Gardens Community dated back to Lee Gardens Skateboard Fest 2021, which planted the seed of skateboarding culture in the community. It was brought back in 2022 in a continued effort to increase the popularity and accessibility of the sport. Debuting in the Olympic Games, skateboarding is a non-traditional sport where skaters seek their own paths and express their own identity. We have taken this one step further to accommodate local youth by

- Partnering with KELY Support Group to hold charity skateboard experience classes for young people to get a taste of skateboarding. Proceeds from the classes were donated to further development of local youth.
- Launch of Urban Park, located at Hysan Place, to allow the public to enjoy skateboarding in the heart of our city.

New culture is exciting, but we also pay respect to our own history and culture. Hysan and its founding family have 100 years of history rooted in Hong Kong. When the Lee family developed a hill into a residential and commercial area, now known as Lee Gardens, they brought Java Apple plants from their native Guangdong to Hong Kong. These trees have been in the area for more than half a century, preserving the history of Hysan's development in Hong Kong. Showcasing the fruit-laden Java Apple trees along Hysan Avenue, Hysan supported the Lee Gardens Association by creating a 5-week *LOOK UP & BEYOND: Lee Gardens' Summer is Here!* community programme to connect the community through a range of Java Apple-themed art, crafts and cultural activities.

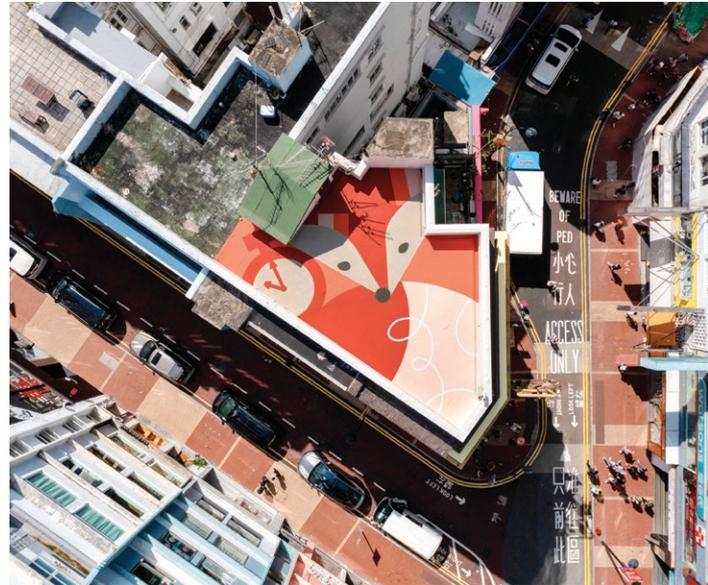


During *LOOK UP & BEYOND: Lee Gardens' Summer is Here!*, we partnered with Walk in Hong Kong, an organization offering in-depth local walking tours. During our four community tours in the Lee Gardens Community, the public was introduced to Lee Gardens' history and culture.

## gLEEFul Moments at Rooftops in Lee Gardens Area

gLEEFul rooftop is Hysan's initiative to enliven some of the Lee Gardens Area's low-rise rooftops and create a new perspective to appreciate our community. In collaboration with renowned local design house One Bite Design Studio, we revitalized eight rooftops in the Lee Gardens Area to demonstrate the fusion of old and new. These featured artistic recreations and portrayals of local childhood games, such as Hopscotch, Red Light, Green Light, and What's the Time Mr Wolf. These rooftops, sometimes called the fifth façade of a building, became the stages and casted spotlight on many Hysan's collaborations. The rooftops gave tenants in neighbouring buildings an opportunity to connect with Hong Kong's Art and Culture in the middle of the city.

We have held the first event of a day full of music and wellness activities by inviting local musicians and linked up fitness units to offer a coolio experience gLEEFul moments in the Lee Gardens Area.



## Floral Princess 65th Anniversary

2022 was the 65th anniversary of renowned performers YAM Kim Fai and PAK Suet Sin's interpretation of *TONG Tik Sang's Floral Princess*, one of the best-known Canton-opera plays. The Hysan linkage was the venue where the performance had its debut: Hong Kong's then-premier venue, Lee Theatre, back in 1957. Lee Theatre was indeed a cradle for modern Canto-opera, bringing the traditional art form from a street culture setting into a magnificent auditorium.

From September to October 2022, Hysan sponsored the *Celebrating the 65th Anniversary of YAM-PAK-TONG's Floral Princess* and co-organized the exhibition *A Collection of Coeng-ping Images 65*. The aim of both events was to promote and attract the next generation to the glamour and historic relevance of the Canto-opera art form.

## Support in Young Women's Development

Hysan supports The Women's Foundation ("TWF"), whose mission is to improve the well-being of women and girls in Hong Kong. As one of the sponsors of TWF's Girls Go Tech (GGT) Programme, Hysan helps to create a smart community with outreach programmes in which secondary schoolgirls learn about modern technology from examples that can be applied in daily life.

In April 2022, Hysan co-organized the STEM webinar on Creating a City Oasis with



Technology for GGT Programme participants. Senior-level women speakers from Hysan discussed their jobs in sustainability, digital marketing and organic farming, as well as the technology used in their roles.

## Diversity and Inclusion

Lee Gardens Area is an eclectic neighbourhood where old meets new and the traditional meets the millennial – a community full of contrasts and diversity. Hysan fully respects this diversity and uniqueness, and therefore understands the importance of curating a space where people can come together. We always consider diversity with regard to ethnic, gender, age and social class in the community programmes we provide.

During the COVID-19 fifth wave, we shared our care and compassion for the elderly who lived alone by carrying out complimentary U-trap checks and maintenance. A safe living environment is essential, yet caring for people's mental health is also a priority. Embracing the concept of generational diversity, we partnered with UOW College Hong Kong to recruit up to 20 university students from the Social Work department as Youth Ambassadors during home visits.

## Volunteering and Charitable Donations

Despite the ongoing COVID-19 pandemic, Hysan's Volunteer Team put in 322 hours of volunteer services in 2022 with our NGO partners. This included our participation in 12 activities such as the Group's COVID-19 Community Care activities. We have also supported the environmental NGO Redress in its Get Redressed Month since 2017, encouraging our employees to participate in sorting second-hand clothes.

Moreover, Hysan made monetary donations and raised funds for various charities through events and campaigns. We also take advantage of our property portfolio's bustling location in the heart of Causeway Bay to offer welcoming venues and media support to charities. Other causes promoted by Hysan include raising public awareness of environmental conservation, food waste, mental health, animal welfare and protection, diversity and inclusion, youth programmes and poverty alleviation.



Scan the QR code to view highlights of the Hysan Community Initiative – Elderly Household U-traps and Ventilation Checking and Maintenance Project.

# Appendix 1: Three-year Performance Data<sup>1</sup>

## Environmental

	Unit of Measure	2020	2021	2022	Y-o-y % change
<b>Air Emissions</b>					
Nitrogen oxide (NO <sub>x</sub> )	kg	0.90	2.01	2.13	
Sulphur oxide (SO <sub>x</sub> )	kg	0.04	0.06	0.07	
Particulate matters (PM <sub>10</sub> )	kg	0.07	0.11	0.12	
<b>Energy Consumption</b>					
Towngas	Unit	1,858	2,947	2,382	
Petrol	Litres	2,812	4,200	4,009	
Diesel <sup>2</sup>	Litres	4,152	4,383	5,456	
Purchased Electricity	MWh	50,788	53,409	50,375	
Purchased Electricity Intensity	MWh/ sq ft	0.01	0.01	0.01	
Total Energy Consumption	MWh	50,880	53,530	50,504	-5.7%
	GJ <sup>3</sup>	183,022	192,554	181,668	-5.7%
Total Energy Consumption Intensity	MWh/ sq ft	0.011	0.012	0.011	-5.0%
	GJ/ sq ft	0.040	0.042	0.040	-5.0%
On-site Renewable Energy generation <sup>4</sup>	kWh	0	6,850	24,700	
Renewable Energy Certificate (REC) Purchased	kWh	0	641	19,701 <sup>5</sup>	
<b>Refrigerants</b>					
Refrigerant refilled <sup>6</sup>	Tonne	0.82	0.63	0.54 <sup>7</sup>	
GHG Emission from refrigerants	Tonne CO <sub>2</sub> e	NA	1,210	758	
<b>Greenhouse Gas ("GHG") Emission<sup>8,9</sup></b>					
Scope 1 <sup>10</sup>	Tonne CO <sub>2</sub> e	23	548	789	
Scope 2 <sup>11</sup>	Tonne CO <sub>2</sub> e	41,139	37,922	35,767	
Total GHG Emission (Scope 1 & 2)	Tonne CO <sub>2</sub> e	41,162	38,470	36,557	-5.0%
Total GHG Emission (Scope 1 & 2) Intensity	Tonne CO <sub>2</sub> e/ sq ft	0.01	0.01	0.01	-4.3%
<b>Water Consumption</b>					
Municipal water use	m <sup>3</sup>	251,860	295,899	281,790	-4.8%
Water use Intensity	m <sup>3</sup> / sq ft	0.06	0.07	0.06	-4.1%
Wastewater Generation <sup>12</sup>	m <sup>3</sup>	201,488	236,719	225,432	
<b>Waste<sup>13</sup></b>					
<b>Hazardous waste disposed</b>					
Chemical waste (solid)	kg	2,192	5,357	325	
<b>Non-hazardous waste disposed</b>					
General waste disposed to landfill	Tonnes	4,614	4,409	4,459	
<b>Materials Recycled</b>					
Paper	Tonnes	1,237	1,100	949	
Aluminium Cans	Tonnes	3	3	5	
Glass	Tonnes	3	2	2	
Plastic Bottles	Tonnes	9	3	27	
Food waste	Tonnes	32	29	34	
<b>Total materials diverted from landfill</b>	<b>Tonnes</b>	<b>1,287</b>	<b>1,137</b>	<b>1,017</b>	<b>-10.6%</b>

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.
- 1 Gigajoule (GJ) = 0.278 MWh
- The scope covers the solar PVs installed at our commercial properties only. RE generation in Bamboo Grove is <1% of overall RE generation within the portfolio and it was 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 the overall GHG emissions.
- Refrigerants include hydrofluorocarbons (HFCs).
- Refrigerants excluded the amount refilled in Bamboo Grove in 2022. Due to the change of property management practice, Bamboo Grove data in 2022 is incomplete.
- Greenhouse Gas (GHG) emissions were calculated based on the 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 (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), HFCs.
- Emission factor (EF) adopted for purchased electricity is 0.71 kgCO<sub>2</sub>e/kWh as provided by HK Electric Investments Sustainability Report 2021. The EF for Towngas is 0.588 kg CO<sub>2</sub>e/unit as provided by The Hong Kong and China Gas Company Limited ESG Report 2021. The EF for Water Consumption and Sewage discharge are 0.417 kg CO<sub>2</sub>e /m<sup>3</sup> and 0.21 kg CO<sub>2</sub>e/m<sup>3</sup> as provided by Water Supplies Department Annual Report 2019/20 and Drainage Services Department Sustainability Report 2020-21 respectively.
- Scope 1 emissions included in 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 head office, tenants, and common areas, unless otherwise specified.

## Appendix 1: Three-year Performance Data

### Social

		Unit of Measure	2020	2021	2022
<b>Workforce (as of 31 December 2022)</b>					
<b>Total Number of Employees</b>			500	467	497
by Gender	Male	No. of employee	310	290	304
	Female	No. of employee	190	177	193
	Male in managerial position	%	51	51	53
	Female in managerial position	%	49	49	47
by Employment Type	Full-time	No. of employee	500	467	497
	Part-time	No. of employee	0	0	0
by Employment Grades <sup>14</sup>	Assistant General Manager and above	No. of employee	NA	NA	27
	Senior Manager and Manager	No. of employee	NA	NA	69
	General Staff	No. of employee	NA	NA	162
	Operation Staff	No. of employee	NA	NA	239
	Head Office Employee	No. of employee	189	171	NA
	Principal Operating Subsidiaries	No. of employee	311	296	NA
by Employment Contract	Permanent	No. of employee	454	439	467
	Temporary	No. of employee	35	28	30
by Age Group	≤ Aged 29	No. of employee	86	70	71
	Aged 30 – 49	No. of employee	280	276	297
	Aged ≥ 50	No. of employee	134	121	129
by Geographical Region	Hong Kong	No. of employee	500	467	484
	Mainland China	No. of employee	0	0	13
<b>Turnover</b>					
<b>Total Number of Leavers<sup>15</sup></b>		No. of employee	53	120	95
<b>Turnover Rate<sup>16</sup></b>		%	11	26	19
by Employment Grades <sup>14</sup>	Assistant General Manager and above	%	NA	NA	4
	Senior Manager and Manager	%	NA	NA	22
	General Staff	%	NA	NA	25
	Operation Staff	%	NA	NA	16
	Head Office Employee	%	7	36	NA
	Principal Operating Subsidiaries	%	13	20	NA
by Gender <sup>17</sup>	Male	%	9	22	14
	Female	%	14	32	27
by Age Group <sup>18</sup>	≤ Aged 29	%	20	54	34
	Aged 30 – 49	%	11	25	21
	Aged ≥ 50	%	4	11	8
by Geographical Region <sup>19</sup>	Hong Kong	%	10	26	20
	Mainland China	%	NA	NA	0

## Appendix 1: Three-year Performance Data

		Unit of Measure	2020	2021	2022
<b>Training</b>					
<b>Total Training Hours<sup>20</sup></b>		No. of hours	9,430	10,252	15,565
by Type of Training	Anti-corruption	No. of hours	NA	NA	227
	Cybersecurity training	No. of hours	NA	NA	1,290
	Environmental	No. of hours	NA	NA	136
	Health & Safety Related Topics	No. of hours	2,137	3,176	8,808
	Professional training	No. of hours	NA	NA	4,497
	Others	No. of hours	NA	NA	607
<b>Average Training Hours per Employee</b>		No. of hours	19	22	31
by Gender	Male	No. of hours	12	19	35
	Female	No. of hours	19	26	26
by Employment Grades <sup>14</sup>	Assistant General Manager and above	No. of hours	NA	NA	20
	Senior Manager and Manager	No. of hours	NA	NA	20
	General Staff	No. of hours	NA	NA	26
	Operation Staff	No. of hours	NA	NA	40
	Head Office Employee	No. of hours	21	18	NA
	Principal Operating Subsidiaries	No. of hours	16	24	NA
<b>Health and Safety</b>					
	Total number of workdays	No. of days	NA	NA	138,312
	Total number of lost days due to work-related injuries	No. of days	204	55	24
	Total number of work injuries	No. of cases	17	11	7
	Injury Rate <sup>21</sup>	%	3.40	2.35	1.41
	Lost Day Rate <sup>22</sup>	%	0.14	0.04	0.02
	Total number of Fatality	No. of cases	0	0	0
	Work-related Fatality Rate <sup>23</sup>	%	0	0	0

NA: Data not available or not collected

### Notes

14 In 2022, Hysan has regrouped employees into 4 employment grades.

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.

17 Turnover Rate by Gender for the year is calculated as the Number of Leavers in the specified gender group divided by the Total Number of Employees in the specified gender group.

18 Turnover Rate by Age Group is calculated as the Number of Leavers in the specified age group divided by the Total Number of Employees in the specified age group.

19 Turnover Rate by Geographical Region is calculated as the Number of Leavers in the corresponding region divided by the Total Number of Employee in the corresponding region.

20 All employees under the reporting scope are included in the calculation of training data.

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

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

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

# Appendix 2: Charters and Membership, Awards and Recognitions

## Charters and Memberships

### Carbon Reduction Charter Signatory

Environment Bureau, Hong Kong SAR Government

### Low Carbon Charter Signatory

Business Environment Council

### Energy Saving Charter

Electrical and Mechanical Services Department, Hong Kong SAR Government

### 4T Charter Signatory (“Carbon Neutrality” Partners)

Environment and Ecology Bureau, Hong Kong SAR Government

### Food Wise Charter Signatory

The Environmental Protection Department, Hong Kong SAR Government

### Sustainable Procurement Charter

The Green Council

### Green Shop Alliance Task Force

Hong Kong Green Building Council

### Platinum Patron Member

Hong Kong Green Building Council

### Silver Member

World Wide Fund for Nature (WWF) Hong Kong

### Council Member

Business Environment Council

### E-waste Recycle Campaign

WEEE ■ PARK, The Environmental Protection Department, Hong Kong SAR Government

### Jasmine Partnership

Fair Trade Hong Kong

### Green Event Pledge

The Environmental Protection Department, Hong Kong SAR Government

## Awards and Recognitions

### 8th Investor Relations Awards – Grand ESG Award, Best IR Company, Best ESG-Environment, Best ESG-Social, Best ESG-Governance, Best Annual Report and Best IR Presentation Material (Mid Cap)

Hong Kong Investor Relations Association

### Best Corporate Governance and ESG Awards – Special Mention (Non-Hang Seng Index – Medium Market Capitalization)

Hong Kong Institute of Certified Public Accountants

### 2022 Best Annual Reports Awards – Environmental, Social and Governance (ESG) Report – Excellence Award

Hong Kong Management Association

### 2022 Hong Kong Sustainability Award – Organisation Award – Merit Award

Hong Kong Management Association

### 2022 International ARC Awards – Silver Award (Specialised AR category)

MerComm, Inc.

### Wastewi\$e Certificate – Excellent and Good Level

The Hong Kong Green Organisation Certification

### Energywi\$e Certificate – Excellent Level

The Hong Kong Green Organisation Certification

### IAQwi\$e Certificate – Excellent and Good Level

The Hong Kong Green Organisation Certification

### Carbon Reduction Certificate

The Hong Kong Green Organisation Certification

### FairTrade Award – Silver Award

Fair Trade Hong Kong

### GRESB x HERA Excellence in Real Estate – Commendation

Hong Kong ESG Reporting Awards x GRESB

### UNSDG Achievement Awards Hong Kong 2022 – Gold (Organisation Awards)

Green Council

### The Outstanding Partnership Project Award – Hysan Urban Farm

The Hong Kong Council of Social Service

### Social Capital Builder Logo Award

Community Investment and Inclusion Fund, Hong Kong SAR Government

### MARKETING-INTERACTIVE PR Awards 2022 – Gold Award – Best Experiential PR Campaign (Lee Gardens Skateboard Fest 2021)

MARKETING-INTERACTIVE

### Hong Kong Green and Sustainable Finance Awards 2022 – Outstanding Award for Green and Sustainable Loan Issuer (Real Estate Industry) – Visionary Green Loan Framework

Hong Kong Quality Assurance Agency

### Hong Kong Green and Sustainable Finance Awards 2022 – Pioneering Organisation in ESG Disclosure Enhancement

Hong Kong Quality Assurance Agency

# 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 (“HKEX ESG Reporting Guide”), Appendix 27 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: 1. a disclosure of the board’s oversight of ESG issues 2. 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) 3. 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"> <li>Governance</li> </ul>
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: 1. Materiality 2. Quantitative 3. Consistency	<ul style="list-style-type: none"> <li>About This Report</li> </ul>
Reporting Boundary	Reporting boundaries of the ESG report and process of setting them	<ul style="list-style-type: none"> <li>About This Report</li> </ul>

## A. Environmental

### A1 Emissions

General disclosure	Information on: (a) the policies; and (b) 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"> <li>Environment</li> </ul> <p>In 2022, 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"> <li>Appendix 1: Three-year Performance Data – Environmental</li> </ul>
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).	Refrigerants excluded the amount refilled in Bamboo Grove in 2022. Due to the change of property management practice, Bamboo Grove data in 2022 is incomplete.
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"> <li>Sustainability at Hysan</li> <li>Environment</li> </ul>
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"> <li>Environment</li> </ul> <p>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.</p>

## Appendix 3: HKEX ESG Reporting Guide Index

Aspect & Key Performance Indicator	General Disclosure and Key Performance Indicators (KPIs)	Section/Remarks
<b>A2 Use of resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	<ul style="list-style-type: none"> <li>Environment</li> </ul>
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"> <li>Appendix 1: Three-year Performance Data – Environmental</li> </ul>
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"> <li>Appendix 1: Three-year Performance Data – Environmental</li> </ul>
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"> <li>Sustainability at Hysan</li> <li>Environment</li> </ul>
KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps 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"> <li>Environment</li> </ul> <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.
<b>A3 The environment and natural resources</b>		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	<ul style="list-style-type: none"> <li>Environment</li> </ul>
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.	
<b>A4 Climate change</b>		
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"> <li>Environment</li> </ul> <p>Climate Change Policy is established in 2022 to demonstrate our commitment in addressing climate-related risks.</p>
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.	
<b>B. SOCIAL</b>		
<b>Employment and Labour Practices</b>		
<b>B1 Employment</b>		
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p>	<ul style="list-style-type: none"> <li>People</li> </ul> <p>There were no reported cases of non-compliance related to employment that had a significant impact on the Group in 2022.</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>

## Appendix 3: HKEX ESG Reporting Guide Index

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"> <li>Appendix 1: Three-year Performance Data – Social</li> </ul>
KPI B1.2 Employee turnover rate by gender, age group and geographical region	Employee turnover rate by gender, age group and geographical region.	
<b>B2 Health and safety</b>		
General Disclosure	Information on: <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(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.</li> </ul>	<ul style="list-style-type: none"> <li>People</li> </ul> <p>There were no reported cases of non-compliance related to health and safety in 2022.</p>
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"> <li>Appendix 1: Three-year Performance Data – Social</li> </ul>
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"> <li>People</li> </ul>
<b>B3 Development and training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	<ul style="list-style-type: none"> <li>People</li> </ul>
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"> <li>People</li> <li>Appendix 1: Three-year Performance Data – Social</li> </ul>
<b>B4 Labour standards</b>		
General Disclosure	Information on: <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.</li> </ul>	<ul style="list-style-type: none"> <li>People</li> <li>Corporate website – Group Policies and Governance</li> </ul> <p>There were no reported cases of non-compliance related to child and forced labour in 2022.</p> <p>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.</p>
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.	
KPI B4.2 Description of steps taken to eliminate such practices when discovered	Description of steps taken to eliminate such practices when discovered.	

## Appendix 3: HKEX ESG Reporting Guide Index

Aspect & Key Performance Indicator	General Disclosure and Key Performance Indicators (KPIs)	Section/Remarks
<b>Operating Practices</b>		
<b>B5 Supply chain management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	<ul style="list-style-type: none"> <li>• Governance</li> <li>• Environment</li> </ul>
KPI B5.1 Number of suppliers by geographical region	Number of suppliers by geographical region.	<p>We have collected the number of active suppliers in the reporting period as below, in which active refers to those used or with active contract in the past 3 years.</p> <p>Hong Kong: 1,527 Mainland China: 2 Others: 16</p>
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"> <li>• Governance</li> <li>• Environment</li> </ul>
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.	
<b>B6 Product responsibility</b>		
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	<ul style="list-style-type: none"> <li>• Governance</li> </ul> <p>In 2022, there was no non-compliance with relevant laws and regulations that had a significant impact on Hysan.</p> <p>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 Hong Kong Lands Department.</p>
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.	<p>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 standardized customer complaint handling procedure to ensure written requests or complaints shall be answered in a timely manner.</p> <p>In 2022, there were no substantiated complaints received relating to products and services provided that had a significant impact on Hysan.</p>
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"> <li>• Governance</li> </ul> <p>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.</p>

## Appendix 3: HKEX ESG Reporting Guide Index

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"> <li>• Governance</li> <li>• People</li> </ul> <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"> <li>• Governance</li> </ul> <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>
<b>B7 Anti-corruption</b>		
General Disclosure	Information on: (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"> <li>• Governance</li> </ul> <p>In 2022, there was no non-compliance with relevant laws and regulations that have a significant impact on Hysan.</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 2022, 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"> <li>• Governance</li> </ul>
KPI B7.3 Description of anti-corruption 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>
<b>Community</b>		
<b>B8 Community investment</b>		
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"> <li>• Community</li> </ul>
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 Standards Content Index

Statement of use	Hysan Development Company Limited has reported the information cited in this GRI Standards Content Index for the period 1 January 2022 to 31 December 2022 with reference to the GRI Standards.
GRI used	GRI 1: Foundation 2021

GRI Indicator	Description	Section/Remarks
<b>GRI 2: General Disclosures 2021</b>		
<b>The organisation and its reporting practices</b>		
2-1	Organizational details	<ul style="list-style-type: none"> <li>About Hysan</li> </ul>
2-2	Entities included in the organization's sustainability reporting	<ul style="list-style-type: none"> <li>About Hysan</li> </ul>
2-3	Reporting period, frequency and contact point	<p>We report annually in alignment with our Annual Report. We publish our reports at the end of March.</p> <p>Contact point for questions about the report: sustainability@hysan.com.hk</p>
2-4	Restatements of information	No restatements were made.
2-5	External assurance	<ul style="list-style-type: none"> <li>Appendix 5: Verification Statement</li> </ul>
<b>Activities and workers</b>		
2-6	Activities, value chain and other business relationships	<ul style="list-style-type: none"> <li>Sustainability at Hysan</li> <li>Stakeholder Engagement and Materiality</li> <li>Annual Report 2022 – Corporate Governance</li> <li>Corporate website – Business</li> </ul> <p>There were no significant changes in our sector of operation and our value chain. Please refer to HKEX ESG Reporting Guide Index – B5 Supply chain management for more information.</p>
2-7	Employees	<ul style="list-style-type: none"> <li>People</li> <li>Appendix 1: Three-year Performance Data – Social</li> </ul>
2-8	Workers who are not employees	<ul style="list-style-type: none"> <li>Governance</li> <li>Stakeholder Engagement and Materiality</li> </ul> <p>Examples of the most common types of workers who are not Hysan's employees include consultants, construction contractors, and service providers to support our buildings' operation and maintenance.</p>
<b>Governance</b>		
2-9	Governance structure and composition	<ul style="list-style-type: none"> <li>Governance</li> <li>Annual Report 2022 – Corporate Governance</li> </ul>
2-10	Nomination and selection of the highest governance body	<ul style="list-style-type: none"> <li>Corporate website – Group Policies and Governance</li> </ul>
2-11	Chair of the highest governance body	<ul style="list-style-type: none"> <li>Governance</li> <li>Annual Report 2022 – Corporate Governance</li> </ul>
2-12	Role of the highest governance body in overseeing the management of impacts	
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"> <li>Annual Report 2022 – Corporate Governance</li> </ul>
2-19	Remuneration policies	
2-20	Process to determine remuneration	
2-21	Annual total compensation ratio	<ul style="list-style-type: none"> <li>Annual Report 2022 – Financial Statements, Valuation and Other Information</li> </ul>

## Appendix 4: GRI Standards Content Index

GRI Indicator	Description	Section/Remarks
<b>Strategy, policies and practices</b>		
2-22	Statement on sustainable development strategy	<ul style="list-style-type: none"> <li>Message from the Executive Director and Chief Operating Officer</li> </ul>
2-23	Policy commitments	<ul style="list-style-type: none"> <li>Governance</li> </ul>
2-24	Embedding policy commitments	<ul style="list-style-type: none"> <li>Corporate website – Group Policies and Governance</li> </ul>
2-25	Processes to remediate negative impacts	<ul style="list-style-type: none"> <li>Governance</li> <li>People</li> </ul>
2-26	Mechanisms for seeking advice and raising concerns	<ul style="list-style-type: none"> <li>Corporate website – Group Policies and Governance</li> </ul>
2-27	Compliance with laws and regulations	In 2022, there was no non-compliance with laws and regulations that had a significant impact on Hysan.
2-28	Membership associations	<ul style="list-style-type: none"> <li>Appendix 2: Charters and Membership, Awards and Recognitions</li> </ul>
<b>Stakeholder engagement</b>		
2-29	Approach to stakeholder engagement	<ul style="list-style-type: none"> <li>Stakeholder Engagement and Materiality</li> </ul>
2-30	Collective bargaining agreements	<ul style="list-style-type: none"> <li>Please refer to HKEX ESG Reporting Guide Index – B1 Employment for more information.</li> </ul>
<b>GRI 3: Material Topics 2021</b>		
3-1	Process to determine material topics	<ul style="list-style-type: none"> <li>Stakeholder Engagement and Materiality</li> </ul>
3-2	List of material topics	
<b>Economic</b>		
<b>GRI 201: Economic Performance 2016</b>		
3-3	Management of material topics	<ul style="list-style-type: none"> <li>Annual Report 2022 – Business Performance</li> </ul>
201-1	Direct economic value generated and distributed	<ul style="list-style-type: none"> <li>Annual Report 2022 – Financial Statements, Valuation and Other Information</li> </ul>
201-2	Financial implications and other risks and opportunities due to climate change	<ul style="list-style-type: none"> <li>Stakeholder Engagement and Materiality</li> </ul>
201-3	Defined benefit plan obligations and other retirement plans	<ul style="list-style-type: none"> <li>Annual Report 2022 – Financial Statements, Valuation and Other Information</li> </ul>
<b>GRI 203: Indirect Economic Impacts 2016</b>		
3-3	Management of material topics	<ul style="list-style-type: none"> <li>Sustainability at Hysan</li> <li>Governance</li> </ul>
203-1	Infrastructure investments and services supported	<ul style="list-style-type: none"> <li>Stakeholder Engagement and Materiality</li> <li>Community</li> </ul>
203-2	Significant indirect economic impacts	
<b>GRI 205: Anti-corruption 2016</b>		
3-3	Management of material topics	<ul style="list-style-type: none"> <li>Governance</li> </ul>
205-1	Operations assessed for risks related to corruption	<ul style="list-style-type: none"> <li>Annual Report 2022 – Corporate Governance</li> </ul>
205-2	Communication and training about anti-corruption policies and procedures	
205-3	Confirmed incidents of corruption and actions taken	In 2022, there was no confirmed incident of corruption brought against Hysan.

## Appendix 4: GRI Standards Content Index

GRI Indicator	Description	Section/Remarks
<b>Environmental</b>		
<b>GRI 301: Materials 2016</b>		
3-3	Management of material topics	• Environment
<b>GRI 302: Energy 2016</b>		
3-3	Management of material topics	• Environment
302-1	Energy consumption within the organization	• Appendix 1: Three-year Performance Data – Environmental
302-3	Energy intensity	• Appendix 1: Three-year Performance Data – Environmental
302-4	Reduction of energy consumption	• Environment
<b>GRI 303: Water and Effluents 2018</b>		
3-3	Management of material topics	• Environment
303-5	Water consumption	• Appendix 1: Three-year Performance Data – Environmental
<b>GRI 304: Biodiversity 2016</b>		
3-3	Management of material topics	• Environment
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None of our properties are located near protected areas or areas of high biodiversity value outside protected areas.
304-2	Significant impacts of activities, products and services on biodiversity	• Environment
<b>GRI 305: Emissions 2016</b>		
3-3	Management of material topics	• Environment
305-1	Direct (Scope 1) GHG emissions	• Environment
305-2	Energy indirect (Scope 2) GHG emissions	• Appendix 1: Three-year Performance 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), sulfur oxides (SOx), and other significant air emissions	• Appendix 1: Three-year Performance Data – Environmental
<b>GRI 306: Waste 2020</b>		
3-3	Management of material topics	• Environment
306-3	Waste generated	• Appendix 1: Three-year Performance Data – Environmental
306-4	Waste diverted from disposal	
306-5	Waste directed to disposal	
<b>GRI 308: Supplier Environmental Assessment 2016</b>		
3-3	Management of material topics	• Governance
<b>Social</b>		
<b>GRI 401: Employment 2016</b>		
3-3	Management of material topics	• People

## Appendix 4: GRI Standards Content Index

GRI Indicator	Description	Section/Remarks
401-3	Parental leave	<ul style="list-style-type: none"> <li>• People</li> </ul> <p>In 2022, a total of 304 male employees and 193 female employees were entitled to paid parental leave, of which 6 male employees and 5 female employees took parental leave. All employees who were on parental leave have returned to work.</p>
<b>GRI 403: Occupational Health and Safety 2018</b>		
3-3	Management of material topics	<ul style="list-style-type: none"> <li>• People</li> </ul>
403-2	Hazard identification, risk assessment, and incident investigation	
403-9	Work-related injuries	<ul style="list-style-type: none"> <li>• Appendix 1: Three-year Performance Data – Social</li> </ul>
<b>GRI 404: Training and Education 2016</b>		
3-3	Management of material topics	<ul style="list-style-type: none"> <li>• People</li> </ul>
404-1	Average hours of training per year per employee	<ul style="list-style-type: none"> <li>• People</li> <li>• Appendix 1: Three-year Performance Data – Social</li> </ul>
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
3-3	Management of material topics	<ul style="list-style-type: none"> <li>• People</li> </ul>
405-1	Diversity of governance bodies and employees	<ul style="list-style-type: none"> <li>• People</li> <li>• Appendix 1: Three-year Performance Data – Social</li> <li>• Annual Report 2022 – Corporate Governance</li> </ul>
<b>GRI 406: Non-discrimination 2016</b>		
3-3	Management of material topics	<ul style="list-style-type: none"> <li>• People</li> </ul>
406-1	Incidents of discrimination and corrective actions taken	In 2022, there is no confirmed incident of discrimination at Hysan.
<b>GRI 410: Security Practices 2016</b>		
3-3	Management of material topics	<ul style="list-style-type: none"> <li>• People</li> </ul>
410-1	Security personnel trained in human rights policies or procedures	In 2022, 100% of security personnel have received formal training in our SOP Manual.
<b>GRI 413: Local Communities 2016</b>		
3-3	Management of material topics	<ul style="list-style-type: none"> <li>• Community</li> </ul>
<b>GRI 414: Supplier Social Assessment 2016</b>		
3-3	Management of material topics	<ul style="list-style-type: none"> <li>• Governance</li> </ul>
<b>GRI 416: Customer Health and Safety 2016</b>		
3-3	Management of material topics	<ul style="list-style-type: none"> <li>• Stakeholder Engagement and Materiality</li> <li>• People</li> </ul>
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	In 2022, Hysan has not identified any incidents of non-compliance concerning the health and safety impacts of services at Hysan.
<b>GRI 418: Customer Privacy 2016</b>		
3-3	Management of material topics	<ul style="list-style-type: none"> <li>• Governance</li> </ul>
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2022, 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 2022 Sustainability Report ("Report"). The Report outlines Hysan's continuous commitments towards sustainability for the period of 1<sup>st</sup> January 2022 to 31<sup>st</sup> December 2022.

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  
March 2023

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