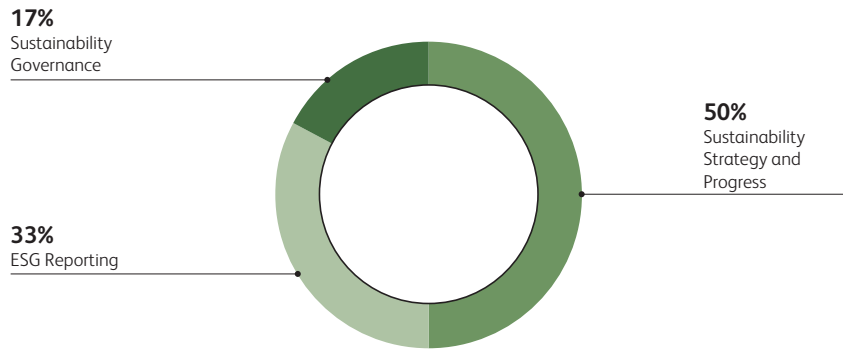


Sustainability Committee Report

Dear Shareholders,

We are pleased to present the Sustainability Committee Report for 2022. The primary roles of the Sustainability Committee are to review and oversee the Group's overall vision and action plans for corporate responsibility, sustainability development and related policies. The Committee is tasked with bringing any ESG related risks and issues to the attention of the Board. It also assesses and makes recommendations on matters concerning the Group's sustainability opportunities and risks.

Committee activities and agenda time during the year



Composition in 2022	<p>Jebsen Hans Michael B.B.S. (Chairman)</p> <p>Fan Yan Hok Philip*</p> <p>Wong Ching Ying Belinda*</p> <p>Young Elaine Carole* (appointed on 9 March 2022)</p> <p>* INED</p>
Independence Weighting	75 %
Meeting Schedule	<ul style="list-style-type: none"> • At least one meeting every year • One meeting in 2022
Highlights in 2022 and 2023	<ul style="list-style-type: none"> • Reviewed and endorsed the Group's sustainability strategy • Considered the progress of ESG initiatives on a quarterly basis • Adopted the Climate Change Policy • Considered the Group's commitment and actions to engage employees and society during the COVID-19 pandemic • Reviewed sustainability finance framework and initiatives • Assessed sustainability risks and issues • Reviewed the Sustainability Report

ROLES AND AUTHORITIES

The Sustainability Committee's main roles and authorities are to:

- Review and endorse the Group's corporate responsibility and sustainability plans, strategies, priorities, policies, practices and frameworks, and report to the Board;
- Review and evaluate the adequacy and effectiveness of the actions taken by the Group, based on its corporate responsibility and sustainability plans, strategies, priorities, policies and frameworks, and recommend improvements;
- Review, assess, bring any ESG related risks and issue to the attention of the Board and the Audit and Risk Management Committee as part of its oversight of the Group's overall risk management process;
- Monitor and review existing and/or emerging issues, trends and investments related to corporate responsibility and sustainability priorities of the Group;
- Monitor and review the Group's corporate responsibility and sustainability policies and practices to ensure they remain relevant and compliant with legal and regulatory requirements (including, but not limited to, the relevant Environmental, Social and Governance Reporting Guide issued by the Stock Exchange and the Listing Rules); and
- Review the annual corporate responsibility and sustainability report and relevant disclosures in the Company's annual report and provide recommendations to the Board regarding their approval.

ACTIVITIES

Details of the meeting held in February 2022 were set out in the 2021 Annual Report.

From March 2022 to February 2023, the Sustainability Committee held one meeting and received quarterly updates on the Sustainability Progress of the Group from the management. Management attended the meeting to present updates and answer relevant questions and facilitate the Committee's decision-making process. Details of matters discussed and/or considered during the year are given below.

The Sustainability Committee Over the Past 12 Months

May Quarterly Update	August Quarterly Update	November Quarterly Update	February 2023 Meeting
<ul style="list-style-type: none"> • Sustainability Progress Update – Q1 2022 • Hysan's support for the government to set up vaccination centres • Community engagement in To Kwa Wan and Causeway Bay • Urban farmers market 	<ul style="list-style-type: none"> • Sustainability Progress Update – Q2 2022 • Hysan's ESG pathways • Environmental initiatives update • Social initiatives update • Talent engagement and well being; talent development • Governance: Benchmarks and indices; green and sustainable finance; data protection and cybersecurity 	<ul style="list-style-type: none"> • Sustainability Progress Update – Q3 2022 • Trends in sustainability • Hysan's sustainability performance update • Hysan's way forward in 2023 and beyond • Updates on community initiatives • New structure of Hysan's sustainability operations 	<ul style="list-style-type: none"> • Sustainability Progress Update – Q4 2022 • Sustainability Report • Annual review of adequacy of resources for ESG functions • Annual review of ESG risks • Adoption of Climate Change Policy

REVIEW OF THE GROUP'S SUSTAINABILITY STRATEGIES

The Committee reviewed the Group's sustainability strategies and objectives, considered the Group's action plan and identified potential related risks and challenges, as benchmarked against international standards and industry peers. It also identified material ESG-related issues.

DISCUSSION OF ESG OVERVIEW AND INITIATIVES

In terms of the Group's ESG activities and initiatives, the Committee:

- Reviewed the Group's engagement strategy on a regular basis to prepare for the future. Hysan has consistently engaged with the community in which it operates, since our community is core to the Group's heritage;
- Reviewed ESG measures taken to promote the sustainable development of the Group, including our response to the COVID-19 pandemic, highlighting our initiatives to ensure the safety and well-being of our employees and the community, and to take the lead in promoting COVID-19 vaccination among our Stakeholders with the aim of having Lee Gardens become a "Fully-Vaccinated Community";
- Reviewed our sustainability finance framework and initiatives to support eligible green or social projects;
- Reviewed ESG-related sustainability efforts and achievements; and
- Identified short- and long-term sustainability targets across the Group and reviewed their progress.

SUSTAINABILITY GOVERNANCE

With regard to sustainability governance, the Committee:

- Reviewed, endorsed and reported to the Board and the Audit and Risk Management Committee (as part of its oversight of the Group's overall risk management process) on the major ESG risks that are integrated into the Group's risk assessment process, including risks related to the COVID-19 pandemic, ESG compliance and environmental management related to climate change, and corresponding mitigation measures. Details are set out in the Risk Management and Internal Control Report;
- Reviewed the framework for sustainability governance and confirmed its satisfaction with the adequacy of resources for ESG performance and reporting;
- Reviewed its terms of reference to enhance the Group's sustainability governance structure; and
- Established the Climate Change Policy to identify, assess, monitor and report on climate-related issues.

More details are set out in the 2022 Sustainability Report.

Members of the Sustainability Committee

Jebsen Hans Michael B.B.S. (Chairman)

Fan Yan Hok Philip

Wong Ching Ying Belinda

Young Elaine Carole

Hong Kong, 17 February 2023