

Hysan Development Company Limited Climate Change Policy

(Approved and adopted in February 2023)

1. Objectives

As a developer, owner and operator of commercial properties, Hysan recognizes the significance of buildings to greenhouse gas emissions and energy consumption, which are key contributors towards climate change. The Company is therefore committed to reducing our carbon footprint and managing climate risks across our operations and value chain. Aligning with our vision, we work actively to build our community's readiness in mitigation, adaptation and resilience against climate change by embedding life cycle concepts into business operations from design, construction to operation within the Company's portfolio, supporting the transition towards a carbon neutral economy.

2. Scope of Application

This policy applies to all business units under the Company.

3. Commitment

Hysan is committed to:

3.1 Mitigation

- 3.1.1 Make reference to the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), develop a climate action plan that identifies potential impacts associated with the Company's business operations and set targets to reduce the greenhouse gas (GHG) emissions of our business operations through implementing short-term and long-term strategies;
- 3.1.2 Adhere our company's Sustainable Procurement Policy to prioritize the adoption of low-carbon products and services during the procurement decision-making process;
- 3.1.3 Increase the use of low carbon energy and technology throughout all stages of building life-cycle from design, construction to operation of buildings;
- 3.1.4 Actively engage and influence our stakeholders throughout the value chain including employees, tenants, suppliers, contractors, and customers to adopt low carbon practices throughout their daily works.

3.1.5 Engage our tenants through green leases with agreed sustainability targets and KPIs.

3.2 *Adaptation*

3.2.1 Identify, assess and regularly review business risks associated with climate change, from physical risk of assets due to impact of extreme-weather events to transition risk associated with our core business operations (including policy, legal, technological, market, or reputational) as we shift into a low carbon economy;

3.2.2 Integrate climate change risks, both physical and transition risks, into the enterprise risk management plans, business continuity and capital planning budgets to mitigate potential impacts and/ or opportunities due to climate change;

3.2.3 Invest in new technology and innovations to improve the ability of new buildings against potential damage caused by climate change during the design stage;

3.2.4 Through recommission, retrofitting and digitalization, enhance the ability of existing buildings in response to climate change impacts;

3.2.5 Continually monitor, prevent, minimize and respond to climate risks, including physical risks and transition risks;

3.2.6 Strengthen employees' awareness on climate change as well as their preparedness in responding towards acute climate incidents.

3.3 *Resilience*

3.3.1 Develop and implement an appropriate business continuity plan in response to climate change impacts including more frequent extreme weather;

3.3.2 Engage and bring awareness to external stakeholders on climate change;

3.3.3 Continue to explore and capture potential business and market opportunities that may arise in the global transition towards a carbon neutral economy;

3.3.4 Communicate and educate employees and the community regarding the Company's climate change strategies and updates on climate change issues to help improve their resilience and preparedness against future climate change.

4. **Monitoring and Reporting**

We are committed to transparency and accountability. We monitor regularly and annually report our sustainability performance, which is publicly disclosed in our Sustainability Report, demonstrating the effectiveness of this policy.

5. Review of Policy

This policy has been approved by the Sustainability Committee. Review of this policy shall be conducted annually or more frequently as and when needed to ensure its continued effectiveness. Where there are any discrepancies or differences of interpretation in this policy between English text and Chinese translation, the English version shall prevail.

If there are any questions about the contents or application of this policy, please email Sustainability Department at sustainability@hysan.com.hk.

Definitions:

“Company” or “Hysan” shall mean Hysan Development Company Limited.

“Sustainability Committee” shall mean the Sustainability Committee of the Company.
