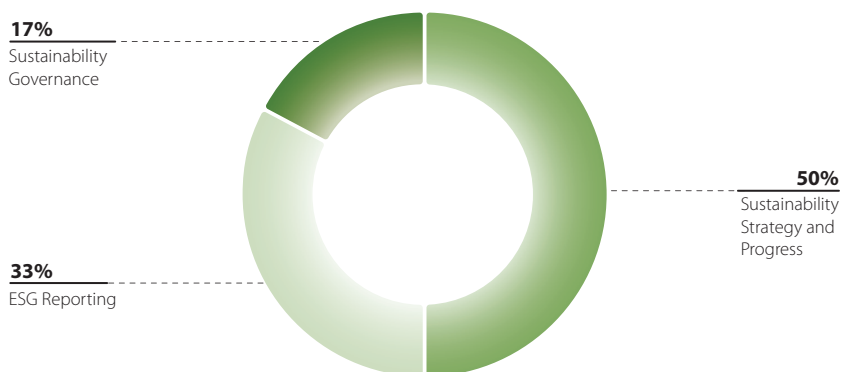


# Sustainability Committee Report

## Dear Shareholders,

We are pleased to present the Sustainability Committee Report for 2023. 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



<b>Composition in 2023</b>	<p>Young Elaine Carole* (Chairman) (redesignated as the chairman on 16 May 2023)</p> <p>Wong Ching Ying Belinda*</p> <p>Lee Tze Hau Michael (appointed on 1 March 2023)</p> <p>Fan Yan Hok Philip* (ceased to be a member on 1 March 2023)</p> <p>Jebsen Hans Michael B.B.S. (ceased to be a member on 16 May 2023)</p> <p>* INED</p>
<b>Independence Weighting</b>	66.7%
<b>Meeting Schedule</b>	<ul style="list-style-type: none"> <li>At least one meeting every year</li> <li>One meeting in 2023</li> </ul>
<b>Highlights in 2023 and 2024</b>	<ul style="list-style-type: none"> <li>Reviewed and endorsed the Group's sustainability strategy</li> <li>Reviewed the progress of ESG initiatives on a quarterly basis and the status of climate actions</li> <li>Reviewed sustainability finance framework and initiatives</li> <li>Assessed sustainability risks and issues</li> <li>Reviewed the sustainability report</li> <li>Adoption of sustainability related policies</li> <li>Reviewed and updated its terms of reference</li> </ul>

## 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 and 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 and bring any ESG related risks and issues 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 the 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 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 for approval.

## ACTIVITIES

Details of the meeting held in February 2023 were set out in the 2022 Annual Report.

From March 2023 to February 2024, 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 questions and facilitate the Committee's decision-making process. Details of matters discussed and/or considered during the year are given below.

### The Activities and Agenda of the Sustainability Committee Over the Past 12 Months

May Quarterly Update	August Quarterly Update	November Quarterly Update	February 2024 Meeting
<ul style="list-style-type: none"> <li>• Sustainability Progress Update 2022</li> <li>• Regulatory update on HKEx consultation paper on proposed changes to ESG disclosure</li> <li>• Status update on the Community Lab</li> <li>• Update on status of climate actions</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability Progress Update – Q2 2023</li> <li>• Policy and relevant regulatory update, e.g. ISSB introduction</li> <li>• Awareness training to staff               <ul style="list-style-type: none"> <li>• Climate Change</li> <li>• Human Trafficking</li> <li>• Cybersecurity</li> </ul> </li> <li>• Wellness, Arts and Culture Programs to Stakeholders</li> <li>• The Community Lab: Last mile testing programme update</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability Progress Update – Q3 2023</li> <li>• Policy and relevant regulatory update, e.g., HKEx adoption of ISSB, relevant update as per 2023 Policy Address</li> <li>• GRESB benchmarking results highlights</li> <li>• Green building certification for existing buildings LG1 and LG2</li> <li>• Awards &amp; recognitions:               <ul style="list-style-type: none"> <li>• Zero Carbon Ready Building (ZCRB) Certification for LG1 and Hysan Place</li> <li>• HKMA 2023 HK Sustainability Award – Distinction</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability Progress Update – Q4 2023</li> <li>• Sustainability Report 2023</li> <li>• Annual review of adequacy of resources for ESG functions</li> <li>• Annual review of ESG risks</li> <li>• Update on status of climate actions</li> <li>• Adoption of sustainability related policies</li> <li>• Reviewed and updated the terms of reference</li> </ul>

# Sustainability Committee Report

## 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, highlighting our initiatives to ensure the safety and well-being of our employees and the 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 ESG compliance and environmental management related to climate change, as well as 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 2023 Sustainability Report.

## COMMITTEE EFFECTIVENESS

The Committee's effectiveness was formally reviewed during the year as part of the Board evaluation process, which concluded that the Committee continues to operate effectively.

Members of the Sustainability Committee

**Young Elaine Carole** (Chairman)

**Wong Ching Ying Belinda**

**Lee Tze Hau Michael**

Hong Kong, 22 February 2024