

Hysan Development Company Limited Sustainable Procurement Policy

[(Last updated and approved in February 2024)]

1. Objectives

Hysan takes great pride in being more than just a property owner and manager. We consider ourselves a responsible company that actively contributes to our community. Our commitment extends to building the Lee Gardens community in a sustainable manner, optimizing its economic, environmental, and social interests.

At Hysan, we firmly believe in the importance of sustainability. It means making the right choices to ensure that our stakeholders can thrive and prosper within our portfolio of properties for years to come. Our approach to procurement decisions is based on a careful consideration of economic costs, environmental impacts, and social outcomes. By prioritizing sustainability and finding the optimal balance, we aim to minimize our environmental footprint, promote positive social outcomes, and ensure economic viability while fostering a culture of innovation.

2. Scope of Application

This policy is applicable throughout the entire building operation life cycle, encompassing design, construction, operations, and maintenance (O&M) phases. It governs Hysan's procurement process for supplies, building materials, services, in property development projects, as well as the day-to-day operations of our investment property portfolio, head office, marketing and administrative functions.

3. Commitment

Through this policy, we are committed to:

- a) Reducing Environmental Impact: We strive to:
 - i. Minimize our environmental footprint by prioritizing the procurement of goods and services with reduced energy consumption, waste generation, and carbon emissions throughout their life cycle. This includes promoting the reuse, recycling, and reduction of single-use items and unnecessary packaging.
 - ii. Guide our decision-making process by considering low carbon emissions and environmental impact across the entire life cycle of the products and services we procure.
 - iii. Promote resource efficiency, renewable materials, and the adoption of environmentally friendly technologies. Prioritize supplies and services that adhere to recognized environmental and social standards, as well as energy certifications, when making purchasing decisions.

- iv. Extend the life cycle of assets through effective maintenance practices.
- v. Give preference to local purchase to help reduce emission from transportation.
- b) Social Well-being: We prioritize the well-being of local communities and stakeholders by considering social impacts in our procurement decisions. This includes:
 - i. Adhering to Hysan's Supplier Code of Conduct, which outlines our requirements for supplier compliance with legal and regulatory standards, ethical practices, and environmental management. We encourage our suppliers to not only meet but exceed these standards.
 - ii. Supporting fair labor practices, respecting human rights, promoting diversity and inclusion, and actively engaging with local suppliers to foster their growth and development.
 - iii. Sourcing products and services from suppliers who demonstrate ethical business practices, uphold human rights, and comply with relevant laws and regulations.
 - iv. Giving preference to local suppliers to stimulate local economies and communities, including Hong Kong and the Mainland, while also encouraging the establishment and growth of sustainable and socially responsible businesses within our supply chain.
- c) Economic Viability: We aim to optimize costs while ensuring long-term value and positive economic impacts for our organization, suppliers, and community.
- d) Fostering Innovation: We foster innovation by seeking and promoting sustainable products, services, and technologies. We collaborate with suppliers to develop and implement innovative solutions that address operation challenges, including environmental and social. Through innovation, we strive to lead in sustainable practices within our industry and create a positive impact on our community.

Through our sustainable procurement practices, we are dedicated to creating a better future for our community—one that is economically viable, environmentally responsible, socially beneficial, and encourages innovation.

4. Monitoring and Reporting

- 4.1 We are committed to transparency and accountability. We monitor regularly of the proper implementation of our procurement to ensure the effectiveness of this Policy and the amount of sustainable procurement.

5. Approval and Review of the Policy

- 5.1 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.
- 5.2 If there are any questions about the contents or application of this policy, please email Sustainability Department at sustainability@hysan.com.hk.

Definitions:

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

“Group” shall mean the Company and its subsidiaries.

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