Hysan Development Company Limited
Sustainable Procurement Policy

(Last updated and approved in February 2026)

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1. Objectives

Hysan is 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 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 minimise 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

This Policy sets Group-wide principles. Detailed performance requirements may differ across projects based on building type, scope and market conditions. Project specifications may therefore adopt more detailed or more stringent criteria. Where the Policy states intent without defining numeric targets, project teams may establish project-specific requirements suitable and practicable for new developments, A&A works or specialised systems.

Through this policy, we are committed to:

3.1 Reducing Environmental Impact:

- Minimise 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 reuse, recycling, and reducing single-use items and unnecessary packaging.

- 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.

- Promote resource efficiency, renewable materials, and the adoption of environmentally friendly technologies. Prioritise supplies and services that adhere to recognised environmental and social standards, as well as energy certifications, when making purchasing decisions.

- Extend the life cycle of assets through effective maintenance practices.

- Give preference to local purchase to help reduce emission from transportation.

3.2 Social Well-being: We prioritise the well-being of local communities and stakeholders by considering social impacts on our procurement decisions. This includes:

- 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.

- Supporting fair labor practices, respecting human rights, promoting diversity and inclusion, and actively engaging with local suppliers to foster their growth and development.

- Sourcing products and services from suppliers who demonstrate ethical business practices, uphold human rights, and comply with relevant laws and regulations.

- 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.

3.3 Economic Viability: We aim to optimise costs while ensuring long-term value and positive economic impacts for our organization, suppliers, and community.

3.4 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.

3.5 Project specifications: The Policy establishes Group wide principles. Detailed thresholds and procedures may be set at project level to reflect scope, asset type and market readiness.

- Where project documents specify stricter requirements, the project requirements prevail.

- For topics where this Policy promotes a practice but does not set a quantifiable target, project teams may define appropriate targets based on project context (new development vs. A&A works) and market availability.

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. Sustainability Guidelines for Service Providers (Construction, Property Management, Technical Services)

Hysan is committed to promoting sustainable practices. The following elements are needed for our service providers, including main contractors and property management service providers, and forms part of our tender documents:

4.1 **Embedded Carbon Information**: Service providers should strive to provide embedded carbon information for their services. For example, main contractors should provide embedded carbon per square meter of CFA[1]. This also applies to materials and components used in MEP systems[2].

4.2 **Sustainable Materials**: Service providers are encouraged to prioritise the use of sustainable materials that meet the criteria outlined in Section 5. This includes materials with low embodied carbon, third-party certifications, and those that promote practices of circular economy.

4.3 **Waste Management:** Service providers are expected to implement effective waste management practices to minimise waste generation and promote recycling and reuse of materials.

4.4 **Energy Efficiency**: Service providers should adopt energy-efficient methods and technologies to reduce energy consumption during their operations.

4.5 **Environmental and Carbon Management Plan:** Service providers must develop and implement an Environmental and Carbon Management Plan tailored to the project tendered. This plan should outline strategies to minimise environmental impact and carbon emissions throughout the project lifecycle.

4.6 **Health and Safety**: Service providers must ensure safety in their operations, implementing measures to protect workers and employees from potential hazards.

4.7 **Health & Safety Management Plan:** Service providers must develop and implement a Health & Safety Management Plan tailored to the project or service tendered. This plan should outline strategies to ensure health & safety throughout the project lifecycle.

4.8 **Climate Readiness:** Service providers shall evaluate how their proposed works, systems, and materials perform under adverse local weather conditions, such as higher temperatures, heavier rainfall, and potential flooding, and propose appropriate mitigation or adaptation measures within their scope of work. This includes considering weather-related logistics delays, such as typhoons, black rainstorms, or pier/road closures that may impact delivery schedules.

4.9 **Biophilic and Nature-Integrated Design:** Incorporate biophilic design principles to support occupant well-being, making thoughtful use of natural elements, materials, light, views and greenery, adapted to project context and feasibility.

4.10 **Healthy Movement and Visual Environment:** Design strategies should encourage active movement and enhance user experience, including improving staircase environments through appropriate lighting and visual elements. These measures should

[1] Construction Floor Area

[2] While sustainable procurement practices for MEP (Mechanical, Electrical & Plumbing) systems are not yet widely adopted and available information may be limited, departments are encouraged to begin considering ME.P sustainability opportunities where feasible, and progressively incorporate emerging best practices as the market develops.

balance comfort with environmental responsibility by avoiding excessive lighting and minimising light pollution, particularly in public or external-facing areas.

5. Sustainability Guidelines for Materials Procurement (including materials and components used in MEP systems)

As part of Hysan's effort in implementing the Sustainable Procurement Policy, sustainable material preferences are requested as part of the tendering process, and suppliers are expected to make their best effort to provide such options or information. When technical specifications are met and economic conditions are considered, priority will be given to materials and packaging that demonstrate the following criteria. Suppliers must provide supporting evidence for their claims regarding these characteristics.

5.1 Material Characteristics Specification Preferences

Source and renewability

- Third-party certified wood-based materials and products, such as FSC[3]-certified wood, to ensure responsible forest management.
- Rapidly renewable materials and recycled content materials to reduce resource depletion and waste.
- Locally extracted or recovered materials to reduce transportation emissions and support local economies.

Environmental Performance

- Low embodied carbon materials to minimise greenhouse gas emissions associated with production and transport.
- Materials that disclose environmental impacts through third-party verified documentation.
- Materials and packaging that are easily recyclable to promote circular economy practices.

Health and Safety

- Low-emitting VOC materials to improve indoor air quality and occupant health.
- Materials that disclose potential health hazards, ensuring transparency and safety for users and occupants.

[3] FSC - Forest Stewardship Council

5.2 Enhanced Environmental and Health Requirements

In addition to the above characteristics, suppliers are encouraged to provide the following information where available.

- Environmental Product Declarations[4] (EPDs) to assess the life cycle environmental impacts of building materials.
- Health Product Declarations (HPDs) to disclose potential health hazards associated with materials used in development projects[5].

5.3 Energy-Efficient Appliances (Corporate Minimum)

For newly procured or newly installed appliances within our assets and projects:

- ≥ 80% (by number of units) of applicable appliances shall meet MEELS Grade 1 or ENERGY STAR (or recognised equivalent).
- Applicability includes, but is not limited to: refrigerators, washing machines, dehumidifiers, water heaters, televisions (Grade 2 accepted where MEELS Grade 1 is not available), induction cookers (Grade 2 accepted where applicable), and other categories covered by EMSD schemes.
- Where Grade 1 (or equivalent) is not reasonably available for a specific model/size due to technical constraints, the project shall document justification and adopt the highest available rating.

The Sustainability Department may raise the baseline for flagship projects

6. Monitoring and Reporting

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.

7. Approval and Review of the 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.

[4] Reference: Green Concrete Solutions | Alliance HK; Green Badger EPD Examples

[5] Refer to the HPD Collaborative for reference: https://www.hpd-collaborative.org/sample-hpds/

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.