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Responsible Business

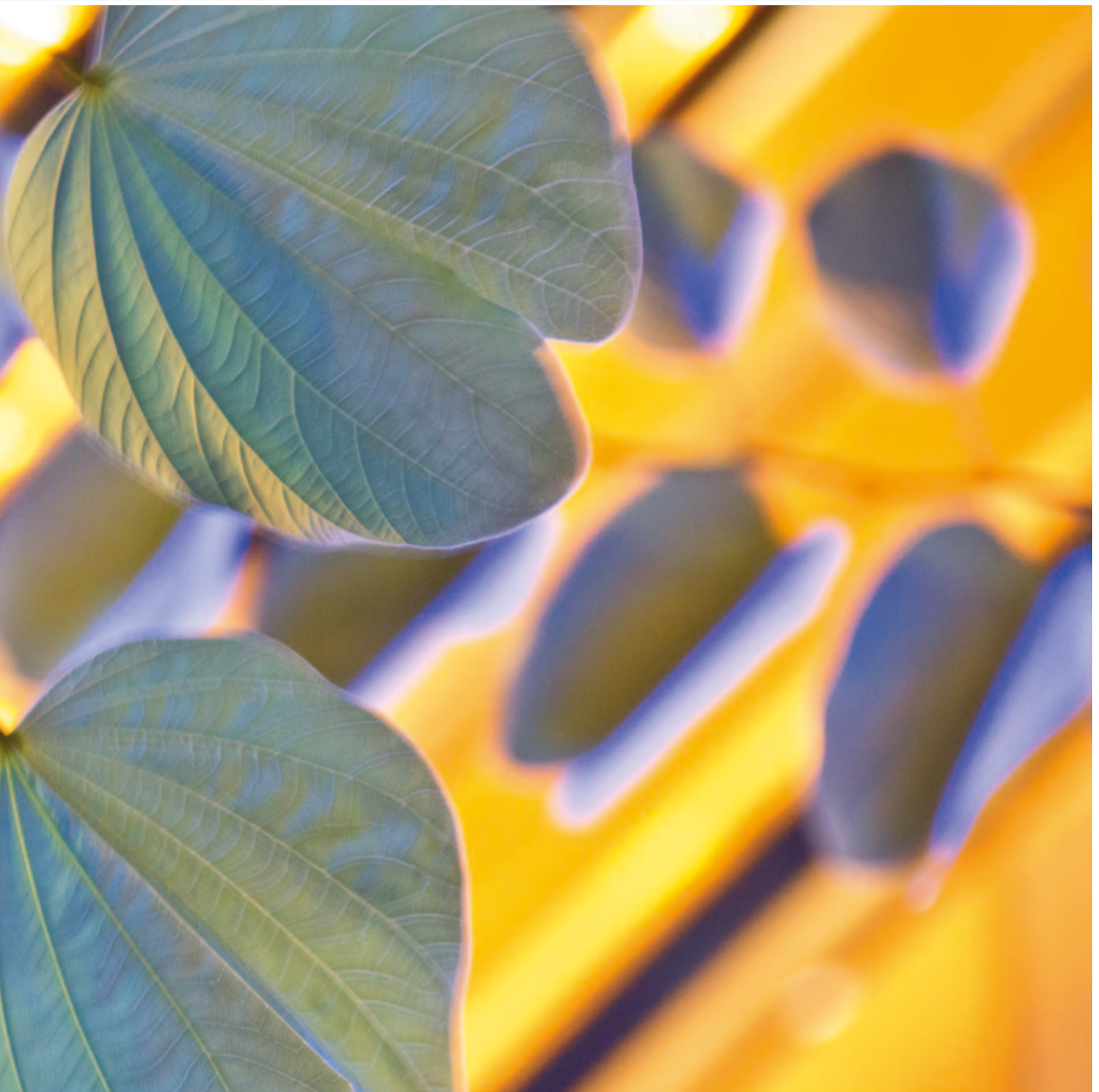
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Business of Life

As a “Business of Life”, Hysan continues to provide sustainable and outstanding returns for our shareholders, while also creating visible and positive changes to our stakeholders and the communities we serve.

Awards and Recognitions

We are a constituent member of some of the top international sustainability indices, including FTSE4Good Index, Hang Seng Corporate Sustainability Index (with an “AA” rating), MSCI Global Sustainability Index (with an “AA” rating and named among the “top 5 industry leaders” in the sub-category of “opportunities in green building”) and STOXX® Global ESG Leaders Indices.

In 2015, we won Best Practice Management’s awards in Corporate Social Enterprise and in Green Development. We were also recognised by the World Green Organisation as a winner of its first Sustainable Business Award. On the community front, we were again awarded the 10 Years Plus Caring Company logo by the Hong Kong Council of Social Service, and became a finalist in the same organisation’s Outstanding Partnership Award through our Exploration for Hope programme.

Corporate Responsibility Policy

MAINTAIN HIGHEST ETHICAL STANDARDS

- We aim to maintain the highest ethical standards in the conduct of our business. We are committed to maintaining the highest standards of corporate governance

FOCUS ON HEALTH AND SAFETY

- Health and safety issues are of fundamental concern to us

MINIMISE ENVIRONMENTAL IMPACT

- We aim to minimise the impact of our activities on the environment

CONTRIBUTE TO COMMUNITIES

- We make positive contributions to the communities in which we operate

RESPECT OUR STAFF

- We treat our staff with fairness and respect, and maintain a working environment to realise their full potential

ENCOURAGE PARTNERS TO SET HIGH STANDARDS

- We encourage our suppliers and contractors to embrace high standards similar to our own

Policy Implementation

We strive to integrate our contribution to society into our core business operations and partnerships, and to provide expertise, manpower, venues and financial support to community projects.

Environmental Policy

Hysan's Environmental Policy focuses on measuring and reporting our carbon reduction efforts, promoting waste reduction at source, enhancing green purchasing and improving stakeholder engagement. Hysan will:

- Ensure compliance with all applicable environmental and related legislations and encourage staff, business partners and other stakeholders to meet their environmental obligations
- Identify environmental impacts associated with our operations, and set targets to continually improve our environmental performance
- Improve energy efficiencies by adopting best practicable designs and technologies without compromising service
- Measure and report our GHG emissions, and actively encourage our stakeholders to reduce their carbon footprint
- Minimise waste generation whenever practical in daily operations through source reduction and recycling
- Embrace green purchasing practices and adopt best practicable technologies to conserve natural resources where applicable
- Provide good indoor environmental quality in our buildings to ensure that all the work/living environments are healthy
- Provide regular environmental training to employees and continue to raise their awareness on the issues

Highlights of 2015

- Benchmarking exercise: Lee Garden One became the first commercial building in Hong Kong to obtain an Existing Building Provisional Platinum certification from BEAM Plus for its offices
- Stakeholder engagement: including our support for a range of government-led environmental charters; organisation of environmental workshops for staff and tenants; provision and promotion of green facilities like waste separation bins and bicycle racks for tenants
- Energy Accounting System: installation of energy accounting systems at Hysan Place, Lee Garden One and Lee Garden Two

Energy Efficiency

ENERGY SAVINGS AND REDUCTION OF GREENHOUSE GAS EMISSIONS ACHIEVEMENTS: 2005 BASELINE AND FROM 2014 TO 2015

Issue		2005	2014	2015
GHG Emissions for Scope 1 & 2 ^{(a) (b)}	Total (tonnes CO ₂ e)	48,421	38,515	39,120
Purchased Electricity	Total (MWh)	52,598	49,353	49,502

(a) According to Guidelines to account for Report on Greenhouse Gas Emissions and Removals for Buildings in Hong Kong (2010 Edition) issued by Electrical and Mechanical Services Department and Environmental Protection Department, Scope 1 (Direct emission and removals e.g. diesel, refrigerant) and Scope 2 (energy indirect emissions e.g. electricity and Towngas) are included

(b) The emission associated with the electricity purchased based on emission factors provided by Hongkong Electric in 2015

Using 2005 as a baseline, we have made a reduction of more than 19% by the end of 2015. The electricity purchased was also reduced by around 6% as compared to 2005. Our 2015 GHG emissions rose slightly by 1.6% and electricity purchased increased by 0.3% when compared to 2014. These were due to more air-conditioning use, partly attributable to climatic factors, and partly to improved office occupancy. It should also be noted that the revision of the emission factor as provided by Hongkong Electric may have adversely impacted our emissions data.

OTHER ENERGY SAVINGS INITIATIVES

To enhance the monitoring of Hysan's electrical and mechanical services, we commenced the first phase of our energy accounting system in Hysan Place, Lee Garden One and Lee Garden Two, while the second phase for four other buildings will be implemented in 2016. This system measures and analyses energy consumption within each building, thereby providing a more comprehensive picture of energy usage.

We completed the installation of a heat pump in Hysan Place, which uses waste heat from a cooling system to generate hot water for the building's dish-washing facilities. Another ongoing energy saving project is to identify more locations within the portfolio to install T5 fluorescent tubes and LED lights.



Environmental Quality

GREEN BUILDING CERTIFICATIONS

Improving the environmental performance of the existing building stock is very important, as new construction only replaces or adds a few percent per year to the world's and Hong Kong's existing stock of buildings. We are, therefore, proud that our Lee Garden One has become the first commercial building in Hong Kong to obtain BEAM Plus (Existing Buildings) provisional certification at the highest Platinum level for its office section.

We are also pursuing three different green building standards for our Lee Garden Three, which is under redevelopment, including U.S. Green Building Council's LEED, Hong Kong based BEAM Plus, and the China Green Building Label.

AIR QUALITY

All our buildings maintained their "Excellent Class" or "Good Class" standards in the Hong Kong Government's Indoor Air Quality Certification Scheme.

With regards to our promotion of the use of electric vehicles, we added more electric vehicle charging bays in Lee Garden One's, Lee Garden Two's and Leighton Centre's car parks in 2015 in addition to the Tesla Motors Superchargers installed in 2014.

URBAN MICROCLIMATE AND BIODIVERSITY

Lee Garden One's green roof for its retail podium was completed in 2015, with the aim of reducing the building's heat island effect and helping to improve the area's microclimate. The roof also enhances our portfolio's biodiversity by allowing more living organisms to grow in the urban landscape. We are exploring more locations within our portfolio for similar planting projects.



Waste Management, Recycling and Water Consumption

While we continued to collect food waste for off-site recycling from Hysan Place's food court, and provide food waste collection service to other restaurants in the mall, we are looking for ways to launch such recycling on-site. In the meantime, we plan to acquire a food waste composter for Bamboo Grove to test how best to manage food recycling.

Our other recycling efforts continued to gain traction, and in 2015, Hysan was awarded another full set of "Class of Excellence" Wastewi\$e labels for all our portfolio buildings, under the Government's Hong Kong Awards for Environmental Excellence Scheme. Lee Garden One was also honoured as one of the "Top 3 organisations which achieved cumulatively the most number of goals in Wastewi\$e Certificate in 2014."

LEE GARDEN THREE PROJECT'S RECYCLING

The demolition of Lee Garden Three project's original basement was completed in 2015. Close to 80 % of the demolition waste, including around 3,600 tonnes of concrete, and 450 tonnes of metal, were recycled, which was significantly more than the original 60 % recycling target.

This complemented the more than 60 % of waste recycled from the superstructure demolition in 2014.

WASTE MANAGEMENT ACHIEVEMENTS (EXCEPT CONSTRUCTION WASTE) 2005 BASELINE, AND FROM 2014 TO 2015

Issue	2005	2014	2015
Paper recycled (kg) ^(a)	741,502	936,873	975,329
Aluminium cans recycled (kg) ^(a)	1,098	2,382	2,708
Plastic bottles recycled (kg) ^(a)	1,529	2,704	3,042
Old clothing donation (kg)	960	3,500	3,895
Toner/Cartridge recycled (pcs)	206	309	216
Computer and equipment recycled (pcs)	100	77	82
Food waste recycled (kg)	–	33,231	29,871
Glass bottle recycled (kg) ^(b)	–	–	4,215

^(a) Data record period from September 2014 - August 2015

^(b) Data record period from October 2015 - December 2015

We began glass bottles recycling towards the end of 2015 and achieved commendable results, while improvements in other areas of recycling were also observed in general. The decline in food waste recycled could well be due to the success of the year before when we heavily promoted the cut down on food waste.

WATER MANAGEMENT ACHIEVEMENTS 2005 BASELINE, AND FROM 2014 TO 2015

Issue	2005	2014	2015
Potable water used for properties and landscaping (m ³)	62,665	78,706	73,231
Potable water used for cooling (m ³)	–	167,748	181,572
Wastewater reused for flushing (m ³)	–	16,775	18,157
Wastewater discharged from properties and landscaping (m ³)	56,399	70,836	65,908

We reduced our potable water used for properties and landscaping by 7.0% as compared to 2014. This was due to the installation of more water saving devices, as well as more rainfall which reduced our water consumption for plant watering. However, the use of extra air-conditioning due to higher occupancy and climatic reasons meant that the water used for our air-conditioning system increased by 8.2% as compared to the year before.

Green Procurement

While we are still on target towards using materials extracted or manufactured locally for 10% of the total materials by value in our Lee Garden Three project, we are actively making use of more green products or services in our everyday operations. These range from using Forest Stewardship Council (FSC) certified office printing paper and name cards throughout our offices, to the use of green cleaning products in our major buildings.

Green Partnerships with Stakeholders

GOVERNMENT INITIATIVES

Hysan has joined the following government environmental initiatives to promote green causes:

- Environment Bureau's Charter on External Lighting (All commercial buildings in our portfolio except Lee Theatre Plaza to strive to reduce light nuisance and energy wastage)
- Environment Bureau's Energy Saving Charter (All buildings in our portfolio except Lee Theatre Plaza to control indoor common area temperature)
- Environmental Protection Department's Carbon Reduction Charter (to report GHG emissions data regularly)
- Environmental Protection Department's Glass Bottle Recycling Programme "Clink, Drink then Recycle" (Lee Garden One, Lee Garden Two, Lee Theatre Plaza and Hysan Place to recycle glass bottles)
- Environmental Protection Department's Waste Check Charter (Shopping malls of Lee Garden One and Hysan Place to promote waste reduction through recycling)

VISITORS AND TENANTS

While our farming programme at Hysan Place's Urban Farm continued to bring in new tenant members to enjoy organic farming on the building's rooftop, we took the green message to a new audience. Young shopping mall visitors joined our "Green Wonders" programme to learn about Hysan Place's green features. An Open Day and a raw food lunch event continued to showcase the green theme. We further hosted Redress' EcoChic Design Award Five Year Anniversary Exhibition to promote the reduction of apparel production wastage. For more details, please refer to the "Community Contributions" section.

We actively engaged our food and beverage tenants to participate in food waste collection and reduction activities, and we also joined Greeners Action's Lai See Packets recycling programme to donate used gift packets for reuse during 2015's Chinese New Year. We also organised an environmental workshop for one of our office tenants to further promote sustainability messages.



During the year, Hysan provided ten sets of waste separation bins to those office tenants who expressed interest in separating waste for recycling.

Finally, we further promoted the use of our bicycle racks which are available for rental in Hysan Place to all office tenants throughout our portfolio. This is part of our initiative to promote “cycling to work”, which can help reduce vehicular usage and provide opportunities for exercise.

STAFF ENGAGEMENT

Hysan’s Go Green Committee has been successful in setting up environmental issues-related activities for colleagues. In 2015, it organised a number of green procurement-related briefings for Technical Services staff, with a focus on sustainable flooring materials.

It also conducted two upcycling workshops on eco-enzyme production and glass painting, which were well attended. The Committee spearheaded a second-hand clothing collection programme together with the Corporate Communications Department. Towards the end of the year, it also provided two Urban Farm and Sky Wetland visit sessions to further enhance staff interest in sustainability matters. In addition to completing its “Do you know that?” intranet programme on environmental news, the Committee plans to produce quarterly environmental newsletters in 2016. As the Committee is now taking on a range of programmes, it has expanded from an original core of six members to eleven.

GREEN ORGANISATIONS

Hysan supports a range of green organisations through staff participation and sponsorships. We also maintain our dialogue with other green groups in order to partner with them in the future. Among the projects we supported in 2015 were:

- Hong Kong Green Building Council’s World GBC Congress in Hong Kong
- World Wide Fund for Nature’s Earth Hour
- Business Environment Council’s BEC EnviroSeries Conference
- Green Sense’s No Air Con Night
- Greeners Action’s Lai See Packet Recycling



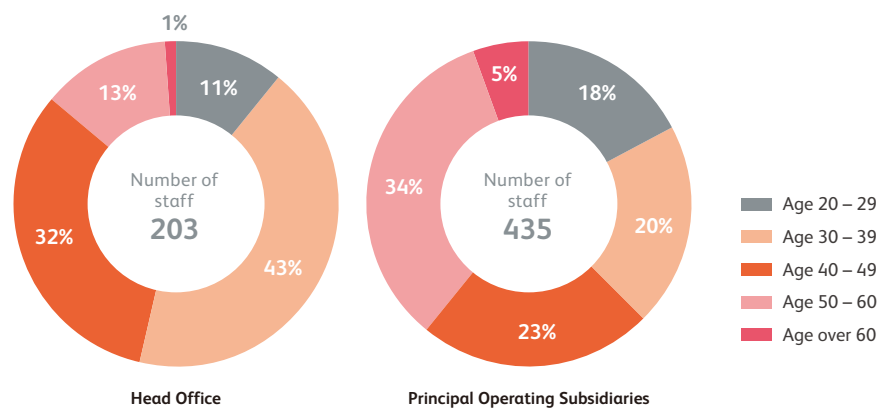
Workplace Quality

Staff Composition

As at 31 December 2015, we employed a total of 638 staff, including our Head Office team and principal operating subsidiaries' colleagues. All our staff members are located in Hong Kong.

199 of our staff members, including 40 out of the 75 Head Office Managers or above, are females.

Age Group of Staff



Code of Ethics

Our Code of Ethics highlights three main guiding principles for Hysan:

- Respect for people
- Ethics and business integrity
- Meeting our responsibilities

The Code applies to Directors, officers and employees of the Group, and is clearly communicated to all, including new staff members. It covers a range of topics, including data privacy, protection of copyright, anti-bribery and anti-fraud, and has in place a “whistle-blowing system”, which is monitored by an independent third party service provider with direct reporting to the Audit Committee Chairman.



For details of the Code of Ethics

Human Resources Policies

Our Employment and Staff Policy deals with recruitment, employee movement, salary adjustments and promotions, separation of employment, and equal opportunities (non-discrimination against gender, marital status, disability, age, race, family status, sexual orientation, nationality and religion). Our Code of Ethics also has a key focus on anti-discrimination. In 2015, we did not identify any material non-compliance or breach of legislation related to equal opportunities.

As we are based in Hong Kong and have our core operations in the city, we believe we do not operate in an environment that carries high risks for child labour or forced labour. We did not identify any breach in the said areas in 2015.

We respect the right of association, and ensure our employees enjoy the freedom to join trade unions. We did not identify any material breach of any right to exercise freedom of association and freedom to join trade unions in our core operations in 2015.

While Hysan does not have a collective bargaining policy nor is a party to a collective bargaining agreement, our management places a strong emphasis on maintaining a clear and constructive dialogue on company issues. This commitment includes written policies on compensation, work hours, staff benefits, staff training, health and safety, as well as grievance mechanisms, including a “whistle-blowing” system as mentioned in the “Code of Ethics” section. Other channels of communications are highlighted in the “Employee Engagement” section.

Training and Development

Among the significant training programmes for Head Office and Principal Operating Subsidiaries colleagues were:

- Finance workshops for non-financial staff (e.g. financial statement analysis, understanding finance policies and procedures)
- Language training for marketing, office and retail staff
- English business writing workshops
- Project management workshops
- Seminars on the latest ordinance changes (e.g. competition law, data protection awareness)
- A structured training curriculum for Principal Operating Subsidiaries colleagues (including grooming workshops for frontline staff and change management seminars for supervisors)

Workplace Quality

For 2015, Hysan provided an average of 14.4 hours of training per Head Office staff, and 20.5 hours of training per Principal Operating Subsidiaries employee.

Our emphasis on training was reflected in our apprentice Tsang Chiu Yin winning one of Hong Kong's "Most Improved Trainees Award" from the Government's Youth Employment and Training Programme.

Attracting and Retaining Talent

Our employee turnover figures have further improved, with 11.3% for our Head Office staff, and 17.0% for the Principal Operating Subsidiaries. These figures were lower than the 20.1% Hong Kong property sector turnover rate (sourced from a Towers Watson survey).

We strongly believe in recognising staff members' work through their performances and contribution. A performance appraisal system thus forms the core of our staff reward system. This system has allowed us to bring in and retain passionate professionals to take the Group to the next level.

Employee Engagement

We are committed to providing a unique and satisfying experience ("U.S.E.") to our stakeholders. One key element of our employee engagement effort in 2015 was to further reinforce this mindset among our staff. A Cultural Transformation Committee was set up and a total of 15 change management workshops were conducted to promote the U.S.E. culture and provided opportunities for managers and staff members to exchange views. A U.S.E. award recognition programme was also launched to recognise top U.S.E. behaviours among staff members. A total of 16 U.S.E. awards and eight Outstanding U.S.E. awards were presented, and all success stories were shared on the staff intranet.

Our Company Day also took on a new "town hall meeting" format. Within an informal setting, senior management members took a range of questions from staff members and provided insightful answers about their work in 2015 and their views for the year ahead. This complemented earlier sessions conducted after annual and interim results' announcements.



Health and Safety

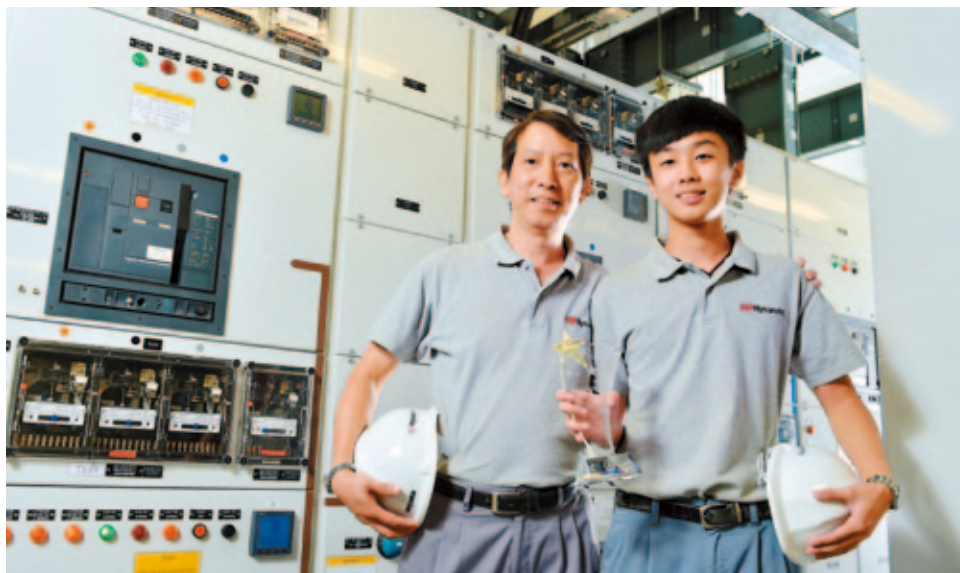
Health and Safety Policy

Hysan is committed to providing and maintaining a safe and healthy environment within its portfolio for all staff, tenants and members of the general public. Hysan will:

- Ensure health and safety standards are given prime consideration in the operation and management of our properties, for which a Safety Management Plan to ensure regulatory compliance has been developed
- Ensure employees at every level are committed to, and accountable for, the delivery of the safety initiatives contained in this Plan, with a view to maintaining a vigorous and injury-free culture
- Provide employees with appropriate induction and external/internal training, as well as protective equipment in accordance with established procedures
- Encourage staff to engage actively in the Plan and to exceed and improve upon the safety measures that have been set
- Mandate our contractors, who are equally responsible for establishing their own organisational structure, work processes, supervision and training, to avoid or minimise risks to health and safety, particularly in the services which they provide us
- Conduct regular reviews on the Health and Safety Policy so that it reflects changes in the products, services and activities of the Company
- Raise further awareness through the use of third-party health and safety experts to conduct regular safety audits

Health and Safety in Action

Our building management team colleagues work on the frontline and therefore encounter the majority of our health and safety issues. Our Safety Committee, as chaired by our General Manager of Property Services, oversees the implementation of the Health and Safety Policy by our frontline colleagues and reports back to senior management. A detailed Safety Management Plan is developed from the Policy to provide clear safety procedures. This Plan received a comprehensive review and update in 2015.



Health and Safety

Another round of third-party safety audits took place in 2015 for all buildings within Hysan's portfolio. No significant irregularities were found.

We further promoted safety training for our staff members, and in 2015 clocked more than 4,900 training hours, significantly more than the 1,900 hours recorded in 2014. We are also pleased to report that our Safety Committee secretary Edmond Cheng won the Silver Award (managerial level) at the "Seventh Hong Kong Outstanding Employees In Occupational Safety and Health Award".

There were 21 work injury cases at Hysan in 2015, the majority of which did not incur more than five sick leave days. There were 1222 lost days due to work injury, including 730 days brought forward to 2015 from 2013 and 2014 (two cases each of 365 days), as well as 272 days from two particular 2015 cases.

We maintained our Employee Assistance Programme of counseling services, which is operated by a non-governmental organisation on our behalf. This service provides help to resolve work or personal issues faced by employees.

Health and Safety: Our Partners

Hysan actively encourages our business partners to aim for high standards in health and safety. In 2015, our safety consultant for the Lee Garden Three redevelopment project conducted two rounds of safety audits. The objectives of the audits were to review the contractor's safety management system of the various phases of the project, in particular those in relation to plant and equipment, subcontractor control and the implementation of safe working procedures. The consultancy also made recommendations for further enhancements to the system to promote the highest standards of safety. Both audits' results were satisfactory. There was one minor work-related injury at the Lee Garden Three site in 2015.



Community Contributions

Hysan's longstanding involvement in community work has again been recognised by the Hong Kong Council of Social Services with a 10 Years Plus Caring Company label. To ensure the effectiveness of its community support, the Group is focusing its promotional work in three main areas: environmental issues, healthy living, as well as local arts and culture development. Beyond these, we also provide venue support for other worthy causes, and our volunteer team continues to provide help to those in need.

Environmental Issues and Healthy Living Promotions

Hysan Place played host to two new green education activities in 2015. "Green Wonders" targeted four to eight year old youngsters. More than 700 of them were treated to tours of the building's environmental features, with the Urban Farm and the Sky Wetland being the two main stops. Separately, the Urban Farm held its first ever Open Day in October, attracting more than 600 visitors, with many treated to a "Farm to Table" lunch, whereby uncooked and unprocessed gourmet "raw food" was served to highlight the need to eat healthily.

In addition, 19 organisations, ranging from overseas educational institutions to local government departments as well as green groups, visited Hysan's Urban Farm in 2015. Urban farmers representing 36 companies also tended their crops on Hysan Place's rooftop.

The health theme was represented by the "Living – Lee Gardens" programme in October which attracted close to 10,000 visitors to either run or cycle at our specially-designed installations. The programme followed our annual "Hysan Healthy Hike and Run", in which a record-breaking 1,500 entries participated from all over the world. Among the entrants were more than three dozen Hysan colleagues, and eight of them also formed two teams to compete in Oxfam's 100km Trailwalker event.



Arts and Culture Development Promotions

Our support for local arts and culture took on various forms in 2015. In May, Hysan Place hosted Redress' EcoChic Design Award Five Year Anniversary Exhibition, which promoted quality apparel design as well as sustainable fashion. Food Angel's Paint Can Feed exhibition showcased talented youngsters' artwork on food cans to highlight hunger and poverty issues. Arts with the Disabled Association also presented a successful mini-concert and a book launch at Hysan Place in November.

The highest profile 2015 artistic performance event was the Standard Chartered Hong Kong X Lee Gardens The Colour of Music Night Parade. Directed by Hong Kong Youth Arts Foundation, the glamorous event included works from the U.K.'s Lantern Company as well as top Hong Kong artistic talents. Thousands lined the Causeway Bay streets to enjoy the parade of huge glittering puppets and performances by local youngsters.



Other Venue Support

Below is a list of other community activities which took place at Hysan's venues in 2015:

Hysan Place	Jan Society for Community Organisation "Our Treasure" Photo Exhibition	Helping Hand Cookie Campaign Launching Ceremony and Charity Sale	May Leisure and Cultural Services Department Saxophone Performance	Aug Radio Television Hong Kong The History of Hong Kong Exhibition
	Oct Hong Kong Breast Cancer Foundation Breast Health Education Exhibition	Plan International "Because I am a Girl" Campaign Event	Nov Hong Kong Youth Arts Foundation "The Colour of Music" Art Workshop and Music Performances	
Lee Theatre Plaza	Feb St. James' Settlement Valentines Flower Charity Sale	Helping Hand Helping Hand Cookie Charity Sale	July World Vision Child Sponsorship Programme	
	Nov Haven of Hope Christian Service Cookie Charity Sale	Preserve Planet Earth Committee under Rotary Club District 3450 Sustainable Seafood Educational Event		
Other Community Engagements	Aug Society for Community Organisation Underprivileged Children's Visit to Hysan Place's "Wooderful Life" Event	Aug – Dec Wanchai District Council and HK Sharing Book Donation and Exchange Programme	Sep Redress Keep Caring Clothing Drive	



Community Contributions

Exploration for Hope

Our summer ethnic minority youngsters study-and-career programme again served more than 100 school children in 2015. “Exploration for Hope” remained Hong Kong’s only ethnic minority youth social enterprise competition. The winner of this year’s competition is now testing its own project, which organises festive events for minority groups, in a real life setting with the help of our partner, Hong Kong Christian Service. We would like to thank Hong Kong Christian Service and our other partner, the Hong Kong University of Science and Technology Business School, for their strong support throughout this programme’s development. “Exploration for Hope” was a finalist in the Hong Kong Council of Social Service’s Outstanding Partnership Award.

Our Volunteer Team

Hysan’s colleagues clocked 1,336 hours of volunteer service in 2015. Their friends and family members added another 323 hours to the tally. The team organised 13 events during the year, including tutorial classes for underprivileged children, backstage work assisting a drama group formed by disabled actors, and visiting an elderly dementia centre.



The organisations Hysan partnered included:

- Changing Young Lives Foundation
- Helping Hand
- Hong Chi Association
- Hong Kong Movie Star Sports Association Charities Ltd.
- The Hong Kong Society for the Protection of Children
- Jockey Club Centre for Positive Ageing
- The Nonsensemakers
- Oxfam Hong Kong
- SAHK
- St. James' Settlement
- Wofoo Social Enterprises

Hysan was again given the Gold Award for Volunteer Service under the Steering Committee on Promotion of Volunteer Service of the Social Welfare Department. Among our staff, one family collected a Silver Award while another took Bronze. Three more individuals received Bronze Awards, and four Hysan staff members were recognised as long-term contributors.



The Stock Exchange of Hong Kong Limited's Environmental, Social and Governance Reporting Guide

A. ENVIRONMENTAL

Reference in “Responsible Business” Section

A1 Emissions	
<ul style="list-style-type: none"> Information on policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, generation of hazardous and non-hazardous wastes 	<ul style="list-style-type: none"> “Environment – Environmental Policy” “Environment – Energy Efficiency” “Environment – Waste Management, Recycling and Water Consumption” Not aware of any material non-compliance
<ul style="list-style-type: none"> KPI A1.1 Types of emissions and respective emissions data 	<ul style="list-style-type: none"> “Environment – Energy Efficiency” “Environment – Waste Management, Recycling and Water Consumption”
<ul style="list-style-type: none"> KPI A1.2 Greenhouse gas emissions in total and intensity 	<ul style="list-style-type: none"> “Environment – Energy Efficiency”
<ul style="list-style-type: none"> KPI A1.3 Total hazardous waste produced and intensity 	<ul style="list-style-type: none"> We believe our business does not generate a material amount of hazardous waste.
<ul style="list-style-type: none"> KPI A1.4 Total non-hazardous waste produced and intensity 	
<ul style="list-style-type: none"> KPI A1.5 Description of measures to mitigate emissions and results achieved 	<ul style="list-style-type: none"> “Environment – Energy Efficiency” “Environment – Waste Management, Recycling and Water Consumption”
<ul style="list-style-type: none"> KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved 	<ul style="list-style-type: none"> “Environment – Waste Management, Recycling and Water Consumption”
A2 Use of resources	
<ul style="list-style-type: none"> Policies on efficient use of resources like energy, water and other raw materials 	<ul style="list-style-type: none"> “Environment – Environmental Policy”
<ul style="list-style-type: none"> KPI A2.1 Direct and/or indirect energy consumption by type in total and intensity 	<ul style="list-style-type: none"> “Environment – Energy Efficiency”
<ul style="list-style-type: none"> KPI A2.2 Water consumption in total and intensity 	<ul style="list-style-type: none"> “Environment – Waste Management, Recycling and Water Consumption”
<ul style="list-style-type: none"> KPI A2.3 Description of energy use efficiency initiatives and results achieved 	<ul style="list-style-type: none"> “Environment – Energy Efficiency”
<ul style="list-style-type: none"> KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved 	<ul style="list-style-type: none"> “Environment – Waste Management, Recycling and Water Consumption”
<ul style="list-style-type: none"> KPI A2.5 Total packaging material used for finished products 	<ul style="list-style-type: none"> Not applicable
A3 The environment and natural resources	
<ul style="list-style-type: none"> Policies on minimising the issuer’s significant impact on the environment and natural resources 	<ul style="list-style-type: none"> “Environment – Environmental Policy”
<ul style="list-style-type: none"> KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them 	<ul style="list-style-type: none"> “Environment – Energy Efficiency” “Environment – Waste Management, Recycling and Water Consumption”

B. SOCIAL

Reference in “Responsible Business” Section

Employment and Labour Practices

B1 Employment

- | | |
|---|--|
| <ul style="list-style-type: none"> Information on policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare | <ul style="list-style-type: none"> “Workplace Quality – Human Resources Policies” Not aware of any material non-compliance |
| <ul style="list-style-type: none"> KPI B1.1 Total workforce by gender, employment type, age group and geographical region | <ul style="list-style-type: none"> “Workplace Quality – Staff Composition” |
| <ul style="list-style-type: none"> KPI B1.2 Employee turnover rate by gender, age group and geographical region | <ul style="list-style-type: none"> “Workplace Quality – Staff Composition” |

B2 Health and safety

- | | |
|---|--|
| <ul style="list-style-type: none"> Information on policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards | <ul style="list-style-type: none"> “Health and Safety – Health and Safety Policy” Not aware of any material non-compliance |
| <ul style="list-style-type: none"> KPI B2.1 Number and rate of work-related fatalities | <ul style="list-style-type: none"> No fatality |
| <ul style="list-style-type: none"> KPI B2.2 Lost days due to work injury | <ul style="list-style-type: none"> “Health and Safety – Health and Safety in Action” |
| <ul style="list-style-type: none"> KPI B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored | <ul style="list-style-type: none"> “Health and Safety – Health and Safety in Action” |

B3 Development and training

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| <ul style="list-style-type: none"> Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities | <ul style="list-style-type: none"> “Workplace Quality – Training and Development” For 2015, the training ranged from financial workshops to seminars on latest ordinance changes |
| <ul style="list-style-type: none"> KPI B3.1 The percentage of employees trained by gender and employee category | <ul style="list-style-type: none"> “Workplace Quality – Training and Development” |
| <ul style="list-style-type: none"> KPI B3.2 Average training hours completed per employee by gender and employee category | <ul style="list-style-type: none"> “Workplace Quality – Training and Development” |

B4 Labour standards

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| <ul style="list-style-type: none"> Information on policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labour | <ul style="list-style-type: none"> “Workplace Quality – Human Resources Policies” We believe our property investment and management business (primarily in Hong Kong) has a very low risk profile on use of forced or child labour. We are not aware of any material non-compliance with applicable provisions. We are against the use of forced or child labour. |
| <ul style="list-style-type: none"> KPI B4.1 Description of measures to review employment practices to avoid child and forced labour | <ul style="list-style-type: none"> Not applicable |
| <ul style="list-style-type: none"> KPI B4.2 Description of steps taken to eliminate such practices when discovered | <ul style="list-style-type: none"> Not applicable |

Operating Practices

B5 Supply chain management

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| <ul style="list-style-type: none"> Policies on managing environmental and social risks of the supply chain | <ul style="list-style-type: none"> “Health and Safety – Health and Safety Policy”; “Health and Safety – Health and Safety: Our Partners” “Environment – Environmental Policy”; “Environment – Highlights of 2015” (covered stakeholder engagement) |
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The Stock Exchange of Hong Kong Limited's Environmental, Social and Governance Reporting Guide

B. SOCIAL		Reference in “Responsible Business” Section
• KPI B5.1 Number of suppliers by geographical region		• “Environment – Green Procurement” (With regards to the development of Lee Garden Three, we plan to use materials extracted and manufactured locally for around 10 % of total materials value.)
• KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored		• “Health and Safety – Health and Safety: Our Partners” • “Environment – Green Procurement”
B6 Product responsibility		
• Information on policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress		• “Health and Safety – Health and Safety Policy” • “Workplace Quality – Code of Ethics”, which covers data privacy • Not aware of any material non-compliance
• KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons		• Not applicable
• KPI B6.2 Number of products and service related complaints received and how they are dealt with		• Our “Service Scan” highlights customer complaint and request handling. For each service, the service levels are stated, each with an accompanying KPI and monitoring methodology.
• KPI B6.3 Description of practices relating to observing and protecting intellectual property rights		• “Workplace Quality – Code of Ethics”, which covers protection of copyrights
• KPI B6.4 Description of quality assurance process and recall procedures		• “Service Scan” details standard service levels and their related KPIs and methods of measurement. It is used regularly to measure tenants’ satisfaction levels for service improvements.
• KPI B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored		• “Workplace Quality – Code of Ethics”
B7 Anti-corruption		
• Information on policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering		• “Workplace Quality – Code of Ethics”, which covers anti-bribery • Not aware of any material non-compliance
• KPI B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases		• No such cases
• KPI B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored		• “Workplace Quality – Code of Ethics”, which covers our whistle-blowing
Community		
B8 Community Investment		
• Policies on community engagement to understand the community’s needs where the issuer operates and to ensure its activities takes into consideration of communities’ interests		• “Corporate Responsibility Policy”
• KPI B8.1 Focus areas of contribution		• “Corporate Responsibility Policy” • “Community Contributions”
• KPI B8.2 Resources contributed		• “Community Contributions”

“Comply or explain” provisions

Recommended disclosures

Corporate Responsibility Reporting Verification Statement

Third-party Independent Verification



VERIFICATION STATEMENT

Scope and Objective

Hong Kong Quality Assurance Agency ("HKQAA") conducted an independent verification of the Responsible Business Section of the Annual Report of Hysan Development Company Limited ("Hysan"). The content of the Responsible Business Section depicts Hysan's commitments and progress on sustainability for the period of 1st January 2015 to 31st December 2015.

The aim of this verification was to provide a reasonable assurance on the completeness and accuracy of the information stated in the Responsible Business Section which was prepared in accordance with the Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide") issued by the Hong Kong Stock Exchange.

Assurance Methodology

The verification process included reviewing of relevant documentation, interviewing responsible personnel with accountability for preparing the reporting contents and verifying the selected representative sample of data and information. Raw data and supporting evidence of the selected samples were thoroughly examined.

Independence

HKQAA was not involved in collecting and calculating the reporting data, or in the development of the Report. HKQAA's activities are independent from Hysan.

Conclusion

The results of our verification provided confidence in the systems and processes used by Hysan for managing and reporting sustainability performance information. It is confirmed that the contents stated within the Responsible Business Section of the Annual Report are accurate and reliable. The key performance indicators specified in the ESG Reporting Guide has been adequately addressed. The information presented in the Responsible Business Section is fair in all material respects, and the reporting contents articulate a balanced account of Hysan's sustainability performance during the reporting period.

Hysan has established effective mechanism to proactively engage with its stakeholders. Feedbacks from stakeholders were taken into account very seriously for incorporating into the company's sustainability strategies and for preparing the reporting contents. Also, Hysan has been responsive to stakeholder concerns and expectations with a number of examples shown in the Responsible Business Section. Overall, the material sustainability issues of Hysan's commitments, progress and achievement were included in the Responsible Business Section of its Annual Report.

Signed on behalf of Hong Kong Quality Assurance Agency

Jorine Tam
Assistant Director, Strategic Business
March 2016