2023 SUSTAINABILITY REPORT

恒隆地產
HANG LUNG PROPERTIES

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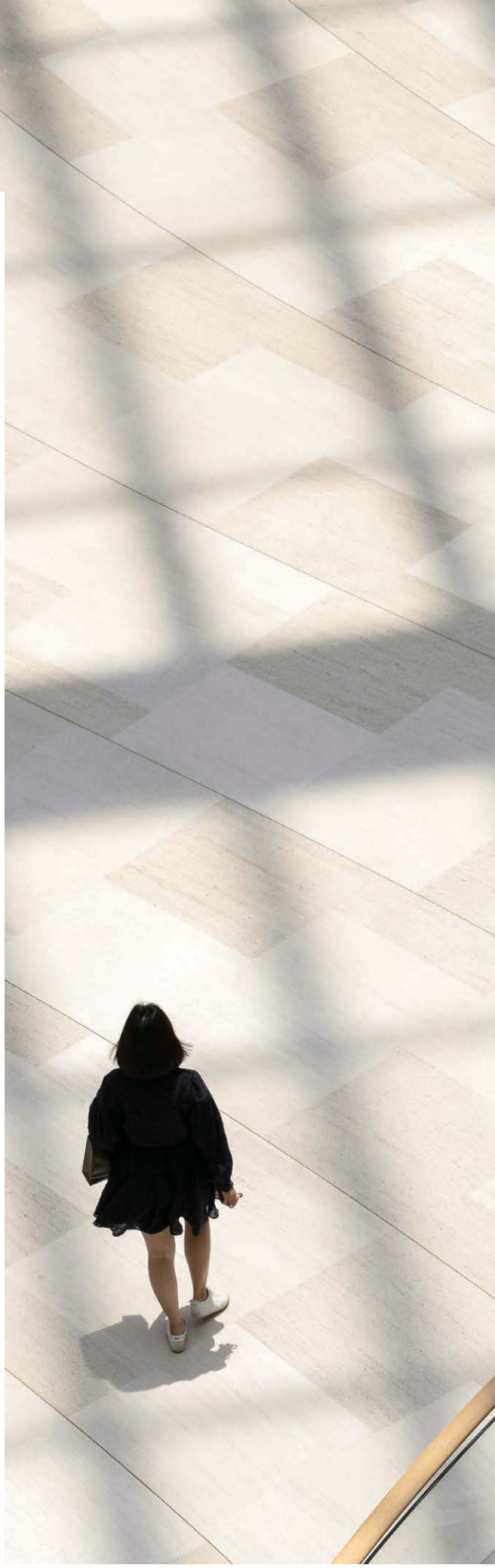


INTRODUCTION

ABOUT THIS REPORT

This is the 12th sustainability report (the "Report") for Hang Lung Properties Limited ("the Company" or "Hang Lung Properties," stock code: 00101) and its subsidiaries (collectively known as "Hang Lung" or "the Group"), including Hang Lung Properties Limited. As the property arm of Hang Lung Group Limited ("Hang Lung Group," stock code: 00010), the Group produced and issued this Report to disclose information transparently to our stakeholders regarding the Group's material sustainability issues from January 1, 2023 to December 31, 2023, unless otherwise specified. This Report follows our *Sustainability Report 2022*, which was published online in April 2023.

Scope of this Report

This Report focuses primarily on the Group's management approach to material sustainability issues. Economic and social key performance indicators (KPIs) reported across our material topics cover our entire operations. To ensure the disclosed data reflect the normal operating conditions of the properties, unless otherwise specified, the reported environmental KPIs exclude new properties that have been operated by the Group for less than one year. The KPI reporting scope in this Report remains the same as for our *Sustainability Report 2022*. The reporting scope for environmental KPIs also excludes sold properties. The properties covered by the reported environmental KPIs include 24 properties in Hong Kong, as well as ten in mainland China. 228 Electric Road was excluded as it was opened in July 2023. For the full list of properties, please refer to Appendix 5.

We also report on our progress towards our sustainability targets. In selecting base years for such targets, we consider several factors including data availability, timeliness, and representativeness.

Reporting Standards and Assurance

This Report has been prepared in accordance with Global Reporting Initiative (GRI) Standards with content defined based on the principles of stakeholder inclusiveness, sustainability context, materiality, and completeness. It also complies with the Environmental, Social and Governance ("ESG") Reporting Guide contained in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("HKEX") (ESG Reporting Guide). The adoption of these reporting standards ensures that the content presented is accurate, balanced, clear, comparable, reliable and disclosed in a timely manner. We identified material ESG topics through ongoing stakeholder engagement and our annual materiality assessment. Quantitative data are reported consistently and presented in a manner that allows for meaningful comparisons over time, while the methodologies used for calculations are described in the Performance Tables in Appendix 5 to facilitate public review. A list of properties included in the reporting boundary is also provided in Appendix 5 to allow for year-on-year scope comparison. The Report also reflects both positive and negative aspects of our performance to enable an unbiased and reasoned assessment. Information in this Report has been independently verified by the British Standards Institution with reference to the GRI Standards, the HKEX ESG Reporting Guide, and fundamental reporting principles, as detailed in the Independent Assurance Opinion Statement in Appendix 6.

In addition, in Appendix 8 we have disclosed risks and opportunities arising from climate change, the potential impacts on our business, and the actions we are taking to mitigate risks and capture business opportunities. We have done so with reference to IFRS S2 Climate-related Disclosures published by the International Sustainability Standards Board (ISSB). Lastly, we have also made our best efforts to report against metrics required by the Sustainability Accounting Standards Board (SASB) for the real estate sector. Please refer to Appendix 9 for details.

Contact Us

We welcome your feedback on our sustainability report and sustainability performance. Please share your views with us at Sustainability@HangLung.com.

ABOUT HANG LUNG PROPERTIES

Headquartered in Hong Kong, Hang Lung Properties develops and manages a diversified portfolio of world-class properties in Hong Kong and the nine Mainland cities of Shanghai, Shenyang, Jinan, Wuxi, Tianjin, Dalian, Kunming, Wuhan and Hangzhou. With its luxury positioning under the "66" brand, the Group's Mainland portfolio has established its leading position as the "Pulse of the City." Hang Lung Properties is recognized for its growing leadership role in enhanced sustainability initiatives in real estate as it pursues sustainable growth by connecting customers and communities. For details of our business performance and outlook, please refer to our 2023 Annual Report.

Our Vision

We create compelling spaces that enrich lives

Our Mission

We pursue sustainable growth by connecting our customers and communities

Our Values

We live up to our brand motto, We Do It Well, by focusing on:

Integrity: We maintain the highest standards of integrity by operating according to principles of fairness, mutual respect and adherence to business ethics.

Sustainability: Together with our pursuit of sustainable business growth, we promote the long-term development and wellbeing of our communities.

Excellence: We are committed to delivering the finest services and experiences that surpass the expectations of our customers, tenants and communities.

Openness: We maintain an open and inclusive culture that respects diverse opinions. We strive to embrace new ideas and cultivate innovative thinking.

MESSAGE FROM THE VICE CHAIR

Adriel Chan
Vice Chair and Chair of the Sustainability Steering Committee

In my remarks a year ago (for our *Sustainability Report 2022*), I wrote that Hang Lung sees partnerships as an important feature of our sustainability and especially decarbonization efforts. I'd like to continue this theme here and share some of the progress we achieved in 2023.

Tenant Partnerships

Building on our pioneering sustainability partnership with LVMH Group, in December 2023 we launched a voluntary partnerships program for *all* our tenants on sustainability. Called *Changemakers*, the program invites tenants to commit to a series of sustainability actions at either the 'Foundational' or 'Advanced' levels. We are now piloting the program with our first group of tenants, both in Hong Kong and mainland China, and will look to scale its impact over time.

Supplier Partnerships

We also need to engage suppliers to reduce our emissions from building materials like concrete and steel. In May 2023 we announced a strategic collaboration with CLEANCO2, a startup, to apply low carbon recycled concrete aggregate and low carbon concrete bricks in our development projects, starting with our Westlake 66 development project in Hangzhou. This pioneering initiative was one of nine examples of innovation featured in a global Urban Land Institute report on building materials.

With respect to steel, in December 2023 Hang Lung became the first real estate company in mainland China and Hong Kong to join Climate Group's SteelZero initiative. Under the initiative, we have committed to sourcing low-emissions steel on the path to net zero steel. In 2023, the carbon emissions from the steel in our development projects accounted for approximately 40% of the company's total embodied carbon emissions for that year. In 2024, we are collaborating with SteelZero to conduct internal training, work with key suppliers towards delivering lower carbon steel, and convene discussions on challenges and opportunities with key stakeholders.

University Partnerships

In 2010, we established the Hang Lung Center for Real Estate at Tsinghua University, a partnership between Hang Lung and Tsinghua University. The Center advances academic research and fosters industry-academia collaboration in the real estate sector. In 2023, we launched a "Sustainable Real Estate Scheme" at the Center to encourage innovative and interdisciplinary research at Tsinghua University in such areas as green and healthy buildings and low-carbon development, and to promote the application of research findings to daily life. We supported seven projects in 2023 and are reviewing proposals for potential projects to support in 2024. As I said at a conference we had at Tsinghua University in January 2024, "The pace of change is faster today than ever, and the real estate sector is also more exposed to disruption than ever before. We must be open to all sources of innovation and new ideas, such as those generated at top universities like Tsinghua, so that we can quickly adapt."

In short, Hang Lung's values of openness and sustainability go very well together. We are pursuing several forms of collaboration to help the real estate sector move faster on decarbonization and sustainability.

Finally, I'd like to make a comment about my assuming responsibility as Chair of both Hang Lung Group and Hang Lung Properties with effect from April 26, 2024. Sustainability has long been a personal passion of mine, so stakeholders can rest assured that the company will continue to place sustainability at the center of our agenda in the years and decades to come.

Adriel Chan
Vice Chair and Chair of the Sustainability Steering Committee (SSC)

March 2024

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Weber Lo
Chief Executive Officer

This Sustainability Report 2023 is Hang Lung's 12th annual sustainability report. In 2023, we continued to make strides in environmental, social and economic sustainability. Here are eight of our achievements:

1. Health and Safety Initiatives

We enhanced our health and safety practices through new forms of collaboration across departments, expanded training and new projects. In June 2023, to highlight the importance of safety across the Group, we had a series of informational and engagement activities covering over 4,200 employees and 1,100 contractor staff.

2. Office Rejuvenation in Hong Kong

With employee wellbeing as a priority, we are renovating our offices in Hong Kong. While enhancing the working environment for our staff, we are also mindful of the amount of waste generated in the process. The first phase of the Hong Kong rejuvenation has seen over 3,200 office resources (e.g., furniture and electrical appliances) reused, redistributed, or recycled, diverting nearly 140,000 kg of municipal waste from landfill.

3. Common Charter with LVMH Group

Following the announcement of our sustainability partnership in 2022, the two groups published our *Common Charter: Joining Forces to Accelerate Change* in March 2023. The Charter outlines 20 actions the Groups commit to pursuing in 2023 and beyond. We will publish an update in 2024.

4. Changemakers Program for Tenants

To encourage all our tenants in both Hong Kong and mainland China to partner with us on sustainability, we launched a voluntary program entitled *Changemakers*. To join the program, a participating tenant must commit to at least six actions related to sustainability.

5. Low Carbon Concrete Bricks at Westlake 66

We applied low carbon concrete bricks to our Westlake 66 project in Hangzhou, becoming the first commercial development project in mainland China and Hong Kong to do so. The bricks feature a proprietary carbon dioxide mineralization technology developed by a startup, CLEANCO2.

6. Hang Lung Future Women Leaders Program

Since the launch of the program, around 180 female university students from across the nation have participated and received over 6,300 hours of training and mentorship. Among the participants, 75% are the first in three generations in their families to attend university.

7. Sustainable Finance

In January 2023 we launched our Sustainable Finance Framework to further support our long-term sustainability objectives, with 55% of total debts and available facilities with ESG-related elements by the end of 2023.

8. Economic Performance

Overall rental revenue of Hang Lung Properties and Hang Lung Group increased by 3% and 2%, respectively. The solid leasing performance can be attributed to our best-in-class customer relationship management (CRM) programs, continual tenant mix upgrade, and business diversification. It is a testimony of our effective strategies under the "new normal" marked by a shift in customer behavior in the post-pandemic world.

For further details on our sustainability initiatives, we invite you to peruse our report. Thank you for your interest.

Weber Lo
Chief Executive Officer

March 2024

2023 HIGHLIGHTS

Key Achievements and Initiatives

41% reduction in Scope 1 and 2 greenhouse gases emissions intensity compared to 2018 baseline

Launched a program to partner with tenants on sustainability, *Changemakers*, applicable to interested tenants in both Hong Kong and mainland China

Westlake 66 in Hangzhou is the first commercial development project to use **low carbon concrete bricks** in mainland China and Hong Kong

180 female university students across the nation benefitted from the inaugural **Hang Lung Future Women Leaders Program**

Increased percentile rank for employee engagement in the **Gallup Overall Database** by 6th percentile to 74th percentile

Launched a Common Charter with LVMH Group to collaborate on 20 Actions to accelerate **sustainability progress**

Over **80%** construction floor area (CFA) certified to LEED/BEAM Gold or above

Implemented a holistic resource utilization scheme for **Hong Kong Office Rejuvenation Project** which diverted nearly 140,000 kg of municipal waste from landfill

Hang Lung As One volunteer team contributed **69,891** volunteering hours, benefitting 37,495 people in Hong Kong and mainland China during 2023

Deepened cooperation on industry-university work in the field of sustainability with the **Hang Lung Center for Real Estate at Tsinghua University**

Launched the **Sustainable Finance Framework** to further support our long-term sustainability objectives. **55%** of total debts and available facilities comprise ESG-related elements

Sustainability Awards and Accolades

Awards and Recogntion

Excellence Award in Environmental, Social and Governance Reporting

2023 HKMA Best Annual Reports Awards, The Hong Kong Management Association

Grand Award for Excellence in Environmental Positive Impact, Commendation for Best ESG Report – Large Cap, and **Commendation for Carbon Neutral Award**

Hong Kong ESG Reporting Awards (HERA) 2023

2023 Top CSR Company

Social Responsibility Conference

Best Companies to Work for in Asia 2023

HR Asia

OSH Report Award – Bronze Award

The 22nd Hong Kong Occupational Safety and Health Award, Occupational Safety & Health Council

China Green Point – Sustainable Practice Case of the Year 2023, and **China Green Point – Gravity Point – 10 Green Life Models in the Eyes of Consumers**

Yicai

Distinction Award (Large Organization Category)

Hong Kong Sustainability Award 2023, The Hong Kong Management Association

Best Corporate Governance and ESG Awards 2023 – Special Mention in the Most Sustainable Companies and Organizations (MSCO) Award (Non-Hang Seng Index (Medium Market Capitalization) Category)

Hong Kong Institute of Certified Public Accountants (HKICPA)

BREEAM & GRESB Joint Awards in the Category of ESG Leadership Awards, and **BREEAM Commercial Award – Leadership**

BRE China Awards 2023

Participation and Performance in Key Benchmarks and Indices

MSCI ESG Rating
"AA" rating

Member of Dow Jones Sustainability Indices

S&P Global
ESG score: 66

ESG score: 3.5
Constituent of FTSE4Good

SUSTAINALYTICS
a Morningstar company

Sustainalytics
"Low" ESG risk rating

Hang Seng Corporate Sustainability Index Series Member 2023-2024

Hang Seng Corporate Sustainability Index
"AA" rating

GRESB
4-star performance rating

Institute of Public & Environmental Affairs (IPE)
Green Supply Chain Corporate Information Transparency Index (CITI) Score: 20.3
Corporate Climate Action Transparency Index (CATI) Score: 30.0

Hang Lung obtained more than 35 ESG awards in 2023. For further information on awards and recognition given to the Group, please visit our corporate website.

Key Figures

Business Overview

Completed investment properties: approximately

3 million square meters in Gross Floor Area

Located in

10 cities

4,200+ Number of Employees

Environmental

Scope 1 and 2 GHG emissions intensity

41% reduction vs 2018 baseline

Absolute Scope 1 and 2 GHG emissions

15.7% reduction vs 2019 baseline

Electricity intensity

13.7% reduction vs 2018 baseline

Water intensity

7.6% reduction vs 2018 baseline

Absolute Scope 3 GHG emissions

810,580 tCO_2e in 2023

Operational waste diverted from landfill

66%

Social

37,495 beneficiaries from our community investment programs

Overall Female-to-male pay ratio

1:0.98

69,891 hours of volunteering services

OUR SUSTAINABILITY STRATEGY

OUR APPROACH TO SUSTAINABILITY

Overview

Hang Lung pursues its mission of sustainable growth with sustainability as one of its core values by connecting its customers and communities, and embedding sustainability in all aspects of its business.

Our Sustainability Framework, which comprises three foundations and four priorities, provides clear direction for Hang Lung to define and strengthen a resilient business, make progress on key material issues together with our stakeholders, and be guided towards our ambition **of becoming one of the world's most sustainable real estate companies**.

// Our mission of sustainable growth highlights both the financial and ESG dimensions of sustainability. We recognize that both are indispensable for our continued success //

Weber Lo, CEO

The **Three Foundations** describe the core organizational contexts and indispensable principles underlying all of our sustainability efforts:

- **Company:** Strong team, governance, and community relations
- **Building:** Safe, green and healthy space
- **Customer:** Collaboration for impact

The **Four Priorities** reflect the top four overarching sustainability issues where the Group aims to make significant progress and support its leadership ambitions in the next decade:

- **Climate Resilience:** Adapt to climate change and decarbonize our business
- **Resource Management:** Optimize use and management of natural resources (energy, water, and materials)
- **Wellbeing:** Sustain a healthy, inclusive and safe environment and promote social wellbeing
- **Sustainable Transactions:** Promote sustainability practices in all types of business transactions

Sustainability is a far-reaching, multidisciplinary concept that influences all aspects of our business. At Hang Lung, we have adopted a comprehensive approach, combining top-down commitments and bottom-up engagement to drive employees and stakeholders towards sustainability leadership. In this Report, we will elaborate in detail on our approach, which is summarized below:

- **Top-level commitment:** We have obtained endorsement of policies and frameworks from the Board and senior management to define a clear agenda and principles for the sustainability context of Hang Lung.
- **Defined roles and responsibilities:** Every department and cross-functional committee, from top management and operations, has clearly defined roles and responsibilities to ensure adequate resources and accountability for effective implementation.
- **Integration of sustainability into KPIs and expenditure review:** Sustainability actions and considerations are embedded into the Group's annual Key Performance Indicators (KPIs) and annual expenditure reviews to integrate sustainability across all business operations.
- **Employee empowerment:** We empower our employees to participate in our sustainability journey through various capacity building and outreach opportunities.

To become one of the world's most sustainable real estate companies, we also work to continually strengthen our strategies for sustainability governance and management:

- **Setting time-bound sustainability commitments:** We establish long-term and mid-term Sustainability Commitments, Goals and Targets to to drive aspirations and inspire innovation and action.
- **Aligning with international standards:** We adhere to internationally recognized standards and best practices, such as the Science Based Targets initiative's Net-Zero Standards and sustainable building certifications.
- **Continual improvement and benchmarking:** We continually seek improvement by participating in various ESG benchmarks and indices and awards.
- **Advancing sustainability across the value chain:** Our sustainability efforts extend beyond the direct scope of our business operations and development, with the aim of achieving positive sustainability impacts along the value chain.
- **Enhancing transparency and communication:** We continually improve our transparency through annual sustainability reporting and regular media channels, sharing know-how, lessons learned, and progress with stakeholders.
- **Thought leadership and industry engagement:** We contribute to thought leadership by sharing our experience and insights, interacting with our industry peers at speaking events and throwing our support behind industry associations to foster positive change within the industry.

Materiality Assessment

The Group has a robust approach to materiality assessment, stakeholder engagement, trends analysis and the prioritization of material ESG issues. We regularly review ESG issues relevant to our business and engage in dialogue with stakeholders to understand how well our sustainability performance meets the expectations of stakeholders.

Materiality assessment is critical for advancing our sustainable development efforts. We first identify, analyze and refine our understanding of multiple dynamic ESG issues that could affect our business and our stakeholders, followed by the prioritization of short-listed topics that inform our business strategy, targets and reporting. Every year, we engage a third party to review and update our assessment. Our 2023 materiality assessment process is outlined below.

2023 Materiality Assessment

Approach

In 2023, we engaged an independent consultant to conduct a double materiality assessment with reference to the methodology recommended by the European Financial Reporting Advisory Group.

Issues that Matter: Key Sustainability Trends

To strengthen our understanding of how the fast-changing sustainability landscape presents risks and opportunities to our business, we refreshed our trend analysis in 2023, and identified nine global and national sustainability trends that might affect our business. Please refer to Appendix 1 for further details.

Identification of Relevant ESG issues

In 2023, we identified 25 ESG issues relevant to our business. We dropped "Financial Performance and Investor Interests" and "Grievance Mechanism" from the list and introduced three new topics: "Local Economic Development," "Responsible Consumption," and "Technology and Innovation."

Prioritization of Material Issues

We assessed the material ESG issues in two ways: on the one hand, by determining their relative impact to the Group's financial materiality; and on the other hand, by determining the impact of the Group's activities on issues affecting the sustainable development of the broader society and environment. We considered and weighed multiple inputs, including surveys from external and internal stakeholders, research into key ESG trends, and sustainability and financial reporting standards. The matrix highlights the relative importance of individual issues in terms of their financial impact on Hang Lung and Hang Lung's impact on society and the environment in respect of these issues. Topics rated as essential for business or society were considered as material. The Vice Chair of the Group – in his capacity as the Chair of the SSC – annually reviews and endorses the materiality assessment result and stakeholder engagement findings.

Materiality Matrix

Material ESG Issues

	Material ESG Issues	Stakeholders impacted								GRI Standards	Aligned SDGs	Addressed in this Report
		Employees	Investors & Shareholders	Tenants & Customers	Suppliers & Contractors	Communities	NGO Partners, Academia, & Industry Associations	Governments & Regulators	Media			
1	Energy Efficiency and Carbon Emissions Reduction*	•	•	•	•	•	•	•	•	GRI 302 GRI 305		Climate Resilience Resource Management
2	Customer Health and Safety*	•	•	•		•	•	•		GRI 416		Sustainable Transactions
3	Occupational Health and Safety*	•	•	•	•	•	•	•		GRI 403		Wellbeing Sustainable Transactions
4	Local Economic Development	•	•	•	•	•	•	•	•	GRI 201		Performance Tables - Economics
5	Ethics and Integrity*	•	•	•	•	•	•	•	•	GRI 205		Our Sustainability Strategy
6	Employee Attraction and Retention*	•	•							GRI 401 GRI 404 GRI 405 GRI 406		Wellbeing
7	Employee Wellbeing*	•	•							GRI 403		Wellbeing
8	Waste Disposal and Recycling*	•	•	•	•	•	•	•	•	GRI 306		Resource Management
9	Employee Development*	•	•							GRI 404		Wellbeing

* Material issues in 2022

In this Report, we disclose in detail the concerns and ideas raised by our stakeholders and our responses regarding the nine material issues. In addition, the Report also outlines our management approach and performance for the remaining topics.

Stakeholder Engagement

Our approach to stakeholder engagement ensures a good understanding of the views and expectations that help define our current and future sustainability strategies. We proactively engage with stakeholder groups directly impacted by our operations, such as employees, investors, customers, tenants, suppliers and contractors. We also engage with various external groups and experts for guidance on our focus areas as well as with those whose interests intersect with our business interests in various ways, such as local communities, NGO partners, government bodies, academia, media, and industry associations. In 2023, we continued to engage regularly with key stakeholder groups, as listed in the table below, to ensure effective communication of our sustainability progress in their areas of concern. Feedback collected through all stakeholder engagement exercises also contributed to the preparation of this Report.

Our Sustainability Goals, Targets and KPIs

Sustainability Goals and Targets

The Group recognizes that sustainability leadership requires a well-integrated set of short, medium and long-term goals, targets and KPIs.

In December 2020, after almost a year of internal and external consultation, the Group announced a set of sustainability goals and targets for 2030. Organized according to the four priorities of our Sustainability Framework, the goals provide broad principles governing our efforts, while the targets provide more specific intended outcomes for each goal. This 2030 agenda reaffirms the Group's commitment to creating sustainable value and reflects our ambition to become one of the world's most sustainable real estate companies.

In December 2021, the Group moved a step further, announcing a set of targets to be achieved by the end of 2025 ("25 x 25 Sustainability Targets" or "25 x 25"). These targets address the four priorities outlined in the Group's Sustainability Framework, defining concrete and quantifiable measures to tackle sustainability challenges and providing employees with a clear blueprint to the end of 2025. Every year, we review, analyze, and disclose our progress towards achieving the 25 x 25 Targets in the Sustainability Steering Committee (SSC), the Board, and our Sustainability Report. Highlights include:

Climate Resilience

Targets related to Scopes 1, 2, and 3 emissions, renewable electricity, and climate adaptation.

Resource Management

Targets related to recycling, water use, and landfill diversion.

Wellbeing

Targets related to employee engagement, gender pay ratio, people with disabilities, health and wellness, safety, and youth.

Sustainable Transactions

Targets related to suppliers' ESG performance, marketing events, leases, sustainable finance, and asset acquisitions.

Please see below the full list of **2030 Sustainability Goals and Targets** and the **25 x 25 Sustainability Targets.**

Climate Resilience

2030 Goal	2030 Targets	2025 Targets	
Reduce carbon footprint in line with climate science	1 Build a nearly net-zero carbon building 2 Demonstrate best efforts to achieve a 70% reduction in Scopes 1 and 2 greenhouse gas emissions intensity (per m^2), compared to the 2018 baseline	**GHG Intensity** 40% cumulative reduction in GHG intensity ($kgCO_2e/m^2$) relative to 2018 **Electricity Intensity** 18% cumulative reduction in electricity intensity (kWh/m^2) relative to 2018 **Renewable Energy** 25% of our mainland China portfolio electricity demand met by renewable energy **Electric Vehicle (EV) Charging** Wherever feasible exceed local regulations for the provision of parking spaces installed with EV charging facilities across our portfolio	**Embodied Carbon Intensity** Demonstrate best efforts to achieve at least 10% reduction in embodied carbon intensity ($kgCO_2e/m^2$) for new development project that begin in 2022 or later, compared to typical practice in an equivalent building **GHG Intensity (Tenants)** 15% reduction in GHG intensity ($kgCO_2e/m^2$) from tenants' electricity consumption for our properties in mainland China, relative to 2018 **Climate Adaptation** Complete technical analysis for climate adaptation measures for all properties

Resource Management

2030 Goal	2030 Targets	2025 Targets	
Accelerate the transition to a circular economy by minimizing resource consumption and maximizing recycling by 2030	3 Incorporate circular building principles in new properties 4 Implement water management program in all properties 5 Divert 90% of operational waste from landfill	**Construction Waste** 60% of construction waste diverted from landfill for new projects starting in 2022 with maximized recycling **Construction Material Use** Demonstrate best efforts to maximize the use of recycled, reused and bio-based materials in all new projects	**Operational Water Use** 10% reduction in water intensity (m^3/m^2/year) relative to 2018 **Operational Waste** 70% of operational waste diverted from landfill

Wellbeing

2030 Goal	2030 Targets	2025 Targets	
Ensure employees, customers and communities enjoy an unrivalled environment that promotes their health and wellbeing	6 Assess wellbeing for all employees and key customers 7 Meet or exceed wellbeing standards for new properties 8 Work with youth on sustainability solutions in all cities where we have assets	Achieve an **employee engagement rating** greater than or equal to the 75th percentile Obtain local or international **health and wellness certification** for all our existing Mainland properties Maintain a **Lost Time Injury Rate** of 1.5 or below for employees Maintain **Female-to-Male pay ratio** of 1:1 Obtain **WELL Gold certificate** or equivalent for at least one new property in Hong Kong and mainland China	Maintain **zero work-related fatalities** for employees and contractors Conduct an audit of all our properties and corporate practices on how to **enhance wellbeing and opportunities for persons with disabilities** Deliver **priority ESG training** targeted to all departments and seniority levels Work with youth on **wellbeing community initiatives** at all properties by 2025

Sustainable Transactions

2030 Goal	2030 Targets	2025 Targets	
Collaborate with all suppliers and customers to advance our sustainability priorities	9 Implement supplier evaluation and ranking system 10 Engage all tenants on emissions reduction, resource management, and wellbeing enhancement	Embrace technology to build a robust **digital platform** for assessing **suppliers' ESG performance** 100% of **marketing events** evaluated for their **sustainability impacts**	100% of leases incorporate **sustainability provisions** 50% of total debts and available facilities from **sustainable finance** 100% of potential asset acquisitions include **ESG due diligence**

Annual ESG KPIs

In October 2020, in support of our 2030 goals and targets, our SSC endorsed the concept of annual "Strategic ESG KPIs." The strategic ESG KPIs cascade down to expectations for individual employees and are tied to the biannual performance appraisal process.

Starting in 2021, we establish nearly 30 Strategic ESG KPIs every year. The KPIs have empowered us to collect more data and drive progress in various areas, including GHG reduction, sustainable procurement for our operations and projects, and improving employee wellbeing. The Strategic ESG KPIs are assigned to relevant department heads at the beginning of the year with departmental progress directly tied to biannual performance reviews for employees and management at all levels, including C-level executives.

In 2023, we completed 24 of our 27 Strategic ESG KPIs. Two KPIs were deferred due to project schedule delays, and we were not able to meet the target reduction percentage of our electricity intensity KPI. We reviewed the KPIs that could not be completed in 2023 during the mid-year check-in, and have developed follow-up KPIs for 2024. In addition to our Strategic ESG KPIs, we also formulated a Common Goal across the Group, namely, to encourage each department to propose three ideas to advance the Group's sustainability progress. We collected 67 ideas under the Common Goal, and are now studying their feasibility for implementation.

The SSC and Board also endorsed 28 Strategic ESG KPIs for 2024. For complete details of our 2023 and 2024 Strategic ESG KPIs, please refer to Appendix 3. We disclose these KPIs publicly not only to hold ourselves accountable, but also to encourage stakeholder collaboration in all identified areas.

While we are pleased with our ESG KPIs progress in the past years, we need to continue to make significant progress in all these areas. In other words, the KPIs represent only the start of a structured, disciplined process that will continue annually on the path to 2025, 2030 and 2050.

Sustainability Governance

The Group acknowledges the need for effective and strong sustainability governance, including clear definitions of the accountabilities, roles and responsibilities of various parties.

Sustainability Governance Structure

Our sustainability governance structure is summarized as follows:

In 2023, we continued to strengthen and refine sustainability governance at all levels.

Board Engagement

The Board of Directors of Hang Lung Properties (the "Board") has overall responsibility for the Group's ESG strategy and reporting. The Board also provides oversight of sustainability trends, risks and opportunities affecting the long-term development and positioning of the Group.

In 2020, the Board issued a Joint Statement on Oversight and Management of Environmental, Social and Governance Issues (the Joint Statement) together with the Board of Directors of Hang Lung Group. This statement elaborates on the Board's ESG management approach and strategy, as well as the Board's role in reviewing progress against ESG-related goals and targets. The Board's engagement on sustainability issues is robust.

The Vice Chair of the Board is also the executive responsible for overseeing the Group's Sustainability Steering Committee and its Sustainability Team, the department dedicated to sustainability. The Sustainability Team reported three times to the Board in 2023. The team meets monthly with the Vice Chair to provide updates on progress against the Group's sustainability priorities, as well as regulatory and trends updates.

In 2023, the Board received updates on the Group's sustainability progress, HKEX's consultation on climate disclosure enhancement, and International Sustainability Standard Board (ISSB) reporting requirements (among other topics). The Board also conducted an annual review of the adequacy of resources for the Group's ESG performance and reporting and material ESG risks.

Top Management

The top management of the Group provides strategic direction and oversight of the Group's sustainability performance and progress towards achieving its long-term sustainability goals and targets, as well as its annual sustainability-related KPIs.

The Sustainability Team reports to the Vice Chair and the Chief Executive Officer (CEO) at least once a month. In addition, the direct reports of the CEO and Vice Chair all have sustainability-related KPIs for themselves and their departments against which their performance is measured twice a year. The CEO in turn reports to the Board twice a year on the progress of the KPIs of the entire top management team.

Sustainability Steering Committee

The Sustainability Steering Committee (SSC), currently chaired by the Vice Chair of the Group, and comprising 14 executives from major departments, meets regularly to ensure that understandings of and expectations for sustainability are aligned across the Group. The SSC also supports long-term strategy development, the implementation of plans and progress tracking. The terms of reference of the SSC are available on our website. The SSC meets at least twice a year, and senior executives from various departments update members on the progress of current projects and future plans regarding sustainability. Any changes or updates to sustainability-related policies are reviewed and endorsed by the SSC.

Sustainability Team

Our Sustainability Team serves as a central function supporting the entire business in advancing its sustainability leadership ambitions. Led by the Deputy Director – Sustainability, it reports directly to the Vice Chair. In addition to reporting regularly to the Board and top management, the Team works with colleagues across all aspects of the business to ensure we pursue our ambitious goals, targets and Strategic ESG KPIs in a coordinated fashion. As the risk owner for both the physical and transition risks of climate change under our Enterprise Risk Management (ERM) framework, the Sustainability Team provides updates to the ERM Working Group at least once a year.

Sustainable Finance Subcommittee

The Sustainable Finance Subcommittee (SFS) reports to the SSC. Chaired by the Chief Financial Officer, the SFS is comprised of executives responsible for finance, sustainability, project planning and construction, operations, and treasury. The SFS meets regularly to discuss the latest market developments and the Group's plans for sustainable finance. The SFS oversees the usage of sustainable finance and approves eligible projects as required by the Hang Lung Group Sustainable Finance Framework.

Health and Safety Subcommittee

The Group's Health and Safety Subcommittee (HSS) aims to advance the Group's health and safety agenda as well as to share best practices and lessons learned across all aspects of our business. The HSS is comprised of representatives from human resources, operations, project planning and construction, legal, internal audit, and sustainability. Reporting on its progress to the SSC, the HSS meets at least twice a year to review the Group's health and safety processes and procedures as well as recent internal and external safety incidents to ensure legal compliance, monitor safety-related developments, data and trends, and identify any areas for improvement.

Employees are encouraged to share ideas, safety concerns and observations as well as other issues with members of the HSS. The HSS in turn makes recommendations to the SSC, top management, and/or specific departments as appropriate to support continual improvement of the Group's health and safety.

Enterprise Risk Management Working Group

To ensure proper oversight of the Group's risk management, the ERM Working Group reports directly to the Audit Committee. Each enterprise risk is assigned to a risk owner who must continually monitor said risk and report to the ERM Working Group.

The Group acknowledges that ESG-related risks have become more important in recent years, and in response, we focus more on our internal oversight. Climate risk remains one of the enterprise risks in 2023, and we have completed the annual review of our risk exposure and risk mitigation measures. We also completed an annual review of our latest materiality assessment of ESG-related risks to determine whether the results warrant any adjustments to our enterprise risks.

Sustainability Policies

Key Sustainability-Related Policies and Governing Documents

Board Policies and Documents:

- **Joint Statement on Oversight and Management of Environmental, Social and Governance Issues** (link) – explains the Board's oversight of ESG issues and how the Group approaches the management of ESG issues.
- **Board Diversity Policy** (link) – sets out the Group's approach to achieve diversity on the Board.

Corporate Policies and Documents:

A set of group-level policies has been developed to communicate the Group's approach to various sustainability issues.

- **Sustainability Policy** (link) – outlines our approach to pursuing sustainability leadership over the next decade, including our Sustainability Framework, 2030 Goals and Targets, and details of implementation and governance.
- **Health and Safety Policy** (link) – outlines our approach to health and safety management in our workplaces, properties, and construction sites.
- **Sustainable Procurement Policy** (link) – promotes sustainable procurement decisions and practices, and strengthens sustainability collaboration with our suppliers.
- **Hang Lung Group Sustainable Finance Framework** (link) – demonstrates how the Group intends to pursue sustainable finance transactions.
- **Sustainability Steering Committee Terms of Reference** (link) – the SSC comprises a cross-section of senior executives and provides a dedicated structure for the Group to advance its goal of achieving sustainability leadership. The terms of reference provide a framework for the general mandate and effective functioning of the SSC.
- **Policy on Transactions with Connected Parties** – governs all transactions involving connected parties with all proposed transactions assessed by the Company Secretary on compliance issues.

Ethics and Integrity

Integrity is one of the Group's core values upon which we build a sustainable future for our investors, clients and people. We are proud to uphold a zero-tolerance policy regarding corruption and dishonesty, and to have systems and procedures in place that enhance transparency and accountability at all levels. Our previous motto, We Do It Right, has evolved into **We Do It Well**, with both expressions evoking this foundational feature of our corporate culture.

Code of Conduct

Acts as a benchmark of ethical behavior for all directors and staff members to follow.

- **Equal Employment Opportunities Policy** (see Code of Conduct, part 13.1) (link) – sets out guidelines to ensure we provide a work environment that is free from all forms of unlawful discrimination. It is applicable to all human resources policies and practices including staff recruitment and selection, staff transfer, promotion, training and development, discipline, termination, and compensation and benefits.

- **Personal Data (Privacy) Policy** (see Code of Conduct, part 13.2) (link) – provides guidance to protect data privacy and the confidentiality of employee personal data, and to comply with applicable legislation.
- **Occupational Health and Safety Policy** (see Code of Conduct, part 13.3) (link) – outlines the Group's commitment to providing a safe and healthy environment for employees, including occupational safety guidelines to be observed by all directors and staff members.

In addition, the Group's **Staff Handbook** provides a summary of employment terms and benefits. It covers employee-related policies and procedures including grievance procedures, whistleblowing and protection of intellectual property. The Staff Handbook stipulates the following policies for our employees:

- **Grievance Policy and Procedures** – establishes a proper channel for employees to raise and settle their grievances. The grievance mechanism is designed and managed by the Group's Human Resources Department, which regularly reviews and further improves the effectiveness of the mechanism.
- **Employee Cybersecurity Policy** – provides guidance to employees for maintaining a secure digital working environment and especially protecting confidential information.
- **Policy on Offering and Accepting Advantages and Entertainment** – provides guidelines to all staff members when offering and/or receiving advantages and/or entertainment during the normal course of business, including prohibitions. Clear approval and monitoring procedures are established to ensure strict compliance with this policy.

The Board and the top management also adhere to high standards of business ethics. We regularly communicate relevant laws and regulations related to integrity. All directors are required to declare their interests annually in the statement of interest, and all executive staff are required to declare any conflict of interest on a half-yearly basis.

Anti-Bribery and Anti-Corruption

Fraud and corruption are considered serious and are subject to periodic monitoring as an enterprise risk under our ERM framework. The Group's Anti-Corruption Policy sets out the conduct the Group forbids and the practices the Group expects from its stakeholders. It also provides guidance for staff members to prevent corruption and malpractice in the workplace.

We uphold our culture of integrity by multiple means:

- Relevant requirements for our staff are provided in our Staff Handbook, Code of Conduct, Anti-Corruption Policy, and our Policy on Offering and Accepting Advantages and Entertainment.
- Employees are reminded twice a year to declare in writing and seek approval from a senior executive of the Group when an actual or a potential conflict of interest arises.
- Periodic e-mail reminders are sent out by the Human Resources Department to all staff during festive seasons listing the guidelines for sending and/or receiving advantages.
- Online training on the subject of integrity is provided to employees, covering the Group's integrity standards, anti-corruption policy, zero-tolerance approach to bribery and corruption, and ways to handle improprieties with case studies. At the end of the program, participants must pass a test to demonstrate they have sufficient knowledge of the topic. The online introductory training is mandated for new staff, with refresher training required for all other staff annually.
- Relevant requirements for our vendors/suppliers are embedded in our Code of Conduct for Contractors, as an integral part of tendering documents and/or service agreements.
- Periodic letter reminders are issued to all vendors/suppliers to remind them of our integrity standards and our available whistleblowing channel for them to raise any concerns about bribery, corruption or any malpractice.

Whistleblowing Policy

The Group is committed to establishing and maintaining best practices in corporate governance. All directors, employees and third parties who have business dealings with the Group are expected to conduct themselves with

integrity, impartiality and honesty with zero tolerance for unethical behavior. A whistleblowing mechanism has been established for internal stakeholders (such as employees and directors) and external stakeholders (such as consultants and contractors, customers and tenants) to seek advice and raise serious concerns about matters related to suspected or actual improprieties or any behavior that may constitute misconduct or malpractice, or other irregularities that should be reported.

The Group respects that whistleblowers may wish to file their concerns confidentially and is committed to protecting individuals who make complaints in good faith from any unfair treatment (which may include protection against retaliation or victimization, unwarranted disciplinary action or unfair dismissal). Strict measures are in place to protect the identity of whistleblowers as well as all information collected, and only limited parties are granted access on a need-to-know basis. Associated investigations are governed by an independent investigation panel comprising senior executives from legal, human resources, internal audit and/or relevant corporate functions to ensure that all complaints are handled consistently, objectively and impartially. Remedial actions are taken in accordance with final investigation findings. The results of such investigations are reported to the Audit Committee twice every year.

The Whistleblowing Policy is subject to periodic review and communicated to all stakeholders via various channels (such as the corporate websites, periodic circulars and correspondences, training, tender documents and terms of contracts, etc.). Our full whistleblowing policy is also available on our corporate website.

Anti-Competition

The Group's **Competition Law Policy** sets out the Group's policy of compliance with competition law, including the Competition Ordinance (Cap 619) in Hong Kong and the Anti-Monopoly Law and Anti-Unfair Competition Law in the People's Republic of China.

Code of Conduct for Contractors

The Code sets out the compliance standard expected of suppliers and contractors when conducting business with the Group. The Code includes requirements for compliance with laws and regulations, conducting business ethically, care for employees, responsible labor practices, responsibility to the communities, and ethical use of information.

Risk and Crisis Management

The Group's **Risk Management Framework** explains the role of the Board, Audit Committee and management in relation to the design, implementation, and maintenance of a sound and effective risk management framework, and the principles underling our risk governance structure.

Enterprise Risk Management

Effective risk management is critical to the Group's value creation, business continuity and resilience. It requires understanding risks throughout all phases of our business operations from asset selection, acquisition, and allocation, to ownership, management, and divestment. We are committed to continually enhancing our ERM framework, linking it to our corporate strategies, and integrating it into our day-to-day operations and decision-making processes.

The Group maintains and regularly reviews its business continuity plan to ensure key business functions vital to the Group's operations always remain uninterrupted, especially in the event of crisis, emergency or disaster.

Crisis Management

The Group also maintains a comprehensive crisis management system that ensures its preparedness to respond to and recover from emergencies. Our Crisis Management Manual sets out the principles, guidelines and measures across three areas – prevention, response and recovery. This approach ensures that the relevant personnel have clear guidance on their crisis roles and responsibilities.

Crisis drills are conducted every 18 to 24 months at each major property. They aim to strengthen the awareness and skills of the crisis management team in protecting our corporate reputation and ensuring effective communication among departments in a crisis. Crisis management training is mandated for new joiners, while all existing colleagues must undertake a crisis management refresher program annually.

Data Privacy and Cybersecurity

Cybersecurity is one of the enterprise risks monitored under our ERM framework. Overall information security risks are reviewed and updated to the ERM Working Group annually. The Technology and Digital Department also provides regular updates to the Audit Committee and the Board on information security risk management at least twice a year.

The Group manages its data protection and cybersecurity management in accordance with its Data Security Management System, and closely monitors regulatory changes, including the "Measures for Cross-border Data Transfer Security Assessment" issued by the Cyberspace Administration of China. Multiple internal policies covering security control, risk management and incident handling are in place to minimize cyber threats and ensure compliance. We also annually review and/or update IT-related policies and procedures to keep ourselves up to date with the latest regulations and industry practices.

Regular reviews on compliance and the IT security environment are conducted on the Group's IT system and internal procedures. We introduced a corporate-wide document sensitivity labeling system in 2022 to assist departments in tracing activities on confidential documents and to identify cyber threats and data loss and leakage risks. We also make use of data analytics and robotic process automation to improve security operations and management efficiency. We implemented cloud governance across the Group, setting up a dedicated security operation center function for continuous threat monitoring, and strengthening measures for remote and third-party access to corporate data. In addition, we engaged external security professionals to conduct external audits and to test our vigilance through phishing emails and attack simulations.

All new employees with company email addresses are required to complete compulsory online cybersecurity training to increase their vigilance with regard to cybersecurity risks, and other relevant employees must complete refresher training at least once a year. In addition to annual training, we broadcast security alerts to employees on targeted scam or phishing email to the Group, and regularly share practical security tips with our employees from their personal lives and work perspectives to raise awareness of cybersecurity.

To ensure that business operations are not disrupted in the event of system failures, the Technology and Digital Department conducts drills on an annual basis and continuity plans are in place to ensure disaster recovery.

Data Security Management Committee

Protecting important company information and personal data are of utmost importance to the Group. In February 2023, the Group established a Data Security Management Committee, which serves as the decision-making body for the Group's overall data security management and governance, including data security management, data classification and categorization, data retention and handling of data security incidents.

The committee comprises executives from business operations, human resources, legal, customer engagement and technology and digital. The Deputy Director – Technology and Digital has been appointed as the Data Security Officer of the Group and the Chair of the Committee and is responsible for overseeing the day-to-day management of the Committee's work.

CLIMATE RESILIENCE

Adapt to climate change and decarbonize our business

Relevant GRI Disclosure
201 (2016), 302 (2016), 305 (2016)

Climate Resilience

We are committed to reducing our carbon footprint in line with climate science and reaching net zero value chain greenhouse gas (GHG) emissions no later than 2050. We are also the first real estate company in Hong Kong and mainland China to receive approval from the Science Based Targets initiative (SBTi) for our near- and long-term company-wide emissions reduction targets in line with the SBTi Net-Zero Standard (Net-Zero Standard). In this chapter, we share the comprehensive steps we are taking in support of achieving our ambitious emissions reduction targets, as well as our adaptation efforts in response to the physical risks from climate change.

2023 Performance Highlights

41% reduction in Scope 1 and 2 GHG Emissions Intensity vs 2018 baseline; and adopted low carbon concrete and steel in development projects to reduce embodied carbon emissions

Completed climate adaptation technical analysis for 94% of existing properties and 83% of development projects

18.9% of our electricity demand in mainland China powered by renewable electricity

Our Approach

In pursuing climate resilience, we aim to manage both transition risks to a low-carbon future and physical risks from the effects of a changing climate. Material climate-related risks are identified, managed and disclosed under our Enterprise Risk Management Framework. We also see climate resilience as an opportunity to demonstrate leadership, to help contribute solutions to the climate crisis, and to strengthen relationships with like-minded stakeholders and customers. We recognize that we need to take a multi-dimensional approach in exploring solutions to reduce our GHG emissions.

// The challenge of climate change is so big. There'll be setbacks and challenges but persevere and don't give up! Otherwise, the costs are just too much for the human race to bear. //

Adriel Chan, Vice Chair and Chair of Sustainability Steering Committe

Climate Resilience Plan 2023-2025

The Group recognizes the need to address the challenges posed by climate change and the importance of integrating climate resilience into our business operations. As part of our commitment to achieving net zero value chain emissions by 2050, we have formulated a Climate Resilience Plan for 2023 to 2025. The Plan identifies key aspects of our approach to adapt to the impacts of climate change and mitigate GHG emissions. We regularly monitor performance to ensure we are on track to meet our targets, or formulate additional actions as needed.

Climate-Related Risks and Opportunities

In 2023, we continued to identify and manage climate issues relevant to our business. The table below summarizes climate-related risks and opportunities, potential consequences for our business, and how we are managing these potential business impacts.

Climate-related risks	Timeframe	Potential consequences	Our responses
Physical risks			
Acute physical changes, such as increased severity and frequency of extreme weather events, e.g., typhoons, intense precipitation, flooding, and extreme temperatures	Short-term	• Increased operating and maintenance costs • Reduced revenue due to business disruptions • Increased insurance premiums • Increased health and safety hazards	• Undertaking detailed physical risk analyses at nine properties across mainland China and Hong Kong to examine their exposure, sensitivity and adaptive capacity to hazards • Installing floodgates at entrances, sump pump and providing sandbags and water pumps to reduce flood risk • Undertaking regular checks and maintenance of curtain wall systems, signage and glazed doors to prevent any potential physical risks caused by strong winds and heavy rain (e.g., typhoons, flooding, storms) • At Center 66 (Phase 2), we implemented precautionary measures for heavy rain and storms by installing flood gates, a wind gate at the car ramp, expanding the drainage capacity, and doubling the number of drainage pipes • Improving crisis response plans at all our properties to align with international standards
Chronic physical changes, such as changes in precipitation and weather patterns, mean temperature increase, and sea level rise	Long-term	• Increased operating and maintenance costs • Reduced revenue due to business disruptions • Write-offs and early retirement of existing assets • Reduced workforce productivity	• Optimizing the operating efficiency of heating, ventilation and air conditioning (HVAC) systems to reduce electricity consumption despite rising temperatures • Incorporating climate resilient features into the building designs of our new projects. For instance, in several new projects we are including overflow pipes on the roof and lowest floor, and a reserve floodgate for car ramp entrances. • Strengthening flood mitigation measures on construction sites, e.g., MEP equipment elevated or anchored.

Climate-related risks	Timeframe	Potential consequences	Our responses
Transition risks			
More ambitious climate policies and regulations to support international decarbonization efforts	Short-term	• Increased compliance costs • Increased operating costs	• Committed to achieving greenhouse gas reductions in line with climate science • Conducted a carbon pricing analysis in 2022 (building on our first such analysis in 2021) to understand our potential exposure to carbon price risk up to 2050 • Piloting the use of an internal carbon price to inform decision making on selected projects, and to help speed our preparation for external carbon pricing • Regularly monitor regulatory changes in laws, policies and regulations to ensure compliance
Changing investor sentiment favoring increased climate advocacy or divesting from businesses that fail to implement effective measures to manage climate risks	Short-term	• More stringent reporting obligations • Reduced availability of capital	• Maintain high transparency on ESG issues to build trust and confidence among our investors • Report against globally recognized frameworks such as ISSB, CDP and GRI to facilitate a clear assessment of our climate performance
Growing stakeholder preference for companies and properties that are more prepared for climate change	Short-term	• Reduced revenue • Property devaluation	• Regularly analyze emerging industry trends • Maintain close communication with stakeholders to understand their concerns and expectations • Ensure understanding of our climate resilience efforts among stakeholders through annual reporting, investor meetings, speaking engagements, etc
Opportunities			
Economic or policy incentives that support the transition to a low-carbon economy	Short-term	• Reduced operating costs • Introduction of new technologies • Access to capital	• Applying for subsidy schemes in Hong Kong and mainland China to fund energy efficiency projects • Applied for a government subsidy for a net zero energy pilot project in Westlake 66 • Raised funds to finance environmental projects under our Sustainable Finance Framework
Higher building energy efficiency and better operational management	Short-term	Reduced operating costs	• Installed smart energy meters at our Hong Kong and mainland China properties to optimize energy management • Conducted energy retrofits of building facilities to enhance building energy efficiency, such as optimization of HVAC and lighting systems in most Hong Kong and mainland China properties, with lift modernization and upgrading works in three properties in Hong Kong • Leveraged smart digital data collection and analysis platform to enhance data accuracy, reporting effectiveness and working efficiency • Piloting an artificial intelligence technology at the headquarters in the Standard Chartered Bank Building to drive energy efficiency improvements; expecting to achieve an electricity reduction of 10% or more from HVAC consumption

Climate-related risks	Timeframe	Potential consequences	Our responses
On-site renewable electricity generation at our properties and offsite renewable electricity procurement	Short-term	• Reduced electricity costs • Increased revenue • Increased market valuation	• Procured renewable energy for 100% of our electricity needs at Parc 66 in Jinan and Spring City 66 in Kunming • Installed on-site solar panels at eight properties which generate over 600 MWh of renewable energy annually
Collaboration with peers and industry associations to drive a faster transition to a low-carbon economy	Short-term	Partnerships can help build the business case for action	• Collaborating with business communities to combat climate change. We are one of the signatories of the Business Environment Council's (BEC's) Net-Zero Charter, the first business-led carbon reduction initiative in Hong Kong • Supporting local and international climate-related initiatives, such as receiving validation from SBTi's Net-Zero Standard for our 2030 and 2050 net zero targets across our value chain
Growing stakeholder preference for companies and properties that are more prepared for climate change	Medium-term	• Attract high value tenants • Attract and retain talent • Higher marketability	• Obtaining green building certifications for all new projects • Demonstrating how we are preparing for and responding to climate change, including by completing technical analysis for climate adaptation measures at all properties by 2025 • Highlighting our sustainability commitments and progress in our recruiting efforts • Collaborating with our tenants on sustainability initiatives, including the launch of Changemakers, our tenant sustainability partnerships program, which includes actions related to energy efficiency and embodied carbon

Net Zero Commitments by 2050

Science-based Target and Net-Zero Standard

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

We are the first real estate company in Hong Kong and mainland China – and among the first globally – to have our near- and long-term net zero targets endorsed under SBTi's Net-Zero Standard framework.

We will prioritize direct emissions reductions and all residual emissions will be neutralized (if applicable) in line with SBTi criteria and limiting global temperature rise to 1.5°C before reaching net zero emissions. The following are our validated targets.

Overall Net-Zero Target

Hang Lung Properties Limited commits to reach net-zero greenhouse emissions across the value chain by 2050.

Near-Term Targets

Hang Lung Properties Limited commits to reduce absolute scope 1 and 2 GHG emissions 46.6% by 2030 from a 2019 base year. Hang Lung Properties Limited also commits to reduce absolute scope 3 GHG emissions from purchased goods and services and downstream leased assets 25% by 2030 from a 2020 base year.

Long-Term Targets

Hang Lung Properties Limited commits to reduce absolute scope 1 and 2 emissions 99.6% by 2050 from a 2019 base year. Hang Lung Properties Limited also commits to reduce absolute scope 3 emissions 99.6% by 2050 from a 2020 base year.

As SBTi is developing the Buildings Science-Based Target-Setting Guidance and Tool, during the public consultation period, we shared our views on the draft. We will closely monitor the development of the guidance and update our targets and approach to achieving the targets as and when necessary.

Net-Zero Carbon Operations Commitment

We are the first real estate developer in Hong Kong, and among the first in Asia, to commit to the ULI Greenprint's net zero carbon operations goal. Launched by the Urban Land Institute's Greenprint Center for Building Performance, the goal is in line with the Paris Agreement and the Intergovernmental Panel on Climate Change's (IPCC) recommendation to keep global warming below 1.5°C. This initiative further affirms the Group's commitment to reducing our carbon footprint in line with climate science and reaching net zero value chain GHG emissions by 2050.

We discuss our climate performance in 2023 and our trajectory towards achieving net zero in the GHG Emissions Overview section.

Climate Adaptation

	Status
2025 Target	**On track**
Complete technical analysis for climate adaptation measures for all properties	
2023 KPI	**Completed**
Conduct technical analysis for climate adaptation for another four properties in mainland China, and implement adaptation measures in at least two properties in mainland China or Hong Kong	

In 2023, extreme weather events in mainland China and Hong Kong, including the torrential rain in Hebei Province and the once-in-500-year heavy rain in Hong Kong, have reminded people about risks from climate change. As the impacts of climate change are becoming more pronounced, our assets are increasingly exposed to climate risks such as extreme weather events, changes in precipitation patterns and sea level rise. These risks could pose threats to the safety and wellbeing of our tenants and customers, and impact the asset value of our properties.

We recognize the importance of preparing for potential risks associated with climate change events. We have therefore adopted a proactive approach to climate adaptation. Since 2021, we have conducted technical analyses of our properties to assess the climate risks to which our properties are exposed and to plan adaptation measures. We have a target to complete technical analysis for climate adaptation measures for all properties by 2025. To date we have completed analyses for 25 properties (94% of total floor area for existing properties; 83% for development projects).

Adaptation Roadmap to 2025

In 2023, we conducted detailed climate exposure assessments and sensitivity and adaptive capacity analyses for seven properties in the mainland and two properties in Hong Kong. We also welcome opportunities to collaborate with other organizations to strengthen climate resilience in the region through knowledge exchange and partnerships. In 2023, the Group was invited to participate in a discussion related to climate stress testing organized by the Hong Kong University of Science and Technology, along with other corporates, scientists, and government officials.

Technical Analysis

In our climate adaptation technical analysis, we focus not only on potential changes in the surrounding environment but also how adaptive our properties are. The in-depth climate hazard and vulnerability assessment includes two levels of analyses: an exposure assessment, which assesses the climate exposure level of each property; and an adaptive capacity analysis which evaluates the climate sensitivity and adaptive capacity of each property. Our climate projections are scenario-based, including future emissions scenarios of SSP2-4.5 and SSP5-8.5. The projections cover various time frames including mid-century (2041-2070) and end of century (2071-2100) with our focus on potential impacts between now and mid-century.

We expanded our technical analysis in 2023 to include additional seven properties in mainland China: Grand Gateway 66, Palace 66, Forum 66, Olympia 66, Parc 66, Spring City 66, and Heartland 66, and two properties in Hong Kong: 228 Electric Road and Fashion Walk. For each property, we examined exposure and adaptive capacity.

To enhance the comprehensiveness of our assessment, we expanded the hazards under consideration. In 2022, our assessment focused on flooding, heat wave, typhoon and extreme rain, and landslides. In 2023, we also included earthquake - a geophysical risk - for seven Mainland properties (a magnitude 5.5 earthquake struck Shandong in August 2023). And we included cold spells as an additional climate-related risk factor for our properties in Shenyang.This decision was based on the recognition that Shenyang is located in a very cold zone, as defined by the thermal design code for civil buildings in mainland China, and some indications that climate warming will destabilize the jet stream, causing Arctic air reaching more southern latitudes.

The table below provides a summary of residual risks for each property – after consideration of both exposure and adaptive capacity.

Summary Table of Residual Climate Risks[1,2]

Property Name	Flooding	Heat Wave	Cold Spell	Typhoon & Extreme Rain	Earthquake	Landslide
Hong Kong						
9 Wing Hong Street	Low	Medium	N/A	High	N/A	Low
Amoy Plaza	High	Medium	N/A	Medium	N/A	Low
Burnside Villa	Low	Low	N/A	Medium	N/A	Medium
Gala Place	Medium	Medium	N/A	Medium	N/A	Low
Hang Lung Centre	High	Low	N/A	Medium	N/A	Low
Hollywood Plaza	Medium	Low	N/A	High	N/A	Low
Kornhill Plaza	Medium	Low	N/A	Medium	N/A	Low
Peak Galleria	Medium	Low	N/A	Medium	N/A	Low
Standard Chartered Bank Building	High	Low	N/A	High	N/A	Low
The Summit	Low	Low	N/A	Medium	N/A	Medium
Shouson Hill Road Redevelopment	Medium	Low	N/A	Medium	N/A	High
228 Electric Road*	Medium	Low	N/A	Medium	N/A	Not assessed
Fashion Walk*	High	Medium	N/A	Medium	N/A	Not assessed
Mainland China						
Center 66, Wuxi	Medium	Medium	N/A	Medium	Not assessed	N/A
Riverside 66, Tianjin	High	Low	N/A	Medium	Not assessed	N/A
Plaza 66, Shanghai	Medium	Medium	N/A	Medium	Not assessed	N/A
Grand Gateway 66, Shanghai*	High	Medium	N/A	Medium	Low	N/A
Forum 66, Shenyang*	Medium	Low	Medium	Low	Medium	N/A
Palace 66, Shenyang*	Medium	Low	Medium	Low	Medium	N/A
Parc 66, Jinan*	High	Low	N/A	Low	Low	N/A
Olympia 66, Dalian*	Medium	Medium	N/A	Low	Medium	N/A
Spring City 66, Kunming*	High	Low	N/A	N/A	Medium	N/A
Heartland 66, Wuhan*	Medium	Low	N/A	N/A	Low	N/A
Center 66 Phase 2, Wuxi	Medium	Medium	N/A	Medium	Not assessed	N/A
Westlake 66, Hangzhou	Medium	Low	N/A	Medium	Not assessed	N/A

[1] Some of our properties are working on climate adaptation measures and the risk levels may be revised as the adaptation actions develop further.

[2] * Refers to the properties assessed in 2023.

Adaptation Measures

Building upon the findings of the technical analysis we conducted in 2022, in 2023 we worked closely with 11 Hong Kong properties and five Mainland properties to review the climate adaptation recommendations we formulated together with our consultant. This collaborative effort enabled us to develop concrete action plans tailored to each specific site. By taking into account the unique characteristics and challenges faced by each property, we were able to identify and prioritize the necessary measures for climate adaptation. We have examined all recommendations and are planning to implement feasible measures to enhance our adaptive capacity, such as equipment retrofits, installation of flood detection and warning systems, the provision of flood gates at potential water entry points, and the installation of flood sensors, water collection pans and water discharge routes for major plant rooms. In 2024, we will similarly review recommendations for the nine properties that completed assessments in 2023, and take proactive steps to enhance the resilience of our properties.

CASE STUDY

Climate Adaptation Deep Dives

After the completion of the climate hazard and vulnerability assessment for five Mainland properties and 11 Hong Kong properties in 2022-2023, we selected two properties, Riverside 66 in Tianjin and Standard Chartered Bank Building in Hong Kong, to conduct deep dive analyses to identify property-specific adaptation opportunities. Through site walk-throughs, as-built drawing reviews, questionnaires, management interviews and data collection by consultants on such issues as flood defense, building drainage and HVAC systems, etc., we have formulated a climate adaptation and retrofitting plan that is actionable and specific for each property.

Riverside 66, Tianjin

Riverside 66 is highly exposed to flooding and has been affected by flooding in recent years. Following the flooding and typhoon incidents in 2016 and 2018, Riverside 66 implemented various adaptation measures, such as the installation of a high power drain pump and auxiliary facilities and a water retaining plate, and work with the government to widen the water pipes around the property. In subsequent years, even during heavy rainfall, the property was able to control the increased water flows.

During our deep dive analysis, the site inspection confirmed that Riverside 66 has good existing measures in place. Even so, 26 additional works were proposed for further enhancement of climate adaptation measures at Riverside 66, including but not limited to the installation of water collection pans, flood sensors and floor drains in all transformer and low-voltage distribution rooms, and installation of flood barrier and defenses at the fire service pump room.

Standard Chartered Bank Building, Hong Kong

Standard Chartered Bank Building is highly exposed to typhoon and flooding. It is a high-rise building and located near the coast of the northern side of Hong Kong Island where the windborne debris risk is high. There was one window glass damage incident reported after the typhoon Mangkhut hit Hong Kong in 2018. There are also some critical plant rooms located below ground level, with increased risk of flooding.

After completing a thorough on-site analysis, our consultants proposed 33 enhancement measures for flooding, typhoon and heat wave. After reviewing and prioritizing the recommendations, we have implemented 17 enhancement measures in 2023 and will implement another 14 measures in 2024. These enhancement works range from replacing the window locking system, to strengthening the sturdiness of windows, to engaging a façade contractor to investigate our façade system thoroughly and repair the defects where appropriate. The remaining two enhancement recommendations require high investment and significant renovation works, hence we are not considering them at this moment.

In addition to our work strengthening resilience in landlord areas, we also work closely with our tenants to reduce typhoon and flooding impacts. Sandbags will be provided to tenants when requested, and we are encouraging our tenants who are located underground or on the ground floor to install flood gates in their next round of renovation.

Climate Mitigation

GHG Emissions Overview

Scope 1, 2 and 3 Emissions Overview

The graph below shows annual trends in total GHG emissions for all three scopes. In 2023, scope 3 emissions contributed the most, 83.2% to our overall emissions, followed by scope 2 (16.4%) and scope 1 (0.4%) emissions.

Total Carbon Emissions (2021-2023)

Breakdown of Carbon Emissions by Scope in 2023

In the following sections, we provide details of our efforts to reduce emissions in all these areas.

Scope 1 and 2 Emissions Overview

	Status
2025 Target 40% cumulative reduction in GHG intensity (kg CO_2e/m^2) relative to 2018	**On track**
2023 KPI Meet or exceed 30% cumulative reduction in GHG intensity (kgCO_2e/m^2) relative to 2018.	**Completed**

In 2023, the Group achieved a 41.33% GHG emissions intensity reduction (market-based) compared to our 2018 baseline. In the 41.30% reduction, 10.6% came from Hong Kong properties and 30.7% was from mainland China properties. Further details on the factors contributing to the 41.30% reduction are as follows:

- 13.70% from energy efficiency and onsite renewable energy,
- 18.06% from grid decarbonization and Spring City 66 and Parc 66's power purchase agreements (PPAs) contribution,
- 9.43% from GHG reductions associated with heating demand, and
- 0.1% from Scope 1 reductions associated with refrigerant and diesel generator emissions.

GHG Emission Intensity (tCO_2e/m^2) Reduction Trajectory from 2018 to 2030

Scope 3 Emissions Overview

	Status
2025 Target Demonstrate best efforts to achieve at least 10% reduction in embodied carbon intensity (kg CO_2e/m^2) for new development project that begin in 2022 or later, compared to typical practice in an equivalent building	**On track**
2023 KPI For the Shouson Hill Road project in Hong Kong, demonstrate best efforts to achieve at least 10% reduction in embodied carbon intensity (kg CO_2e/m^2) in accordance with the methodology of our 2025 embodied carbon target.	**Delay**

Scope 3 emissions (i.e., indirect emissions that occur along the value chain) present significant challenges in the real estate industry, including challenges in the availability, categorization and accuracy of data. In 2023, the Group revisited applicable emissions categories and identified 'blind spots' to improve current Scope 3 emissions disclosure based on SBTi and the Greenhouse Gas ("GHG") Protocol.

The key 2023 updates in our Scope 3 inventory calculation are:

Methodology improvement – Our Scope 3 inventory calculation model is a work in progress, and we regularly review it to see how we can make improvements. In 2023, apart from the 10 applicable categories we disclosed in 2022, we identified two new categories: category 8 – upstream leased assets and category 11 – use of sold products in accounting boundary from this year. The addition of these categories improves our data coverage and measurement accuracy. With these additions, there are a total of 12 applicable categories for Hang Lung Scope 3 inventory (out of 15 possible categories). Please refer to Appendix 5 – Scope 3 Emissions Data Reporting Methodology for details.

Data transparency – The selection of emission factors is critical for Scope 3 inventory calculation. To reflect actual emissions along the value chain, we have now considered lifecycle emissions factors which include upstream emissions for category 3 – fuel and energy related emissions, category 8 – upstream leased assets and category 13 – downstream leased assets.

Closer examination of tenants' embodied carbon emissions – Following the GHG Protocol methodology, emissions from tenants' fit-outs and renovations fall outside our reporting boundary for scopes of emissions. But experts like GIGA (RESET), Arup and the Rocky Mountain Institute (RMI) have found that – over the

Breakdown of Scope 3 Emissions by Category in 2023

life of a building – embodied carbon from interiors can be equivalent to or even greater than embodied carbon from the building's structure and substructure. Recognizing the magnitude of such emissions, we are working with LVMH Group and other leading tenants to look more closely at this neglected source of emissions in real estate. Fit-outs and renovations represent a huge opportunity for reduction of emissions in the built environment, and we plan to develop better baseline information from which we can work with tenants to identify reduction opportunities.

The breakdown of Scope 3 emissions in 2023 followed the same pattern as our emissions between 2020 and 2022. Emissions from Category 1 - purchased goods and services (including products, i.e., embodied carbon from building materials) and Category 13 - downstream leased assets (i.e. tenant's electricity consumption) remain our two most significant categories of carbon emissions. Taken together, they contributed more than 90% of our total Scope 3 emissions.

Altogether, our 2023 Scope 3 emissions increased about 88% compared with 2022 Scope 3 emissions. Key reasons for the increase are as follows:

- Our development projects moved into stages of the construction cycle that have more embodied carbon emissions, so our emissions from Category 1, purchased goods & services, increased by 130% relative to 2022. For example, our development projects Westlake 66 and Center 66 Phase 2 each started the construction of superstructure and substructure in the reporting year
- Adoption of lifecycle emissions factors for energy related Scope 3 emissions
- Absolute emissions from Category 13 – downstream leased assets (our tenants' emissions) and other categories of Scope 3 emissions increased slightly in 2023.

Climate Mitigation Initiatives

Scope 1: Refrigerants

Due to the high global warming potential (GWP) of conventional refrigerant gases, the use of refrigerants contributes a significant proportion of global GHG emissions. When selecting refrigerants, we consider their global warming potential as well as their ozone depletion potential. At the Grand Hyatt Kunming Hotel, we adopted an energy-efficient and environmentally friendly refrigerant (R-514A) in the chiller units. Apart from considering the use of low GWP refrigerants in our projects, we also check for leaks during monthly air-conditioning maintenance. An emergency preparedness plan is also in place to handle refrigerant leakage incidents.

Scope 2: Renewable Energy

	Status
2025 Target 25% of our mainland China portfolio electricity demand met by renewable energy	**On track**
2023 KPI 18% of our mainland China portfolio electricity demand from renewable energy	**Completed**

In addition to looking for ways to optimize energy efficiency, we also work to reduce carbon emissions by increasing our use of renewable energy.

The Group has installed on-site solar panels at eight properties in mainland China which generate over 635 MWh of renewable energy annually. In Hong Kong, we have also installed solar panels on the rooftop of Amoy Plaza and participated in the Feed-in-Tariff scheme, generating 18,000 kWh of energy annually.

Regarding offsite renewable energy, we have been actively seeking opportunities to purchase offsite renewable energy in mainland China. Both Spring City 66 in Kunming and Parc 66 in Jinan have PPAs in place. In each case, the PPA covers the property's total annual electricity consumption for both landlord and tenant operations. The Spring City 66 PPA has been in place since December 1, 2021, and Parc 66 began its procurement of renewable energy on January 1, 2023.

In addition to our PPAs for existing properties in mainland China, our development projects in Kunming and Hangzhou also procured 100% renewable electricity in 2023. Please refer to the Project Environmental Management section for details of our renewable energy use during construction.

We also adopt renewable energy design concepts into new projects. Westlake 66 in Hangzhou has also installed a closed-loop ground source heat pump system for the hotel building, and we are designing a ground source heat pump system for a historical building at Center 66 in Wuxi.

Scope 3: Embodied Carbon

	Status
2025 Target Demonstrate best efforts to achieve at least 10% reduction in embodied carbon intensity (kg CO_2e/m^2) for new development project that begin in 2022 or later, compared to typical practice in an equivalent building	**On track**
2023 KPI Explore at least two innovative solutions to reduce embodied carbon in concrete, steel and curtain walls.	**Completed**

In 2023, our development projects in mainland China and Hong Kong made efforts to reduce embodied carbon emissions by adopting lowser carbon building materials. Even so, our total embodied carbon emissions from development projects in 2023 were 534,048 tCO_2e, representing about a 147% increase compared to our development project emissions in 2022. As mentioned earlier, our development projects such as Westlake 66 in Hangzhou and Center 66 Phase 2 in Wuxi are in a more material-intensive phase of the construction cycle, which explains the significant increase in embodied carbon emissions.

Building Material's Embodied Carbon Emissions in 2023

Our 2023 breakdown of embodied carbon emissions is similar to the breakdown in 2022. Steel, concrete and aluminum remain the top three sources of embodied carbon emissions. In 2023, we worked with CLEANCO2 to decarbonize concrete, and we started to work with SteelZero to identify opportunities to decarbonize steel. We also plan to work with other partners on aluminum decarbonization in 2024.

The following highlights some of our decarbonization initiatives related to our scope 3 emissions.

Scope 3: Embodied Carbon in Projects

Adopt lower carbon concrete – We have a two-year strategic collaboration with a startup company, CLEANCO2, which applies carbon capture, utilization and storage (CCUS) technology to produce low carbon recycled concrete aggregate (RCA) and carbon storage concrete bricks. We have successfully used low carbon bricks for the secondary partition walls of the basement of the Westlake 66 project in Hangzhou. These bricks are made using cement, fly ash and other solid waste combined with mineralized carbon dioxide through CLEANCO2's process. The embodied carbon emissions of these low carbon concrete bricks are calculated as 87.5% lower than conventional shale bricks.

The total number of bricks used can cover a wall area of around 17,000 m^2, equal to about 1% of the project's total 2023 embodied carbon emissions. We are the first commercial development project in mainland China and Hong Kong to adopt low carbon concrete bricks with CCUS technology.

Adopt lower carbon steel – Electric arc furnace (EAF) steel is more energy efficient and has less embodied carbon during the production process compared to traditional blast furnace-basic oxygen furnace (BF-BOF) steel. Our Center 66 Phase 2 development in Wuxi has adopted EAF rebar since 2021, procured through main contractor from Shagang Group (沙鋼集團) and Jiangsu Yonggang Group (江蘇永鋼集團), the largest EAF steel suppliers in Jiangsu Province. To date EAF steel has amounted to about 6.88% of all rebar procured in our Center 66 project. In Hong Kong, our 228 Electric Road used about 15.3% EAF-produced rebar, and The Aperture project has also adopted 15.5% EAF rebar, resulting in lower embodied carbon emissions than would otherwise be the case.

In 2023, we were proud to join SteelZero, a global initiative that brings together leading organizations to speed up the transition to a net zero steel industry. In becoming a SteelZero member, we commit to "transit to using 50% low emission steel by 2030, setting a clear pathway to using 100% net zero steel by 2050."

Innovative and circular solutions – Apart from adopting market-available low carbon materials, we are also exploring innovative solutions to reduce embodied carbon in construction with our partners, suppliers and tenants.

First, we are reusing waste concrete from our Westlake 66 development project in Hangzhou. The waste concrete will be crushed into aggregate and used in low carbon RCA through a carbon dioxide mineralization process. A life cycle assessment has found that the low carbon RCA has significant potential to reduce emissions compared to normal aggregate when used as raw material for concrete. Together with CLEANCO2 we have completed a small-scale pilot project with the low carbon RCA in May 2023 and are working on a medium scale project near Hangzhou, with 100 tonnes of waste concrete.

Second, through our sustainability collaboration with LVMH Group, we identified six use cases to recycle three major types of renovation waste in order to improve circularity and reduce embodied carbon emissions in the fit-out process. For details, please refer to Construction Waste Initiatives section in the Resource Management chapter.

Scope 3: Tenant Electricity

	Status
2025 Target 15% reduction in GHG intensity (kg CO_2e/m^2) from tenants' electricity consumption for our properties in mainland China, relative to 2018	**Ahead of Schedule**
2023 KPI Work with a major tenant to implement a plan to reduce GHG intensity from the tenant's electricity consumption across mainland China	**Completed**

Electricity consumed by tenants is the second largest source of our Scope 3 emissions. As we have less operational control over the tenant-controlled areas of our properties, this area is a challenge in our emissions reduction efforts. Nevertheless, we know that many of our tenants are like-minded about the importance of energy efficiency and conservation, and we are working with tenants to reduce unnecessary lighting (see below). We are also now examining technology options to improve real-time energy measurement together with our tenants.

LightWise energy-saving program – We are working with tenants to reduce energy consumption by turning off unnecessary operation lights, store windows and façade lights earlier during non-operational hours. We have implemented the program, called LIghtWise, at all of Hang Lung's properties across eight cities on the Mainland since September 2023, and invited our Mainland tenants to join the program in December 2023. The Group will also introduce a similar program in Hong Kong in 2024.

Use of renewable energy – As mentioned earlier, in addition to powering our landlord operations, we supply 100% renewable energy to all our tenants at Spring City 66 in Kunming and Parc 66 in Jinan. In 2024, we will expand the provision of renewable energy to tenants at additional locations.

Energy saving award – As part of our collaboration between Hang Lung and LVMH Group, we have introduced an energy saving award as a mechanism for sharing and exchanging ideas to improve the energy efficiency of our respective groups. Three awards were set up to recognize the properties of Hang Lung and the stores of LVMH that have demonstrated strong performance in energy efficiency and improvements compared to the previous year, as well as to encourage innovative thinking and the development of new ideas to achieve energy efficiency. We will announce the award winners at our Real Estate and Climate Forum in 2024.

Scope 3: Supply Chain

Collaboration for reduction – Scope 3 emissions reduction is all about engaging with our key stakeholders, both upstream and downstream. In addition to our tenant collaboration, we have developed a sustainable procurement and supplier engagement plan for 2024-2025 in order to advance decarbonization and other sustainability priorities with suppliers.

EV Charging

	Status
2025 Target	**On track**
Wherever feasible exceed local regulations for the provision of parking spaces installed with EV charging facilities across our portfolio	
2023 KPI	**Completed**
Improve our EV charging plan and conduct at least two pilots to expand EV charging spaces, one in Hong Kong and one on Mainland	

In 2022, we studied regulatory trends for EVs and developed a plan to expand EV parking space availability at our Mainland and Hong Kong properties. To support the development of green transport and encourage the use of electric vehicles, we are increasing the number of EV charging facilities in our properties. In 2023, 20 EV charging facilities were installed in the carpark of Center 66, Wuxi. In Hong Kong, we will introduce four new EV charging facilities at the Canton Road Carpark and four EV charging stations at Kornhill Plaza. The Group will continue to evaluate its provision of EV charging facilities and install new charging stations ahead of regulatory requirement changes.

Carbon Pricing Analysis

Carbon pricing could have a significant impact on the real estate sector over time. From 2021, we have been monitoring the impact of carbon pricing mechanisms that may affect the company. In 2021 we completed our first carbon pricing analysis, looking ahead to 2030. In 2022 and 2023 we subsequently conducted an enhanced scenario analysis that extended our analysis from 2030 to 2050, and we also took into account China-specific policies and plans such as its Emissions Trading Scheme (ETS). We will update the carbon pricing scenario analysis from time to time to reflect further changes in the China ETS as it expands its sector coverage.

In our scenario analysis, carbon prices across six scenarios developed by the Network for Greening the Financial System (NGFS)– namely Net Zero 2050, Divergent Net Zero, Below 2°C, Delayed Transition, Nationally Determined Contributions (NDC), and Current Policies – were applied to our emissions under both Business-as-Usual (BAU) and Science-Based Target (SBT) pathways to derive expected carbon costs in 2030 and 2050. Our BAU carbon costs across the four most ambitious NGFS scenarios fall between HKD 63 million and HKD 1 billion in 2030, and HKD 969 million and HKD 14 billion in 2050. If we fully achieve our SBTs, we could reduce potential carbon costs on average by 47% compared to BAU in 2030, and by 95% compared to BAU in 2050. For more details of our scenario analysis, please refer to our *Sustainability Report 2022*.

Internal Carbon Pricing Pilot

As a tool for risk management and strategic planning, we believe internal carbon pricing can help enable our transition towards a low carbon economy and speed our preparation for future climate-related policies and regulations. Building on the results of our scenario analysis, we undertook a stakeholder engagement process in 2023 to formulate an appropriate approach and carbon price levels for the Group. We have decided to pilot shadow pricing as a means of evaluating the sensitivity of investment decisions to the cost of potential carbon emissions. We also conducted training to introduce to our colleagues to the ICP mechanism. Our shadow price is an escalating price over time. The price up to 2030 reflects stakeholder views about the potential evolution of carbon pricing in China, and increases only modestly each year. After 2030, the price takes reference from internationally recognized climate scenarios, and increases more significantly.

In late 2023, the Group started incorporating ICP into the decision-making process of a small number of selected projects related to energy efficiency and emission reduction. In 2024, we will continue to explore the application of ICP to facilitate internal decision-making for low-carbon investments.

>> Next Steps >>

We understand our major sources of greenhouse gas emissions, we have established and validated our science-based targets for reducing such emissions, and we are making progress in some areas. As an important next step, we will be developing and publishing our first Net Zero Roadmap. This report will be a transparent discussion of the challenges and opportunities we foresee in our efforts to reduce emissions for all three scopes of emissions in the decades ahead. We will offer more detailed assumptions and sensitivity analyses to 2030, and discuss at a higher level the key variables that could further impact the pace of our net zero progress between 2030 and 2050. We will publish the Roadmap by the fourth quarter of 2024.

RESOURCE MANAGEMENT

Optimize use and management of natural resources and promote circularity

Relevant GRI Disclosure

302 (2016), 303 (2018), 304 (2016), 306 (2020)

Resource Management

We share finite resources with our community and planet. Like the rest of the world, our consumption behavior has been linear for the past decades. We recognize the need to pursue a more circular approach in the design, construction, operation and disassembly of our buildings and our cities. While the transition to a circular built environment and economy will take time and require collaboration with like-minded stakeholders, we have developed a Resource Management Plan with specific measures to the end of 2025, as well as initiatives to help prepare us for 2030 and beyond. Our business depends on biodiversity, clean air and water, and we need to be vigilant about ecosystem threats including habitat loss, invasive species and pollution to the environment. This chapter will discuss initiatives for the management of our resources during project development and operations, and how we achieve selected annual ESG KPIs through innovative solutions and partnerships with suppliers.

2023 Performance Highlights

14% reduction in electricity intensity in 2023 as compared to 2018	8% reduction in water intensity in 2023 as compared to 2018	66% waste diversion rate in 2023

Introduction

Major resource management topics of relevance to our business include energy consumption, water, waste, nature and biodiversity. We use energy primarily for heating and cooling, major plants and equipment, and lighting. We mainly use water in our energy and fire services systems, in landscaping, and to provide hygiene facilities for our workers, customers and tenants. We generate waste and wastewater from our operations and construction sites. Lastly, we are increasingly mindful about how our footprint in the built environment impacts on nature and biodiversity.

While much remains to be done, we are making efforts to reduce resource consumption, increase recycling, and protect biodiversity. From a longer-term perspective, we aim to work with like-minded stakeholders to help accelerate the evolution to a regenerative, circular economy.

Our commitment to Resource Management also includes ensuring that our new buildings are certified by leading green building standards. The complete list of sustainable building certifications obtained by our properties is disclosed in Appendix 4 – List of Sustainable Building Certificates.

Resource Management Plan 2023-2025

In 2022 and 2023, we reviewed historical data, researched current and future trends, and conducted feasibility studies on various measures. Based on our analyses, we have identified focus areas for energy, water, waste and biodiversity for 2024 and 2025.

Energy Management

As a building operator with a goal of achieving net zero emissions by 2050, energy management plays a critical role in our sustainability efforts. Effective energy management enables us to reduce our reliance on fossil fuels, minimize greenhouse gas emissions, and mitigate the effects of climate change. Moreover, energy management is closely linked to operational efficiency and cost savings. By implementing energy-efficient technologies, upgrading equipment, and promoting energy-conscious behaviors, we can optimize the energy efficiency of our building systems, reduce energy consumption, and achieve financial savings.

Our Approach

Electricity is the major type of energy consumed in our portfolio (83% of our total energy consumption in 2023), which mainly comprises commercial and office buildings. Like other commercial buildings in urban areas, we mainly use electricity to power our HVAC systems, lighting, and elevator systems, among other uses. Some of our Mainland properties also obtain hot water and steam from municipal heating supplies or gas-fired hot water boilers in winter.

We closely monitor our energy use to ensure we optimize energy efficiency and performance. In 2023, the Group's total energy consumption was 1,339,369 GJ and the overall energy intensity increased slightly by 0.5% compared to 2022, mainly due to the increase in electricity consumption.

Energy Consumption and Energy Intensity Trend (2019-2023)

Please find below the energy consumption by energy type in 2023.

Breakdown of Energy Consumption by Energy Type in 2023

We have established a 2025 target and annual ESG KPIs to closely monitor our electricity use and to facilitate its reduction. Please find more details in the following section.

Electricity Use Data Review

	Status
2025 Target 18% cumulative reduction in electricity intensity (kWh/m^2) relative to 2018	**On track**
2023 KPI Meet or exceed 16% cumulative reduction in electricity intensity (kWh/m2) relative to 2018.	**Delay**

Our electricity intensity was 13.70% below our 2018 baseline in 2023 – falling short of our target reduction percentage of 16%, mainly as the result of two factors. First, in the midst of the uncertainties of the COVID-19 pandemic in 2021 and 2022, the Group decided to defer some of our planned capital expenditure investments supporting energy efficiency. Second, as the world recovered from COVID-19 and returned to normal in 2023, our electricity consumption rebounded as commercial activities picked up again. We are planning some energy efficiency measures in 2024 and 2025, and are assessing the potential to introduce additional measures, to support progress towards our 2025 electricity intensity reduction target and our emerging plans for 2026-2030.

Electricity Intensity Reduction Trajectory for 2018 - 2025[1]

[1] Includes consumption of purchased renewable and non-renewable electricity.

Energy Saving Initiatives

Energy Data Management System

To improve energy efficiency and identify potential savings, it is necessary to understand where and how energy is being used. In 2021 and 2022, we installed sub-meters to monitor the energy consumption of major building systems and equipment.

We also have in place an energy management platform for centralized data storage, monitoring, and comparison of our operating projects. The platform makes our energy targets and performance visible at all levels of our organization, enabling us to make informed planning decisions and take effective action to manage our energy use.

Retro-Commissioning (RCx)

Retro-commissioning involves assessing the energy performance of building systems to identify potential operational improvements that could restore and improve building energy efficiency and reduce energy costs. In 2022 and 2023, we have conducted retro-commissioning projects at five properties in mainland China – Riverside 66 in Tianjin, Palace 66 and Forum 66 in Shenyang, Parc 66 in Jinan and Olympia 66 in Dalian. The adoption of operational improvement measures has resulted in savings of approximately RMB 0.7 million in 2023. The Group is also undertaking readily achievable recommendations which will be completed in the first quarter of 2024. Learning from the experience of the initial RCx phase, in 2024, the Group will conduct on-site RCx reviews internally for the remaining existing properties in mainland China, including Plaza 66 and Grand Gateway 66 in Shanghai, Center 66 in Wuxi, Spring City 66 in Kunming, and Heartland 66 in Wuhan.

In Hong Kong, the Group completed retro-commissioning projects at ten of our core projects in 2023. Operational improvements and immediate remedial measures have been identified and implementation will be completed in 2024.

After the improvement works are completed, on-site energy audits will be conducted in 2024 to monitor operational performance and ensure that equipment and systems function as intended and are operating at optimal efficiency.

Artificial Intelligence Pilots

The Group is piloting an artificial intelligence technology at our headquarters in Hong Kong. The Neuron energy system was installed at Standard Chartered Bank Building in May 2023 and the system became fully operational in September 2023. The system consists of a rule engine, chiller plant optimization and an IoT Hub. Metrics including coefficient of performance (COP), temperature, equipment operation status, energy use and optimization information will be displayed in various formats on a cloud-based dashboard. In addition, the system is connected to all equipment in the chiller plant through the existing building management system (BMS), including six chiller pumps, six condensate pumps, five chillers and seven cooling towers. The COP has improved from 5% to 10% following the advanced operational recommendations of the AI technology. Training was provided to operational staff and relevant operational practices were coordinated throughout the testing and commissioning period. The vendor will continue to support the system, and further investigations of the overall chiller plant performance will be conducted within the defect liability period.

A pilot project utilizing artificial intelligence diagnosis and smart operation reminder functions was completed at Center 66 Office Tower 2 to explore the use of AI in optimizing building operations. The Group will continue to explore other innovative technologies to be applied in our properties going forward.

High-efficiency Pump

During the year, we upgraded the domestic water pumping unit in the shopping mall of Plaza 66, Shanghai, to high efficiency pumps. The retrofit resulted in an improved pumping efficiency and reduced energy consumption, with expected savings of about 49,000 kWh per year.

We also upgraded the constant pressure water supply system at Palace 66, Shenyang, to stabilize the operation of the air-conditioning system and reduce operational energy consumption. It is expected that the property will achieve annual energy savings of about 35,000 kWh.

Chiller Plant Upgrade and Replacement

In 2023, we replaced two cooling towers at Palace 66, Shenyang with expected energy savings of 262,000 kWh per year, and completed a cooling tower enhancement at Riverside 66 in Tianjin to improve the heat rejection efficiency.

Our energy efficiency plans in 2024 include optimizing three chiller plants at Plaza 66, Shanghai, and replacing chillers at three of our Hong Kong properties.

Participation in Energy Ratings and Charters

Many of our properties in Hong Kong participate in various energy saving schemes as organized by the Hong Kong government and NGOs. Please refer to Appendix 2 – Memberships and Charters for the full list. Participation in third-party certifications or ratings allows us to benchmark ourselves against other companies in the region and identify potential energy saving opportunities through relevant comparisons with peers.

Energy-efficient Design in Development Projects

At our projects under development, such as Westlake 66 in Hangzhou, energy efficiency measures have been adopted in the early planning stage. These measures include: chilled water dynamic balancing control valves; central plant optimization control to optimize central plant system equipment efficiency; high efficiency motors for fans and pumps with variable speed drives (VSD); high efficiency boilers; a free cooling system; and a ground source heat pump system.

Water and Circularity

Drought threatens people's livelihoods globally. There is growing demand for water, a finite resource, and climate change is making water scarcity worse. We review our exposure to water stress regularly to monitor the risk of water shortages.

Since water as a resource is essential to human life, the price of water is kept low. But the low price of water often makes it difficult to motivate people to care about water savings and conservation. Mindful of this challenge, we look for pragmatic ways to tackle this problem and conserve water resources.

Our Approach

	Status
2025 Target	**On track**
10% reduction in water intensity (m^3/m^2/year) relative to 2018	
2023 KPI	**Completed**
Identify highest priority water reduction measures (considering impact and feasibility) and implement first iteration of the 2023-2025 water reduction plan	

Our water usage is mainly for domestic uses (including toilet flushing and hand washing in public areas) and process uses (including comfort cooling and fire protection). Water use by our tenants in their areas is discussed in the Tenant Partnerships section.

The Group's work in developing our 2023-2025 Resource Management Plan included analysis of our water consumption patterns and practices across our mainland China and Hong Kong portfolio, as well as the current status and future trends for water stress at various locations. For our near-term water reduction measures, the Plan focuses on the wide adoption of water-savings devices and water circularity opportunities at selected properties on the Mainland and in Hong Kong. We are also exploring innovative solutions to modify our water fixtures and processes.

Water Use Data Review

Our total water consumption in 2023 was 2,341,000 m^3, a 11% increase as compared to 2022 and a 8% decrease as compared to 2018. In Hong Kong, we consumed 502,000 m^3 of water in 2023, a 7% increase compared to 2022. In mainland China, water consumption increased in 2023 by 12%, with a total consumption of 1,839,000 m^3. The increases in both Hong Kong and mainland China are primarily due to the post-pandemic resumption of business operations in 2023.

Water Consumption and Water Intensity Trend (2021-2023)

Water Saving Initiatives

Water Restrictors

We continued to prioritize the application of highly efficient water restrictors in water faucets, to reduce water consumption while not sacrificing the customer experience of water pressure. In addition to several recently opened or recently renovated properties, our shopping malls Center 66 in Wuxi, Spring City 66 in Kunming, and Forum 66 in Shenyang have also completed replacement works in 2023. In general, we concluded that a few thousand cubic meters of water will be saved every year, and the return on investment of this initiative would be within two years for each project, notwithstanding the low water cost.

Riding on this successful practice, we conducted a similar study at all our Hong Kong properties and completed a trial at several locations in 2023. Two of our Hong Kong properties will undertake full replacement works in 2024.

Water Recycling Pilots

In addition, as a part of our Resource Management Plan, we have reviewed various types of water recycling systems and their feasibility (e.g. capital and operating costs, and annual water saving potential). We identified two systems as more suitable for our properties – air conditioning condensate water recycling and fire service system water recycling. Following the Plan, we have incorporated this initiative into our ESG KPI for 2024.

Following the positive results from a water recycling pilot at Center 66 in 2021, the recycling system for air conditioning condensate water at Center 66 Office Tower 1 was put into use in mid-2023. The full implementation of the recycling system contributed to a doubling of water recycled in 2023 compared to 2022, accounting for 2.6% of the annual water consumption. Also of note, Grand Gateway 66 in Shanghai completed a rainwater recycling system at its mall during 2023.

For our Hong Kong portfolio, we explored water recycling opportunities for those properties that use potable water for toilet flushing systems (instead of seawater flushing, which serves about 85% of the total population in Hong Kong) since these properties contribute disproportionately to higher water consumption. Following the best practices of our Mainland properties, we are studying the recycling of air conditioning condensation water from air handling units into flushing water.

Waste and Circularity

Around the world, waste generation rates are rising with rapid population growth and urbanization. Public awareness and regulatory requirements in Hong Kong and other cities in mainland China concerning waste management are increasing. Two critical regulations will take effect in 2024 – the municipal waste charging scheme and the disposable plastics tableware and other plastic products ban. As an owner and operator of commercial real estate, providing adequate facilities and implementing robust programs to support our tenants and visitors in waste reduction practices has become a growing priority for us.

In addition, by applying circular principles to procurement decisions and the design, construction and operation of buildings, we can reduce operational and embodied carbon emissions and other types of pollution, as well as reduce our dependency on virgin raw materials - thereby reducing our impact on the planet and making us more resilient to potential supply chain disruptions.

Our Approach

At present, most of our waste is sent to landfill sites or incineration instead of being recycled or repurposed. Typical waste generated from our properties includes municipal waste from operations and tenants, as well as construction waste from renovation works. At most of our properties, we collect and segregate paper, plastic, glass, metal, aluminum, stainless steel, clothing, light tubes, batteries, and waste electrical and electronic equipment (WEEE) from our general waste stream for recycling. We also collect food waste from our tenants for composting at our mainland China properties and selected Hong Kong properties.

In the Group's 2023-2025 Resource Management Plan, we have identified high priority areas in order to meet or exceed our 2025 waste diversion target. After reviewing our current waste disposal and diversion patterns and waste management practices among our properties, we identified that our focus should be on increasing the recycling rate for our properties in Hong Kong. It is also important for us to verify and validate the waste and recycling data from our operations and contractors.

Waste Data Review

	Status
2025 Target 70% of operational waste diverted from landfill	**On track**
2023 KPI Standardize waste data consolidation method and review and streamline waste handling procedures for all Hong Kong properties.	**Completed**

We collect and monitor our waste and recycling data monthly at our major properties. In 2023, we collected 58,688 tonnes of municipal waste, of which 38,659 tonnes were recycled or sent to incineration, with the remainder sent to landfill. We started to disclose our municipal waste sent to incineration in 2022, following the urban domestic waste classification and treatment facilities plan jointly issued by the National Development and Reform Commission and the Ministry of Housing and Urban Rural Development of the PRC in 2021. Taking into account both incineration and recycling, our diversion rate in 2023 is 66%, a significant increase compared to the previous reporting year due to the increase in food waste and paper recycling.

Waste Disposal and Diversion Trend (2022-2023)

Operational Waste by Treatment Type in 2023

Operational Waste Initiatives

	Status
2025 Target 70% of operational waste diverted from landfill	**On track**
2023 KPI Pilot at least four reuse and circularity initiatives (e.g., food donation, furniture reuse, urban farming, e-waste recycling) in operations in Hong Kong and mainland China	**Completed**

	Status
2025 Target 70% of operational waste diverted from landfill	**On track**
2023 KPI Identify highest priority waste reduction measures (considering impact and feasibility) and implement first iteration of the 2023-2025 waste reduction plan	**Completed**

Waste Audit In Hong Kong

In 2023, we engaged a third-party consultant to conduct a detailed waste audit for selected properties in Hong Kong to understand more about the day-to-day operational waste composition and opportunities to maximize waste recycling and recovery. This assessment also helps our operations to prepare for the upcoming municipal waste charging scheme in Hong Kong.

The waste audit covered six of our properties, comprising a cross-section of building types (office, retail, residential, and service apartments). All the waste generated on the audit day was collected and segregated into 15 waste streams for quantification. The chart below shows the waste composition of this waste audit.

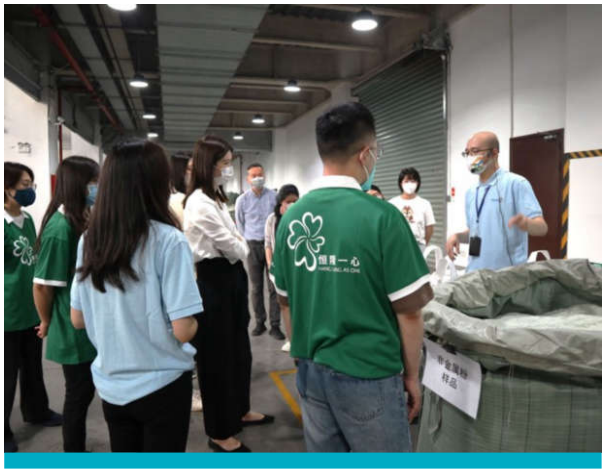
Major waste composition of 2023 waste audit at selected properties

The waste audit also estimated the projected waste generation and potential cost under the upcoming municipal waste charging scheme for our portfolio in Hong Kong. Our consultant also shared recommendations and best practices to enhance our recycling rate. These findings were incorporated into our Resource Management Plan for 2024-2025.

2023 Waste audit in Hong Kong

E-waste Recycling in mainland China

In 2023, we established a partnership with a designated electronic waste (e-waste) recycling company to collect and manage all the spent electronic equipment from our properties in mainland China. With the objective of promoting and engaging our tenants in this e-waste recycling service, we organized a tour for our office tenants and also students from a nearby primary school in Shanghai to visit one of the e-waste plants of our recycling partner. The tour introduced how the used electronic appliances and IT assets are disassembled and properly processed into different raw materials to extend their useful life. A total of 474 pieces of e-waste were collected and recycled from our Mainland offices, marking a pivotal milestone in our journey towards circularity. As an encouraging outcome of the tour, one of our tenants also signed an agreement with the e-waste recycler to handle all its e-waste from multiple sites in mainland China.



Visit to an e-waste disassembly and recycling plant in Shanghai

Recycling Promotion Programs

Encouraging our tenants, customers, and the wider community to recycle is critical for reducing waste sent to landfill. Our programs mainly target two types of waste – food-related and those generated during festive seasons.

In 2023, we redirected over 1.5 tonnes of packaged food by partnering with Food Angel, collected over 35 kg of used mooncake boxes by partnering with Maxim's, and collected about 1.4 tonnes of red packets with Greeners Action. We also continued to support the Foodpanda reusable packaging pilot scheme.

Mooncake Recycling Campaign with Food Grace in Hong Kong

This year, we also collaborated with Fill n' Go to promote 'naked purchasing' in our shopping malls in Hong Kong. The self-service smart refill stations for shampoo, handwash, and other personal care products were set up at Fashion Walk, Kornhill Plaza, and Amoy Plaza. During the six-day campaign, 555 customers redeemed Fill n' Go aluminum bottles upon designated spending at malls and enjoyed free refill service from these stations.

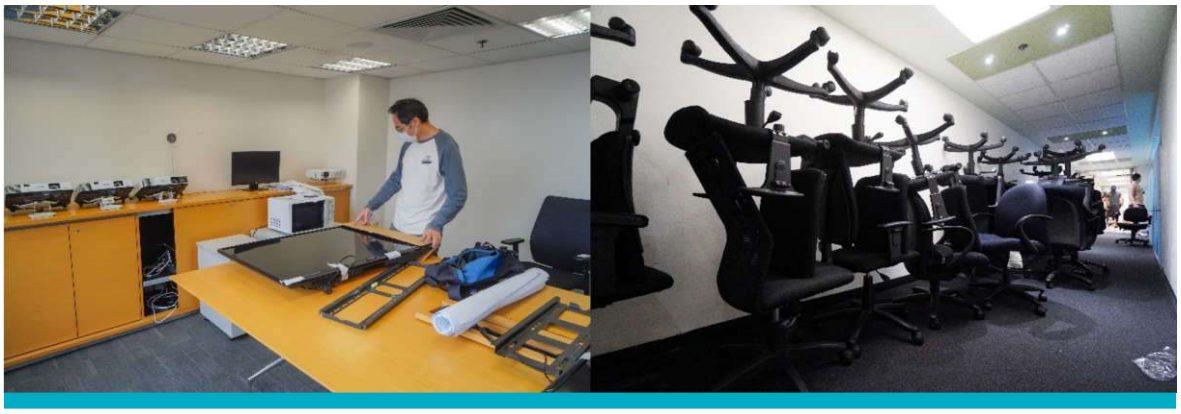
Fill n 'Go campaign in Hong Kong

Recycling at our Hong Kong Headquarters

We are taking action to reduce the waste generated and sent to landfill from our offices. In 2023, we undertook a major rejuvenation project at our Hong Kong offices, in order to enhance wellness, engagement, and a collaborative culture. Thorough reviews were conducted to identify ways to minimize the Project's environmental impacts and promote employee and community wellbeing. This groundbreaking project exemplified sustainability excellence by efficiently recycling 3,289 pieces of office furniture, resulting in the avoidance of 510,990 kilograms of CO2 emissions and the diversion of 139,508 kilograms of waste from landfills, all within a remarkably short 1-month period. Please read more details in the case study below.

CASE STUDY

Office Rejuvenation Project



We partnered with a Hong Kong-based green startup, Sustainable Office Solutions (SOS), and the Crossroads Foundation, a local non-profit serving global needs, to implement a holistic resource utilization scheme for our Hong Kong Office Rejuvenation Project. The first phase of the collaboration has seen over 3,200 office resources reused, redistributed, or recycled, successfully diverting nearly 140,000 kg of municipal waste from landfill and avoiding more than 510 tonnes of carbon emissions—the equivalent of the carbon emissions generated by over 3,000 flights between Hong Kong and Singapore. Measures implemented as part of the scheme include:

- Staff Take Home Program: Hang Lung's Hong Kong employees were encouraged to take home well-maintained office furniture and electronic appliances, including task chairs, pedestals, computer monitors and ovens, free of charge. The first round of the program was well-received, with close to 90 staff members participating.
- Donation to NGOs: The initial phase of the collaboration saw 182 office resource items donated to 14 local NGOs from various sectors, including Crossroads Foundation, Oxfam Hong Kong, and the Hong Kong PHAB Association. Giving a second life to these assets not only diverts waste from landfill but also helps these non-profits in the planning and implementation of projects to support the building of sustainable and equitable communities.
- Reuse: Hang Lung is currently using numerous recycled office resources at its swing office, while others are being stored for reuse upon completion of the Project.
- Upcycling: Resources that cannot be reused, such as wooden desktops, will be processed and transformed into items like office panels for secondary use.
- Recycling: Other remaining non-reusable resources will be sent to local recyclers for treatment to maximize their contribution to a circular economy.

Construction Waste Initiatives

	Status
2025 Target 60% of construction waste diverted from landfill for new projects starting in 2022 with maximized recycling	**On track**
2023 KPI Conduct a pilot research study to improve construction waste (e.g., broken concrete) recycling and circularity in one Mainland development project	**Completed**

	Status
2025 Target Demonstrate best efforts to maximize the use of recycled, reused and bio-based materials on all new projects	**On track**
2023 KPI Explore at least two innovative solutions to reduce embodied carbon in concrete, steel and curtain walls	**Completed**

Effective construction waste management is essential for making the construction industry more sustainable, and China has the highest construction waste emissions in the world. Construction and demolition waste (CDW) accounts for about 40% of the total mass of solid municipal waste generated in China, and there is growing stakeholder understanding of the importance of increasing recycling in these areas.

With our relevant 2025 sustainability targets in mind (as shared above), we have been monitoring the construction waste diversion rate and recycling rate at our development projects since 2022. Our total diversion and recycling rates keep improving, reaching 92% in both cases in 2023. In addition to continued monitoring, we will also carry out an on-site waste study in 2024 to gain a deeper understanding of our construction waste recycling rate and practices.

As mentioned in our Climate Resilience chapter, we are also developing reuse and recycling opportunities. For instance, the waste concrete generated from the Westlake 66 development project in Hangzhou was reused as aggregate and processed into low carbon recycled concrete aggregate (RCA), and we are working on a feasibility test for a medium-scale pilot to make the RCA into low embodied carbon concrete bricks for adoption at Westlake 66 in Hangzhou.

Renovation waste generated by our tenants can also be reused or recycled. In 2023, we collaborated with LVMH Group on a recycling project for a store renovation in Shanghai, and on establishing a recycling process for demolition materials. The study identified six recycling and reusing opportunities for three major types of renovations waste: gypsum board, plywood board, and concrete and tiles. The six recycling and reuse cases we identified were as follows: recycling waste gypsum board into gypsum board and decorative plaster, recycling plywood waste into recycled MDF and acoustic wood wool, and recycling waste concrete and tiles into recycled concrete brick and terrazzo. Among these six use cases, we identified waste gypsum recycling as the most promising way to reduce waste and carbon emissions in the fit-out process. We are working with our consultant and material suppliers on the next phase of the project, which is to identify and develop a feasible and cost-effective recycling value chain pilot project for gypsum board.

Biodiversity

Our Approach

We recognize the potential for biodiversity loss in the construction and operation of our properties as the result of changes in land use, invasive species, air, light and water pollution, greenhouse gas emissions and climate change. We are stepping up our efforts to promote and conserve biodiversity.

To protect natural habitats and biodiversity, we aim to minimize the environmental impacts of our developments through responsible planning and design, and responsible procurement practices favoring products and raw materials from more sustainable sources and with lower ecological footprints.

The choice of materials for use in our day-to-day business operations is another important consideration. All temporary formworks used at The Aperture in Hong Kong were certified by the Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC). Westlake 66 in Hangzhou will utilize FSC certified wood in its building design, and we also use FSC certified toilet paper at our offices.

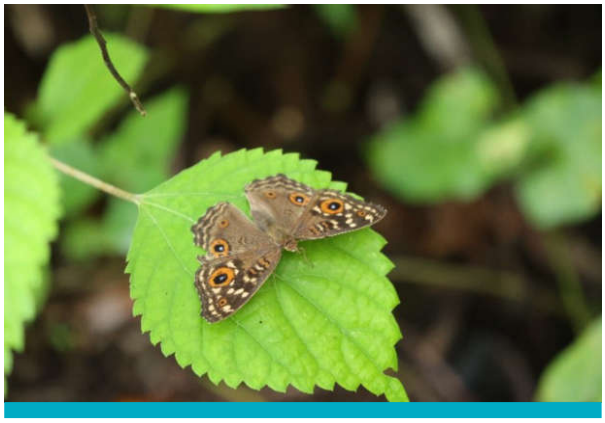
Corporates and financial institutions are starting to pay more attention to biodiversity loss and need to factor nature into financial and business decisions. The Taskforce on Nature-Related Financial Disclosures (TNFD) published its recommendations in September 2023, providing a global framework for organizations to report on nature-related dependencies, impacts, risks and opportunities. We will conduct a gap analysis in 2024 and disclose our nature-related risks and opportunities in line with the TNFD recommendations in our *Sustainability Report 2024*. Our early analysis suggests that terrestrial ecosystem use, GHG emissions, solid waste and ground/surface water use are major impact drivers or dependencies of high materiality in our business connections to nature.

Biodiversity Guidelines for New Projects

We have developed biodiversity guidelines for our future property developments and major renovations. Following a biodiversity feasibility study for our Westlake 66 project in Hangzhou, we determined the need for practical principles to incorporate biodiversity elements throughout the different stages of project development. Holistic biodiversity planning and design contributes to the ecology of the community and city. Our next step will be to pilot the guidelines with an appropriate development project.

Baseline Ecological Study for Existing Property and its Surroundings

In 2023, we engaged a third-party consultant to commence a baseline ecological survey at Peak Galleria and its surrounding area (300 meters from the site boundary) in Hong Kong. The study includes a survey of both floral and fauna, and will be completed by the end of 2024.



Fauna survey includes site survey on birds, butterflies and other fauna

The interim findings identified 408 plant species in the Peak Galleria developed area and adjacent woodland. Overall 78% are local native species of which *Rhododendron simsii* (Red Azalea), *Pavetta hongkongensis* (Hong Kong Pavetta) and 10 other plant species have conservation concerns. The findings also recommend that we replace some existing plants at Peak Galleria with native shrubs and small tree species, and that some natural habitats be restored to attract birds and butterflies. These potential enhancements will be considered in 2024.

Rhododendron simsii (Red Azalea)

We will provide the ecological survey results and update any actions taken in our next sustainability report.

Bird Collision Study for Existing Portfolio in mainland China

Birds fly into building glass windows where the glass is so reflective or transparent that the birds mistake the windows for open sky. This phenomenon is called bird collisions. According to one US estimate, between 100 million and 1 billion birds die in the US from bird collisions each year. While an estimate is not available for China, all available evidence indicates that the phenomenon is similarly widespread there. Despite the prevalence of the issue, bird collisions are not recognized as an important biodiversity and conservation issue by most urban residents.

In 2023, we initiated our first bird collision survey at all our operating properties on the Mainland. Working with experts, the survey records and analyzes bird collision cases occurring at or near our properties. The survey requires data from two bird migratory seasons (fall 2023 and spring 2024) for analysis.

The 2023 fall survey noted 19 bird collision cases of which 16 were identified during the official bird collision survey period from September to November 2023, while the other three were identified before the official survey commencement date.

The survey findings may help us to identify any bird collision hot spots for targeted mitigation. We will also take the opportunity to identify façade patterns that may reduce or increase the odds of such collisions. We will share the study results in our next Sustainability Report.

>> Next Steps >>

We will disclose a more in-depth analysis and reduction plan on our energy use as part of our Net Zero Roadmap (which will be published in the last quarter of 2024). We will also review and share our progress in preparing for TNFD in the next report.

Within our Resource Management Plan, we have four main activities planned for 2024. In Hong Kong we will focus on increasing our recycling rate, while in mainland China, we will focus on enhancing water circularity at selected properties and on exploring opportunities to increase our recycling rate. Both in Hong Kong and mainland China, we will continue to develop a biodiversity strategy for our properties. Lastly, we will review the circularity and reduction of waste generated from our construction projects.

WELLBEING

Sustain a healthy, inclusive and safe environment and promote social wellbeing

Relevant GRI Disclosure

401 (2016), 403 (2018), 404 (2016), 405 (2016), 406 (2016), 413 (2016)

Wellbeing

Wellbeing, which includes physical, mental, and social aspects, is a fundamental sustainability issue. It encompasses a wide range of considerations, from more objective issues like indoor air quality, to more subjective ones, like fostering happiness and cultivating human potential. At Hang Lung we are committed to ensuring that employees, customers and communities enjoy an unrivalled and inclusive environment that promotes their health and wellbeing. In this chapter, we will share our approach to engaging and fostering the wellbeing of our employees and the wider community. More information about how we work on wellbeing issues with our customers and suppliers is available in the Sustainable Transactions chapter.

2023 Performance Highlights

Increased the Employee Engagement Survey percentile rank in the Gallup Overall Database from 68th to 74th

180 women students initiated 31 sustainable community projects, benefitting over 4,500 community members under the Hang Lung Future Women Leaders Program

Hang Lung As One volunteer team contributed 69,891 volunteering hours, benefitting 37,495 people in Hong Kong and mainland China

Our Approach

Wellbeing can be measured and analyzed in many ways. Given how much of their lives most people spend in buildings, it is vital to consider how wellbeing can be fostered and enhanced in the built environment. Moreover, it is essential for companies of all kinds to attend to the wellbeing of their employees and to make positive contributions to the wellbeing of their communities. We take an ambitious and expansive approach to fostering wellbeing. Across our varied initiatives, we aim to ensure that we provide a safe, healthy, inclusive, and comfortable environment for our employees, customers, suppliers/contractors and the community.

Employee Wellbeing

Our Approach

At Hang Lung, we value our employees and strive to prioritize their wellbeing. Our policies are designed with our people in mind, aiming to create a working culture that fosters openness, excellence, fairness and inclusivity.

We are committed to supporting our employees' development and helping them achieve their career aspirations. We consistently recognize employee performance and contributions with the principle of meritocracy that guides our human capital policies, including monetary and non-monetary rewards for excellence. We also promote work-life balance and a culture of care for staff wellbeing. And we seek innovative approaches to fostering creativity and reinforcing our organizational culture.

In 2023 Hang Lung's two headquarters in Hong Kong and Shanghai, as well as all operating projects in mainland China, were recognized by HR Asia as being among the Best Companies to Work for in Asia 2023 at the HR Asia Awards. The award recognizes companies that demonstrate high levels of employee engagement and excellent workplace cultures.

In addition, the company was named the Employer of the Year 2022/23 and won the Learning & Development Award presented by JobsDB HK for our dedication to cultivating talent and creating the best possible workplace for our staff.

Hang Lung has been named one of the Best Companies to Work For in Asia 2023 by HR Asia, for demonstrating excellence in human resource management and for its successful employee engagement initiatives.

Talent Attraction and Retention

We adopt an agile approach in our talent development strategy. While we advocate internal promotion and invest in developing internal talent through talent reviews, leadership development programs, and job rotations, we also acquire talent from outside to ensure we have a high-performing team to meet the demands of the ever-changing market. We also conduct an annual review of our manpower planning looking five years ahead to understand the manpower needs necessary to support our business strategy.

In 2023, we focused on the following talent recruitment and retention initiatives:

Staff Referral Program – We enhanced the staff referral program firstly by encouraging referrals across projects and between Hong Kong and mainland China, and secondly by increasing the amount of bonus offered for successful referrals.

Reward and Recognition – We regularly benchmark against the market and review the pay competitiveness of our colleagues so that we can continue to attract and retain talent. Our pay-for-performance philosophy further ensures that our staff are rewarded commensurate with their contributions. With a focus on internal talent development, 45% of our key talent (as identified in our annual talent review exercise) were promoted or given expanded jobs in 2023. As a result of these initiatives, we retained 94.2% of our key talent in 2023.

Retention Measures – We continued key initiatives in talent management such as a review to identify key talent, targeted leadership development programs, and personal and professional opportunities for all employees offered by our learning and development team to enhance engagement. More details are available in our Learning and Development section.

Campus Recruitment Programs – We partnered with local universities in Hong Kong and mainland China to recruit management trainees and interns through career fairs.

Our voluntary turnover rate decreased compared to 2022, despite a challenging job market with strong competition for talent. We gain insights into employee concerns through regular conversation and exit interviews, which enable us to identify opportunities for improving employee retention.

Key retention metrics	2021	2022	2023
Voluntary turnover rate	14.6%	10.4%	9.9%
No. of voluntary turnover	622	440	419

Motivating and Rewarding Performance

Our total compensation approach encompasses salary, incentives, benefits, career development, and work-life wellbeing. Full-time employees are entitled to benefits such as parental leave, life, medical and dental insurance, parking permits and various corporate staff discounts. We have also included an additional day of fully paid leave called Founder's Day Leave for all employees in Hong Kong and mainland China (introduced in 2020). Share options have also been granted to eligible executives periodically over the past several years to recognize their loyalty, performance, and contribution, and so that they can have a personal stake in the Group's success.

Under the Group's biannual appraisal process for performance, each department and staff member must formulate KPIs approved by management. Departments and individual employees must also embed the Group's Strategic ESG KPIs into their own KPIs. These KPIs are defined against the Group's core strategies. In mid-year and year-end performance reviews, staff are evaluated not only on whether they achieved their stated objectives ("what to achieve"), but also by their behaviors in doing so ("how to achieve"). We also offer a discretionary bonus as a reward for outstanding employees.

The Group provides competitive remuneration, with benefits regularly benchmarked against the market. In 2023, we achieved a key talent retention rate of 94.2%. In addition, 45% of our key talent (as identified in our annual talent review exercise) were promoted or given expanded jobs in 2023.

ESG-linked Compensation

Within the Group's holistic approach to compensation, ESG plays a very important role. ESG KPIs are directly incorporated into our annual appraisal process for departments and individual employees (please see Appendix 3 for our Strategic ESG KPIs for 2024), setting the stage for biannual performance reviews, including for senior management and the CEO. ESG performance is also an important factor in the discretionary bonuses granted at the end of each year at all levels, including the CEO. Our CEO reports to the Board biannually on the KPIs for which he is accountable. The CEO is accountable for all of the KPIs of his direct reports, including the annual Strategic ESG KPIs mandated to various departments by the SSC.

Employee Engagement

	Status
2025 Target Achieve an employee engagement rating greater than or equal to the 75th percentile	**On track**
2023 KPI Coordinate a process for each department to develop and implement three employee engagement measures	**Completed**

We prioritize employee engagement as a key factor for talent retention and for driving performance and excellence.

Since 2021, we have conducted an annual employee engagement survey to understand the emotional connection and dedication employees feel towards their job and Hang Lung. Following the survey, company-wide and department-specific results are communicated to all employees. We ensure that each department formulates and documents an annual action plan for the lowest-ranking concerns in their departments, with periodic reporting on the progress of those actions to ensure progress.

At the corporate level, we invest in initiatives and strategies to provide opportunities for employee development, foster a supportive and caring work environment, encourage open communication, and promote work-life balance. By actively engaging our employees, we can create a more productive, collaborative, and successful workforce.

In August 2023, the Group conducted our third annual comprehensive, third-party employee engagement survey. The overall participation rate was 98.2% (Hong Kong: 94.2%; mainland China: 99.4%), a slight decrease from 2022 (98.6%).

In 2023, our score in the Gallup Overall Database increased by +0.10 to 4.41 out of 5 and we ranked in the 74th percentile. Our score improvement rate in the third year of the survey was in the top 25% of companies with the fastest growth. The encouraging results attest to the effectiveness of the actions we have implemented in the last two years. We will continue with the annual survey and take action to continue improving our employee engagement.

Sustainability Charter

The Sustainability Charter is our internal sustainability communication campaign to invite employees to make a pledge to Hang Lung's sustainability commitments. In 2022 and 2023, we published a regular sustainability e-newsletter to facilitate an understanding about sustainability among our staff and encourage engagement and participation in our sustainability journey.

Employee Recognition

We consistently recognize employee performance and contributions, and employee recognition is identified as one of our strengths in our annual employee engagement survey. The following are some of the highlights.

CEO Award

Our CEO Award, presented on a yearly basis, recognizes outstanding projects and teams that exemplify the best of our corporate culture in their behavior while promoting teamwork and cross-team collaboration.

The winners of the Gold, Silver, and Bronze awards are selected on a fifty-fifty weighting of votes between the award selection committee and all staff. As such, the selection represents meaningful peer recognition. In 2023, teams received awards as follows:

- **Gold:** "Grand Gateway 66 x The Phantom of The Opera" Musical Collaboration
- **Silver:** Health & Safety enhancement initiatives in HL
- **Bronze:** Palace 66 - Summer Music Festival
- **Special Mention:** Data Privacy & Security Governance Initiative; and Building a High-Performing and Engaged Workforce through Learning & Development

Emerald Award

The Emerald Award, held annually since 2014, recognizes staff members delivering exceptional customer service. It encourages individuals to take pride in their jobs and shows staff that their work is valued and appreciated by management and other colleagues. The awardees are selected based on several criteria: initiative, accountability, problem-handling, creativity, uniqueness, and 'going the extra mile.'

2023 Emerald Award

The 2023 Hang Lung Emerald Award presentation ceremony, honoring frontline employees who have demonstrated exceptional customer service, witnessed the stories of many nominated cases exemplifying service excellence, including examples of cultural heritage conservation and instances where employees aided the police in solving cases. The Company received over 300 nominations from various areas of the business across Hong Kong and mainland China.

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Long Service Award

We are fortunate to have colleagues whose many years of dedication, commitment and loyalty to the Group are worthy of respect and recognition. The Long Service Award is our way of honoring employees for their many years of service and serves to remind all our people how these individuals have helped make Hang Lung what it is today. In 2023, 100 staff members received the Long Service Award for serving the Group for 10, 15, 20, 25, 30 and 35 years.

Staff Appreciation Day

When employees feel happy at work, they are more engaged, productive, and successful. We therefore encourage and foster a fun and affirmative work environment. To express our gratitude for employees' hard work and dedication, our management team visits various portfolios to present gifts to employees on Staff Appreciation Day.

Our management team visits colleagues at their places of work across Hong Kong and mainland China.

Learning and Development Pillars			
Leadership / Management	Personal Effectiveness	Functional	Company and Market Knowledge
• Leadership Development Program (LDP) • MT & Intern Program • Management Development Series (MDS) for managers • Supervisory Development Program (SDP) for supervisors	• Personal Effectiveness Series (PES) include soft skills like communication, presentation and mindset etc. • Language and Computer Skills	• Emerald Service Series • Functional Series e.g. Office Leasing, Retail Leasing Department Specific Training • Professional Development	• Orientation, e.g. HL Challenge Day • Compliance & Legal • Health and Safety • Business Knowledge e.g., INSIGHT • ESG Training

Learning and Development

	Status
2025 Target Deliver priority ESG training targeted to all departments and seniority levels	**On track**
2023 KPI Develop and deliver at least 500 hours of ESG training including at least 100 hours focused on delivering climate-related competencies	**Completed**

Our employees have access to a fully integrated, holistic training program. The program fosters a culture of ongoing learning and growth – leading to increased job satisfaction, as well as opportunities to deepen connections with colleagues from different departments through mutual enrichment and experience sharing.

Building on a structured framework for learning and development, the Hang Lung Academy (Academy 66) deployed a wide range of courses in 2023 under four pillars: Leadership / Management; Personal Effectiveness; Functional; and Company and Market Knowledge, equipping our employees with the right knowledge, skills, and mindset to keep up with industry changes, sustain a high level of competence and excel in their personal and professional development.

We identify the training needs for employees at all levels in different ways. First, we work with department heads at the beginning of each year to discuss their needs and share our learning plan. Second, we conduct interviews, focus groups, or questionnaires to understand the needs of our colleagues for new programs developed. Thirdly, we pilot new training initiatives and improve them by collecting feedback prior to broader rollout. Finally, we also review post-training feedback to better understand the needs of our employees.

We also invest in our Learning Management System (LMS) for the enhancement of functionality and user experience. This digital platform produces customized manager reports allowing leaders to keep track of their teams' learning status. We continue to expand the learning content in the LMS with diverse topics ranging from computer skills to management and other soft skills. Once the LMS is integrated with our Human Resources Information System (HRIS), which will be fully launched in the first half of 2024, the system will provide a more user-friendly experience with easier navigation, more comprehensive information, and new functionalities. Overall, the LMS will continue to serve as an essential one-stop platform to drive and enable a culture of learning.

Since 2022, we introduced self-paced learning to our employees through LinkedIn Learning and e-learning programs on our learning management system. In the case of LinkedIn Learning, we introduce a new way of learning that enables our employees to access its on-demand library of videos covering a very wide range of the latest business, technology, and creative skills. In 2023, the number of colleagues subscribing to this platform with company sponsorship increased by 75% from 2022. Altogether, they accumulated 506 learning hours, viewing 2,238 courses and 11,115 videos in 2023.

In addition to our internal programs, we also support colleagues in pursuing professional certifications or external training programs in Hong Kong. Employees are entitled to sponsorship to attend relevant programs or professional examinations of their choice. In 2023, we granted a total of HK$793,781 in training sponsorship.

2023 Management Trainee and Internship Programs

In 2023, Hang Lung welcomed 17 management trainees and 33 interns to join our various teams across Hong Kong and mainland China. Both programs not only serve as a platform for talent acquisition but also as a means to cultivate a sustainable and agile workforce. As we move forward, we are committed to nurturing young talents, inviting new ideas, and embracing change.

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We also measure our learning success. In addition to the ESG KPIs, we define two quantitative L&D targets: an average of 24 learning hours annually per employee, and 100% completion of key compliance courses such as Integrity, Cybersecurity, and Crisis Management. In 2023, we delivered 126,704 hours of training with an average of 30 hours per employee, equivalent to around 3.8 days, representing an 25% increase compared to 2022.

Annual Employee Training Hours, 2021 - 2023

Training Hours by Category, 2023

Training topics	Training hours
Functional	62,254 hours (49%)
Company and Market Knowledge	45,600 hours (36%)
Personal Effectiveness	12,588 hours (10%)
Leadership / Management	6,262 hours (5%)

Since 2014, Hang Lung has been accredited as a Manpower Developer under the Employees Retraining Board (ERB) "Manpower Developer Award Scheme," which recognizes our achievements in manpower training and development.

Highlights of specific activities in 2023 under the four learning pillars are as follows:

Leadership / Management

Management Development Series – To ensure our people leaders have the management capabilities to inspire and lead their teams to execute our strategies, we developed a "Management Development Series" to provide a platform to cultivate leadership attributes as well as to share experiences and best practices. The series includes several modules of people skills and critical managerial skills conducted through interactive sessions, self-paced and peer learning. These modules have been delivered to 300 plus managers from the Senior Manager to General Manager levels. We are preparing to introduce new topics to our people leaders in 2024 and will continue to support them in building an engaged workforce where their team members feel motivated and empowered to perform at their best.

Leadership Development Program – By 2023, we have successfully launched four cohorts of the Leadership Development Program (LDP) in various grades, including LDP for Executive Leaders, LDP for Senior Managers, and LDP for Managers. To date 89 key talents have graduated from this series of programs. In 2024, we will launch another cohort of the Leadership Development Program for Managers (LDP-M) and the Leadership Development Program for Senior Managers (LDP-SM). The key talent coverage rate is targeted to reach 61% by 2024.

Leadership Development Program

The Leadership Development Program is a series of accelerated programs aimed at supporting our key talents at various stages of their leadership development journey in Hang Lung.

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Personal Effectiveness Series – To build up employee confidence and skills to enhance teamwork, productivity and reinforce our core behaviors, in 2023 we launched the "Personal Effectiveness Series" (PES) – a comprehensive curriculum and platform for employees to learn and share experience in various soft skills.

The PES currently includes seven modules as detailed below, which encourage effective peer communication, cultivate a growth mindset, and impart key skills including how to put together compelling presentations and effective and efficient time management. The modules, both core and elective, have been rolled out in phases utilizing diverse delivery formats from interactive sessions and on-line resources to peer learning.

1. Effective Communication
2. Embracing Growth Mindset
3. Influencing Skills
4. Time Management
5. Creative Problem Solving
6. Storytelling in Business Presentations
7. Negotiation Skills

Over 1,800 office employees across the organization have had access to the PES. To advocate ownership of learning, while everyone will attend the core modules, they are encouraged to discuss their development goals with their managers and agree on an elective module to attend, which most benefits their growth.

The participation and feedback from the initiative has exceeded our expectations, and it may have contributed to improvements in our employee engagement and office employee turnover scores. In 2023, our overall employee engagement score increased from 4.31 to 4.41, and our administrative employee turnover rate has dropped from 13.4% to 10.5%. In 2024, we will introduce new topics to the PES and continue to support employee personal and professional growth to sustain a high performing team.

2023 Hang Lung Management Conference

The Hang Lung Management Conference was held physically in both Hong Kong and Shanghai after three years of virtual conferences. Themed "Embracing the Next Normal" and taking a hybrid approach, the conference brought together over 200 executives and management from Hong Kong and mainland China to discuss ideas for navigating and "embracing the next normal," demonstrating the Company's dedication to excellence and openness in showcasing best practices in the evolving business landscape.

LEARN MORE >>

Functional

Office Leasing and Retail Leasing Series – enables our leasing colleagues to acquire work-related skills and knowledge. Various modules, developed and conducted by internal subject matter experts, serve the needs of distinct groups of employees from Officer to Section Head level. There are a total of 15 modules for the Office Leasing Series and ten modules for Retail Leasing Series. The modules run from Q3 2022 to Q2 2024 engaging over 250 team members.

ESG Capacity Building for Specific Departments – To strengthen our colleagues' ESG knowledge and capacity to drive our sustainability strategy, we prioritized ESG training for selected departments in 2023 with a target to deliver 500 learning hours. We arranged specialized workshops on decarbonization, sustainable sourcing, climate adaptation and bird collision, among others, totaling 734 learning hours, exceeding our target by 47%.

Training about Dementia – In cooperation with the Hong Kong Young Women's Christian Association (HKYWCA), we organized a series of training workshops throughout the year to promote the concept of being "dementia friendly" and to enhance our operational employees' understanding of dementia. For more details, please refer to the Love.No.Limit Dementia Friendly Program section.

Company and Market Knowledge

INSIGHT Business Knowledge Sharing Session – In 2023, INSIGHT (our internal webinar series) continued to invite internal and external speakers to share business knowledge or market best practices with our colleagues on a wide range of topics including "Introducing Urban Landscape Open Space and Horticulture Maintenance," "Enabling Our Vision through the Hotel Business" and "Introducing Hangout 2.0." These monthly webinars not only build knowledge but facilitate cross-departmental understanding and appreciation across teams.

Learning Week – In March, Academy 66 organized our first ever Learning Week across the Company. This week-long event brought together over 1,400 colleagues from Hong Kong and nine cities in mainland China, who immersed themselves in a range of activities, including speaker sessions, workshops, and networking events of their choice. With the belief that everyone can take charge of their own learning and development, we are committed to promoting our learning culture and providing comprehensive development opportunities to enable the growth of our colleagues and the Group.

Learning week 2023

Sustainability Learning – To bring sustainability to life, we have arranged workshops to help our employees better understand how sustainability relates to our work, and the impact of our actions on the communities we serve. Webinars like "Hang Lung Community Investment - A Vision for a Sustainable Society," and "Navigating our Business Responsibly in a Water-stressed World" aim to foster a sustainable environment within our workplace and beyond. We are also aiming to build an open and increasingly inclusive workplace. This year we partnered with NGOs such as CareER and Baptist Oi Kwan Social Service to organize sharing sessions and provide online resources to educate our employees on best practices for interacting with people with differing abilities and cultural backgrounds.

Hang Lung Center for Real Estate at Tsinghua University – In 2010, Hang Lung and Tsinghua University joined forces to create the Hang Lung Center for Real Estate (HLCRE) with the aim of fostering academic research and meaningful dialogue within the real estate industry. In 2023, we collaborated with HLCRE to introduce Tsinghua courses and resources for the first time. The initiative attracted over 300 employees contributing to over 2,446 learning hours in 2023, enabling them to enhance their industrial knowledge. Hang Lung is committed to furthering its partnership with HLCRE in 2024 and making significant advancements in areas such as leadership development, talent acquisition, and professional training.

Our colleagues joined courses via Hang Lung Center for Real Estate at Tsinghua University

Employee Health and Safety

	Status
2025 Target	**On track**
Maintain a Lost Time Injury Rate of 1.5 or below for employees	
2023 KPI	**Completed**
Provide health and safety training to 100% of employees in mainland China and Hong Kong	

Endorsed by our SSC in 2021, we launched a Group-level Health and Safety Policy in 2022. The policy fosters collaboration, the exchange of best practices between our projects, offices, and operations, and the sharing of lessons from safety incidents. A Health and Safety Subcommittee (HSS) has been established under the authority of the SSC to advance the Group's health and safety agenda and exchange best practices and lessons learned across all aspects of our business. Employees are encouraged to share ideas, safety concerns and observations, and other issues with members of the HSS. In 2023, we conducted two HSS meetings.

Our Health and Safety Policy specifies the roles and responsibilities of the employer and employees in maintaining workplace health and safety. An operational Health and Safety Management Committee meets three times a year, tracks relevant safety KPIs and monitors safety issues across our Hong Kong operations. The committee includes representatives from the Property Management Services Department, Hong Kong Business Operation, Central Procurement, Human Resources and Sustainability. All property management staff are welcome to participate in the committee meeting. Through its work, we have strengthened the internal accident reporting workflow, improved the health and safety training hierarchy, and enhanced contractors' safety management.

We have also enhanced our occupational health and safety management system. In Hong Kong, we have implemented an occupational health and safety management system at all our managed properties, of which around 70% of our total construction floor area in Hong Kong is certified to ISO 45001.

In mainland China, we have introduced a health and safety management system and relevant training for staff to comply with the latest Work Safety Law. In 2023, we also reviewed the implemented safety production responsibility system to reflect various policy updates.

In the middle of 2023, a joint team from different disciplines carried out a compliance audit to verify that we are complying with safety-related laws and regulations, such as mainland China's Work Safety Law. In Hong Kong, we also conduct an internal health and safety audit annually to ensure the health and safety management system and all related provisions are maintained to the ISO 45001 standard.

We actively promote health and safety awareness and strengthen training and education across our portfolio. Regular health and safety training has been provided to staff to enhance their knowledge and awareness of workplace health, hygiene, and safety - for instance, tips on preventing coronary heart disease and foot and ankle injuries, an introduction to ISO 45001, basic emergency handling and first aid, and hints on accident prevention. In Hong Kong's tenders for operations, term contractors possessing an ISO 45001 certificate is essential in the tender assessment process. Contractors are required to show their commitment to ensuring the health and safety of their direct employees. Regular meetings are held to assess and review the health and safety performance of our contractors.

Selected colleagues are sent to attend a Safety and Health Supervisor course at the Occupational Safety and Health Council in Hong Kong. We also define safety responsibilities for all staff. All employees should protect

themselves from hazards and immediately report unsafe acts, unsafe conditions, unsafe machinery, and defective safety equipment and personal protective equipment (PPE) to their supervisors. Moreover, to strengthen employee awareness and understanding of health and wellbeing, we launched an online health and safety training program and achieved our ESG KPI, with a 100% employee completion rate. This program is the first level health and safety training in Hang Lung for all employees and runs annually on top of any workplace safety training and sharing sessions organized across the Group throughout the year.

In June 2023, we also launched Safe Production Month to foster safety awareness and culture. For more details, please refer to the Project Safety Management section.

The Group has an incident and accident reporting mechanism and Crisis Management Manual in place to address incidents and accidents at various severity levels. In case of work-related accidents, we investigate the incident and implement corrective actions if necessary. As part of the occupational health and safety (OHS) management system, we have adopted a plan-do-check-act approach to manage health and safety across the Group. We first identify and prioritize safety risks, and then conduct regular inspections and drills to validate the effectiveness of our procedures. Aiming for continual improvement, the Group reviews its management procedures from time to time. The results are regularly reported to top management.

In Hong Kong, we have identified workplace hazards and prepared a set of risk assessment reports covering daily operations, which are updated from time to time or as circumstances change. Suitable preventive measures, targeted training, and PPE are considered to minimize workplace hazards with reference to the hierarchy of control. According to our statistics, the most frequent staff injury cases in Hang Lung are caused by slipping, tripping and falling on the same level. We have reviewed the workplace environment, including regular inspections, enhancements of signage display, and upgrades of facilities. In relation to the PPE issue, we have reviewed the anti-slip performance of uniform shoes for frontline staff and selected PPEs with better protective performance. For high-risk operations, our project/operation teams evaluate potential risks and review safer working procedures before tasks are carried out.

Our operations teams (including Hong Kong and mainland China) conducted more than 250 drills in 2023 for various identified emergency scenarios. Such arrangements help our teams to familiarize themselves with proper emergency handling procedures to ensure the safety of all employees, tenants, contractors and visitors.

We are committed to a safe, harmonious, and open workplace. Employees are encouraged to report any actual or potential safety hazards to their supervisors. We also collect health and safety feedback from employees via an online form on a monthly basis. The form is restricted to designated personnel and employees can report any observations and share ideas for enhancing our health and safety performance. In 2023, the HSS set up a dedicated email to collect any health and safety-related ideas, comments, and concerns from employees. Only specific committee members have access to the email and colleagues' information will be kept confidential during discussions.

Among our 2025 targets, we aim to maintain a lost time injury rate (LTIR) of 1.5 or below for employees and zero work-related fatalities for employees and contractors.

Employee Wellness

	Status
2025 Target	**On track**
Obtain local or international health and wellness certification for all our existing Mainland properties	
2023 KPI	**Completed**
Obtain WELL Gold rating or above for at least one Mainland or Hong Kong property	

We are committed to promoting a healthy culture that fosters employee wellness. We participate in a Mental Health Workplace Charter, a HKSAR government-led initiative to promote mental health at work including active listening and communication, and creating an inclusive and friendly workplace environment.

Health and wellness support – We offer free voluntary annual medical examinations to eligible employees, while also allowing an alternative option under which the program reimburses employees (up to defined limits) for their spending on physical or mental wellness activities of their choice.

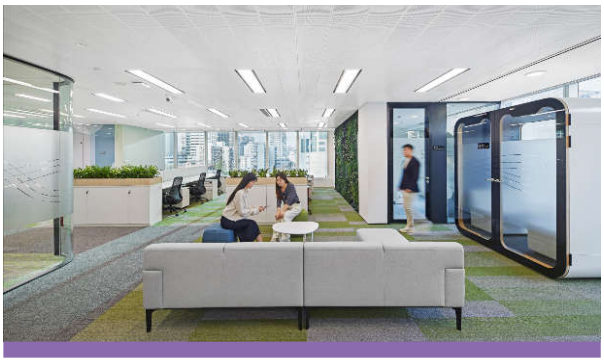
Mental wellness support – We have an Employee Assistance Program (EAP) to provide support to employees experiencing mental or emotional difficulties. A hotline providing professional counselling has been set up to ensure that all staff and their families can seek support to resolve struggles such as work-related anxiety, hardships, and relationship pressures, among others, as needed.

Work-life balance – We respect employees' personal needs and promote a healthy work-life balance with flexible working hours and work-from-home options.

Family-friendly support – We support our employees in continuing breastfeeding after returning from their maternity leave. As a family-friendly employer, we provide lactation rooms in all our workplaces for breastfeeding staff.

Social wellness – To strengthen the connection between managers and employees, we established a Wellness Fund to facilitate team-building activities.

Wellness-focused workplace – As part of our efforts to promote employee wellbeing and development, our office rejuvenation project in Shanghai was completed in 2022, and the one in Hong Kong started in 2023. Our rejuvenated offices provide facilities that enhance employee wellness, such as fit bikes, greenery, and collaborative spaces.



Hang Lung's Shanghai headquarters

In addition to incorporating wellness elements into the design, we also consider the health and environmental impact of building materials, by assessing and scoring our material selections in line with GIGA's RESET® Materials standard. RESET® Materials is a data-driven standard for evaluating the health, safety, and ecological performance of building materials and products in projects.

Wellness@HL Program – Our core wellness activity program in our offices includes five major pillars – physical, mental, social, financial and environmental – to support staff wellbeing in a holistic manner.

Corresponding wellness tips, talks and activities have been provided to help develop healthy lifestyles, including workshops that promote physical health, mindfulness and emotional wellbeing, personal and professional relationship building, and building team spirit. In 2023, we organized 12 workshops/activities involving more than 1,100 participants.

Christmas Fun Day

We organize regular wellness talks to share tips on physical health, emotional wellbeing, personal and professional relationship building.

To enhance the physical and mental health and work vitality of employees, we also set up food and beverage bar to offer coffee, tea, health drinks and vitality snacks in the morning for our staff.

The Wellness Fund supports departments in organizing team building activities to cultivate bonding and friendship.

We also arrange drinks or breakfast sessions with management to foster communication between management and employees.

In 2023, we initiated a regular Group-wide social event, "Friday Cheers," to encourage cross-team interactions in a more relaxed setting.

Diversity and Inclusion

	Status
2025 Target	**On track**
Maintain Female-to-Male pay ratio of 1:1	
2023 KPI	**Completed**
Design and implement at least three initiatives related to culture, age and gender to enable a more diverse and open workplace	

	Status
2025 Target	**On track**
Conduct an audit of all our properties and corporate practices on how to enhance wellbeing and opportunities for persons with disabilities	
2023 KPI	**Completed**
Develop and implement a disability inclusion action plan based on 2022 assessment results	

We are implementing a range of initiatives with various organizations to ensure that candidates and employees are treated fairly, and that Hang Lung attracts, nurtures and retains talent from all backgrounds.

We aim to build a diverse workforce and value, appreciate, and welcome employees of all backgrounds and with diverse characteristics. We have stipulated our commitments to diversity and inclusion in our Equal Employment Opportunities Policy (see Code of Conduct, part 13.1) and our Sustainability Policy.

We are committed to improving the female-to-male ratio of executive employees. Between 2022 and 2023, our executive staff ratio of 39.5% female to 60.5% male decreased slightly to 39.4% and 60.6% respectively. We have set a 2025 target to maintain an overall 1:1 female-to-male pay ratio, and our overall pay ratio for 2023 was 1:0.977.

The Group is also working with our partners to create opportunities for people from diverse backgrounds in mainland China and Hong Kong. In 2023, we signed the Hong Kong Equal Opportunities Commission's Racial

Diversity and Inclusion Charter for Employers with a commitment to offering job opportunities to people of minority ethnic backgrounds on a fair basis. We have engaged Baptist Oi Kwan Social Service, one of the service providers under the Hong Kong Labour Department's Racial Diversity Employment Programme, for job mapping.

We have partnered with Social Ventures Hong Kong, a venture philanthropy organization, to recruit two mothers for part-time work in 2023. We continue to be a corporate member of CareER, a charitable organization providing career development support for higher-educated persons with differing abilities and special education needs, to facilitate consideration of candidates with special needs or living with disabilities when recruiting recent graduates. We were also one of the inclusive employers participating in CareER's Inclusive Recruitment Fair 2023.

CareER's Inclusive Recruitment Fair 2023

In mainland China, we commenced a partnership with the Disabled Persons' Federation (殘疾人聯合會系統) in 2023, to explore opportunities to hire more people with special needs and differing abilities for our Mainland operations. In 2023, six interns were hired through the collaboration.

We participated in the 2023 CareER Disability Inclusion Index (DII), a comprehensive localized assessment tool that measures our corporate strategies and practices including an assessment of whether the working environment is barrier-free. We have incorporated some of the assessment recommendations into our office rejuvenation project in Hong Kong.

We also shared our diversity, equity and inclusion practices and metrics in the ULI Global Real Estate DEI Survey 2023. The survey results allow us to benchmark ourselves against peers in the commercial real estate industry to identify ways to operate more effectively and inclusively. From the survey results and other sources of information, we recognize that we can do more to support people living with disabilities and aim to audit all our properties and corporate practices to enhance inclusive opportunities by 2025.

The Group also values age diversity. We are eager to attract young talent to support our business expansion, including through our highly competitive Management Trainee (MT) Program. We also value the wisdom and experience of our long-serving staff. In 2023, we continued to provide suitable opportunities to older talent – persons aged 60 and above. We have 65 staff aged 60 and above as of December 31, 2023.

Percentage of Executive Staff by Gender in 2023

By gender	Percentage
Female	39.4%
Male	60.6%

Percentage of Staff by Age Group in 2023

By age group	Percentage
Under 30	11.1%
30 – 50	72.3%
Over 50	16.6%

Community Wellbeing

Our Approach

	Status
2025 Target	**On track**
Work with youth on wellbeing community initiatives at all properties by 2025	
2023 KPI	**Completed**
Deliver at least 2,200 mentorship hours and 4,400 leadership training hours to selected female university students in Hong Kong and mainland China	

Hang Lung As One Volunteer Team

The Group is committed to enriching lives and promoting diversity and inclusion in our communities. During 2023, volunteers completed 129 volunteer activities, contributing 69,891 service hours and benefitting 37,495 people across Hong Kong and mainland China. In addition, the Group donated HK$12 million to various charitable causes and provided five venue sponsorships at our properties to non-profit organizations for nominal rental fees.

Hang Lung As One Volunteer Team

Established in Hong Kong in 2012, the Hang Lung As One Volunteer Team actively cooperates with various community groups and charitable organizations to support the wellbeing of the communities in which we work. Over the past 11 years, the initiative has set up 12 teams across Hong Kong and 11 projects in 9 Mainland cities. Teams take part in a range of social service activities to promote women's empowerment, youth education and development, and elderly services, with more than 13,700 volunteers and over 205,000 accumulated service hours.

Our employees generously commit time and effort to their communities. Every year, the Group recognizes volunteers with the highest service hours in each of our Hong Kong and mainland China projects. Individual teams hold a Volunteer Award Presentation Ceremony every year to present certificates of appreciation to awarded volunteers.

This year, we refined and enhanced the Volunteer Leave and Recognition Scheme in Hong Kong. We offer one day of full paid volunteer leave to our colleagues participating in volunteer activities organized by charitable organizations and Hang Lung As One Volunteer Team. We also expanded our Annual Volunteer Recognition Scheme to include two new categories for personal awards, and awards to departments and projects. With these enhancements we seek to further inspire our colleagues' enthusiasm for taking part in initiatives that benefit the community.

Hang Lung Nationwide Volunteer Day

We hold our annual Nationwide Volunteer Day in Hong Kong and in nine cities across mainland China every September to celebrate the anniversary of the founding of Hang Lung Group. This year, under the theme, "Caring for Women's Physical and Mental Health," members of Hang Lung management led the Hang Lung As One Volunteer Teams to actively engage local government departments, tenants, and relevant industry experts in conducting a series of enriching and relaxing activities for women.

Hang Lung Nationwide Volunteer Day

This year, more than 1,200 volunteers took part in engaging activities for more than 7,300 grassroots women and their children to promote family cohesion and mental wellbeing amid the pressures of work, study and daily life.

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Partnership with Business for Societal Impact (B4SI)

In 2023, we joined Business for Societal Impact (B4SI) to manage and measure our corporate social impact in alignment with global standards. Working closely with the B4SI team, we piloted the use of their framework, learning how it can inform our interpretation of social impact data and enhance our community investment approaches. We plan to expand the use of the B4SI framework in 2024, and will share more in future reports.

Breakdown of Volunteer Hours by Region

Number of Volunteering Activities by Focus Area

Women's Empowerment

Women have always played an important role in the family, society, and the nation, and it is important to maintain an environment enabling them to fully participate in both the community and the economy. We actively engage government, industry, and NGO partners, as well as society at large, in the promotion and in support of developing women's roles in the community and the workplace.

Hang Lung Future Women Leaders Program

We initiated and organized the nationwide "Hang Lung Future Women Leaders Program" in 2022. The program aims to unleash the potential and strengths and facilitate the diversified development of female university students through leadership training.

CASE STUDY

First Edition of the Hang Lung Future Women Leaders Program

We concluded the first edition of the "Hang Lung Future Women Leaders Program" this year with our partners, the Hong Kong Federation of Youth Groups Leadership Institute, and the Xuhui District and Jing'an District Women's Federation in Shanghai. The program welcomed 43 elite women from various industries to serve as mentors.

Almost 180 female university students from across the nation participated in the program, and 75% of them were the first in three generations of their families to attend university. Over a period of eight months, participants received over 6,300 hours of leadership training and mentorship, and 90% of them successfully completed the program.

With the support of mentors and the Hang Lung As One Volunteer Team, the participants also worked in groups to plan and execute 31 sustainable community projects in response to the United Nations Sustainable Development Goals and various social issues, benefiting 4,500 people while enhancing community wellbeing. In addition, outstanding students were offered a two-month internship opportunity with Hang Lung, or companies associated with the program's mentors.

For more information, please refer to our press release.

Youth Development

We recognize that education is the cornerstone of social and economic development and support selected educational projects to benefit the community.

Hang Lung Mathematics Awards

This year marks the 20th year of the Hang Lung Mathematics Awards (HLMA), a prestigious biennial competition founded in 2004. The HLMA inspires secondary school students to explore beyond boundaries and fulfill their creative potential in mathematics and science. For each competition, Hang Lung Properties donates HK$2.5 million.

Ten competitions over 20 years have attracted 2,600 student participants from over 200 schools in Hong Kong, submitting more than 460 innovative research reports. The HLMA has had a profound influence in the cultivation of young mathematical talent, with many past winners graduating from top universities worldwide and now contributing significantly to society through work in academia and professional fields. The HLMA plays an important role in recognizing and fostering a love of mathematical inquiry that lasts far beyond secondary school.

Hang Lung Mathematics Awards

Co-organized by the Hong Kong University of Science and Technology, the 2023 Hang Lung Mathematics Awards attracted the participation of over 70 teams from close to 50 secondary schools in Hong Kong.

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Scholarship for Visually-Impaired Students

In 2023, we partnered with the Ebenezer School & Home for the Visually Impaired to establish "The Hang Lung Scholarship and Development Donation for the Visually Impaired." The fund aims to support the holistic development of students and graduates of the School pursuing further studies and career development.

Proceeds from the HK$30 million fund will be used every year for scholarships and learning subsidies as well as for arranging Christian ministry works by the School.

Support for the Strive and Rise Programme

We have actively supported the Hong Kong SAR Government's Strive and Rise Programme. The programme aims to support underprivileged junior secondary school students through a tripartite partnership between the government, the business sector and the community, to help them broaden their horizons, reinforce their self-confidence and develop a positive outlook on life. We invited 40 employees and their friends and relatives to serve as mentors and share their life experiences with the mentees during the one-year mentorship programme.

Mentors and mentees of the Strive and Rise Programme visit Monopoly Dreams Hong Kong™, a Monopoly-themed attraction at Peak Galleria, to learn how the mall creates unique customer experiences.

Partnership with Tsinghua University

Since the Hang Lung Center for Real Estate (HLCRE) was established in 2010, Hang Lung has donated more than RMB 33 million to the Tsinghua University Education Foundation to promote the development of the University's real estate discipline and provide targeted support for the Center to carry out academic research and exchange activities.

In 2023, the two parties announced the deepening of cooperation on industry-university work in the field of sustainability, proptech innovations, and exceptional talent cultivation. We also worked with the HLCRE to initiate a "Sustainable Real Estate Scheme" for Tsinghua University teachers and postgraduates, to provide funding for their creative academic research on topics including green and healthy buildings, low-carbon development and digitalization, and real estate corporate governance, with the aim of promoting the application of research findings to daily life.

Elderly Care

The population is aging in Hong Kong and mainland China, and dementia has emerged as a significant concern among the elderly. Additionally, there is an urgent need to address social problems experienced by elderly who live alone or suffer from chronic illnesses. We aim to do our part to reach out to elderly individuals through outreach programs, offering them a compassionate helping hand, while raising public awareness about their needs.

Love.No.Limit Dementia Friendly Program

We partnered with the Hong Kong Young Women's Christian Association (HKYWCA) to launch the Hang Lung x HKYWCA Love·No·Limit Dementia Friendly Program. The program offers support to dementia patients and their carers, desiring to build an inclusive, dementia-friendly community. We also organized a series of training workshops and discussions of case studies. Our frontline employees had the opportunity to practice and master the skills needed to interact properly with people living with dementia.

The social impact of this three-year program includes:

- 2,200 beneficiaries including dementia patients and their carers;
- attendance of over 29,300 people at the Community Inclusion Day;
- over 1,100 hours of volunteer services;
- over 930 hours of training for volunteers and employees; and
- completion of the "Dementia Friends" training program by 275 frontline employees.

Love.No.Limit Dementia Friendly Program

In our Community Inclusion day, we provided free brain health consultations, cognitive testing, and information about important community resources and referral services. Besides, together with a selection of merchants from Amoy Plaza and Kornhill Plaza, exclusive shopping concessions were offered to the elderly during the event.

LEARN MORE >>

Pilot Assessment on Inclusive Shopping Malls

This year, we partnered with Diversability Lab of the Leping Social Entrepreneur Foundation to conduct a pilot project at Center 66 in Wuxi to review accessibility for people living with disabilities. The pilot assessment was led by a group of disabled persons arranged by the Leping Foundation, and covered the common area of the mall (e.g. parking, restrooms, digital information platform, and customer service counter) and three stores operated by our tenant partner, LVMH Group. The assessors reviewed not only physical accessibility but also the service experience. We are studying the pilot assessment results and the potential expansion of similar assessments at our other properties.

Accessibility review by assessor at Center 66, Wuxi

>>Next Steps>>

We will conduct stakeholder interviews, surveys and focus groups in early 2024 to support the development of a Wellbeing Plan. In the next report, we will share the summary of our plan that will define our overall objectives and expected positive impacts on the wellbeing of our employees, workers, customers, tenants, and the wider community in 2025 and beyond.

SUSTAINABLE TRANSACTIONS

Promote sustainability practices in all types of business transactions

Relevant GRI Disclosure

204 (2016), 308 (2016), 403 (2018), 416 (2016), 418 (2016)

Sustainable Transactions

As a top-tier property developer in Hong Kong and mainland China with business activities involving nearly the whole life cycle of a property, we have a responsibility to manage and improve our environmental, social and governance performance along our value chain. We work with our key stakeholders – our suppliers upstream, our tenants downstream, the financial institutions that provide us with capital, the certification bodies that review our assets, and others – to move beyond compliance towards best practices. In this chapter, we will describe our collaboration with stakeholders and how we integrate the sustainability agenda at various stages of our business cycle.

2023 Performance Highlights

Secured 55% of total debts and available facilities from sustainable financing

Launched a program to partner with tenants on sustainability, Changemakers, in both Hong Kong and mainland China

Over 80% of overall construction floor area is certified as green buildings, and nearly 80% has either been certified with or has applied for WELL or WELL HSR

Our Approach

We are committed to promoting sustainable practices in all types of business transactions. Hang Lung's own efforts in Climate Resilience, Resource Management and Wellbeing can have an outsized impact if we work together with like-minded stakeholders to advance these priorities. Broadly speaking we are taking two approaches. First, we are collaborating with a small number of key partners to identify shared interests and innovate together on priority issues. Second, we are developing a systematic approach towards engaging all our suppliers and tenants on sustainability priorities over time.

Real estate will need to undergo significant transformation in the coming decades. Together with our business partners and stakeholders, we hope to demonstrate the growing synergies between the financial and ESG objectives of our business. By further integrating the two into a unified strategy, we are forging our own resilient and distinctive path to sustainable growth in real estate.

Sustainability Issues Across Our Value Chain

To support our overarching goal of achieving sustainable growth, we consider sustainability to be integral to our business value chain. We work to understand the relevant sustainability issues across our value chain in order to engage stakeholders and explore opportunities to secure partnerships in sustainability.

Financing – In addition to our own revenue streams, we leverage various financial instruments to maintain healthy cashflow and sustain our growth. We regularly strengthen our partnerships with sustainability-minded financiers and investors, while driving capital towards projects and initiatives that create a broader positive impact for the environment and society.

Design and Development – As a commercial real estate developer, we aspire to design and develop properties that create long-term value. To do this, we are working to integrate sustainability throughout our project design and development cycle.

Leasing, Sales and Business Operations – Commercial property leasing is the core business of the Group, supplemented by the sale of selected properties. We are working to enhance the sustainability features of the spaces we lease and offer for sale. We know that our tenants and customers are also increasingly concerned about global sustainability challenges.

Service Delivery – Our building operations, the services that we provide, and the activities of our tenants consume substantial resources. It is, therefore, incumbent on us to enhance the operational efficiency of our buildings while maintaining a safe and healthy space to minimize adverse effects on our environment and communities.

Stakeholder Engagement – Every day we interact with hundreds of thousands of people, from tenants and customers to business partners and community members. We actively engage with all stakeholders in sustainable practices, so that we can drive systemic changes for our planet's future.

Investors

Sustainable Finance Framework

	Status
2025 Target 50% of total debts and available facilities from sustainable finance	**Ahead of Schedule**
2023 KPI 50% of total debts and available facilities from sustainable finance by the end of 2023	**Completed**

In response to growing global investor interest in sustainable finance, and following the Hang Lung Properties Green Finance Framework developed in June 2019, the Group launched the Hang Lung Group Sustainable Finance Framework ("the Framework") in January 2023 to extend coverage across the Group, cover a wider range of financing instruments, and extend the scope of the eligible investments to include social projects. The Framework enables Hang Lung Group to raise funds under due scrutiny to finance projects delivering environmental and social benefits, thereby supporting our business strategy and vision for leadership in sustainability. It was developed in line with international guidelines such as the Sustainability Bond Guidelines 2021 (SBG), Green Bond Principles 2021 (GBP), Social Bond Principles 2021 (SBP), the Green Loan Principles 2021 (GLP) and Social Loan Principles 2021 (SLP). We engaged Sustainalytics, an independent environmental, social and governance research, ratings, and analysis firm, to provide a second-party opinion on the Framework to affirm that it is credible, robust, impactful, and fully aligned with current industry standards.

The Sustainable Finance Subcommittee (SFS) under the SSC has responsibility for and oversight of matters related to sustainable finance and meets regularly to review industry developments and the Group's progress, as well as to approve eligible projects where required, as stipulated under the Framework.

In 2021, we set a target that Hang Lung Properties obtain 50% of total debts and available facilities from sustainable finance by 2025. Sustainable finance now accounts for 55% of our total debts and available facilities.

Green Loans and Green Bonds

As of the end of 2023, Hang Lung Properties had secured 11 green loan facilities and issued 12 green bonds under the Hang Lung Group Sustainable Finance Framework, with the proceeds allocated to predefined eligible green projects as follows:

Green Loan and its Allocation (as at December 31, 2023)				
Arranged in Hong Kong	**Year Signed**	**Facility Amount (HK$'M)**	**Drawn Amount (HK$'M)**	**Allocated to**
Hong Kong	2019	1,000	710	Center 66, Wuxi; Forum 66, Shenyang; Center 66 (Phase 2), Wuxi; Riverside 66, Tianjin; Olympia 66, Dalian; Spring City 66, Kunming; Heartland 66, Wuhan
	Total	**1,000**	**710**	
Arranged in Mainland	**Year Signed**	**Facility Amount (RMB'M)**	**Drawn Amount (RMB'M)**	**Allocated to**
Spring City 66, Kunming	2020	1,549	1,549	Spring City 66, Kunming
Forum 66, Shenyang	2021	475	475	Forum 66, Shenyang
Riverside 66, Tianjin	2021	224	224	Riverside 66, Tianjin
Westlake 66, Hangzhou	2021	500	413	Westlake 66, Hangzhou
Forum 66, Shenyang	2022	481	481	Forum 66, Shenyang
Olympia 66, Dalian	2022	750	750	Olympia 66, Dalian
Heartland 66, Wuhan	2022	570	570	Heartland 66, Wuhan
Heartland 66, Wuhan	2022	840	840	Heartland 66, Wuhan
Westlake 66, Hangzhou	2022	500	107	Westlake 66, Hangzhou
Parc 66, Jinan	2023	490	490	Parc 66, Jinan
	Total	**6,379**	**5,899**	

Green Bond (as at December 31, 2023)					
Location	**Year Issued**	**Maturity Date**	**Original Currency**	**Amount**	**Eqv HK$'M**
Hong Kong	2020	Feb 26, 2027	HK$'M	700	700
		Apr 7, 2027	HK$'M	500	500
		Nov 20, 2025	HK$'M	750	750
	2021	Jan 19, 2028	HK$'M	230	230
		Feb 5, 2027	HK$'M	750	750
		Feb 2, 2026	HK$'M	465	465
		Feb 10, 2028	HK$'M	555	555
		Aug 27, 2028	HK$'M	805	805
		Sep 28, 2028	USD'M	50	391
	2022	Jan 13, 2029	HK$'M	605	605
		Jan 24, 2029	HK$'M	590	590
	2023	Mar 31, 2030	HK$'M	400	400
				Total	**6,741**
				Allocated	**6,741**
				Pending for Allocation	-

Green Bond (HK$'M) (as at December 31, 2023)						
Allocated to:		**2020**	**2021**	**2022**	**2023**	**Total**
Shenyang	Forum 66	-	365	10	19	**394**
Wuxi	Center 66 (Phase 2)	-	175	4	309	**488**
Dalian	Olympia 66	-	24	-	59	**83**
Kunming	Spring City 66	634	41	145	175	**995**
Wuhan	Heartland 66	745	620	-	-	**1,365**
Hangzhou	Westlake 66	-	266	22	888	**1,176**
Hong Kong	228 Electric Road	-	47	288	77	**412**
	The Aperture	-	-	287	343	**630**
Refinancing	Green Panda Bond (1)	-	1,198	-	-	**1,198**
Total Allocated		**1,379**	**2,736**	**756**	**1,870**	**6,741**

Notes:
(1) Green Panda Bond – All proceeds were applied to Spring City 66 and Heartland 66.

Reporting Criteria

- *A Green Bond is added to the Sustainability Reports when it was issued by the Company or its subsidiaries during the reporting period.*
- *A Green Bond is removed from the Sustainability Reports when it has been fully repaid by the Company or its subsidiaries during the reporting period.*
- *A Green Loan is added to the Sustainability Reports when it has been drawn by the Company or its subsidiaries and was still outstanding at the end date of the reporting period.*
- *A Green Loan is removed from the Sustainability Reports when it has been fully repaid by the Company or its subsidiaries during the reporting period.*
- *The green projects eligible for the use of green proceeds are approved by Sustainable Finance Subcommittee under the Sustainability Steering Committee.*

Unallocated proceeds are held in accordance with our liquidity guidelines for short-term time deposits or investments, or used to repay existing borrowings within the Group. An independent practitioner, PricewaterhouseCoopers, has issued a limited assurance report. Please refer to Appendix 7 of this Report for further details.

Under the green buildings category of our Sustainable Finance Framework, we allocated green loan and green bond proceeds to nine properties as follows:

Portfolio	Notable sustainability initiatives
Center 66 – Phase 2 (Wuxi, mainland China) GFA: 107,118 m^2	• A ground energy system (GES) will be installed to provide hot water to the heritage building • Applied a radiant cooling and fresh air technology for efficient temperature control in the sales office and achieved 45% electricity saving compared to a traditional VAV system during summer • Conducted climate hazard and vulnerability assessment and implemented a series of improvement measures
Forum 66 (Shenyang, mainland China) GFA: 293,905 m^2	• Reduced electricity intensity by 13.9% in 2023 compared with 2018 • Replaced heating, cooling and hot water supply from the local heating utility and gas-fired absorption chillers with a high-efficiency heat recovery system for our hotel floors. The system can reduce an average of 100 MWh of electricity and 25,000 m^3 of natural gas during cooling days, and an additional 5,000 m^3 of natural gas during heating days • Obtained WELL Health and Safety Rating for the mall and office building
Olympia 66 (Dalian, mainland China) GFA: 221,900 m^2	• Reduced electricity intensity by 19% in 2023 compared to 2018 • Installed a solar panel system which generated 162 MWh of renewable power in 2023 • Obtained WELL Health and Safety Rating for the entire portfolio
Spring City 66 (Kunming, mainland China) GFA: 333,112 m^2	• 100% powered by renewable energy for landlord and tenant operations and avoided approximately 14,300 tonnes of carbon dioxide emissions in 2023 • Installed a hospital-grade ventilation system (MERV 16) with UV light for sterilization to improve indoor air quality • Obtained WELL Health and Safety Rating for both the mall and office building • Equipped with water recycling systems to recycle fire service system discharged water, rain water and grey water

Portfolio	Notable sustainability initiatives
Riverside 66 (Tianjin, mainland China) GFA: 152,831 m^2	• Reduced electricity intensity by 13.4% in 2023 compared to the 2018 baseline; electricity intensity has dropped for seven consecutive years (from 2016-2023) • Implemented climate adaptation measures to reduce potential negative impacts from flooding, typhoon and heat waves in 2023. For example, we installed a flood barrier or flood gate at all major plant rooms, and redesigned the air outlet for a better heat transfer and freezing effect • Obtained Health and Safety Rating for the entire portfolio
Heartland 66 (Wuhan, mainland China) GFA: 328,612 m^2	• Adopted advanced Building Management System with a highly efficient building service system • Installed IAQ sensors in malls and offices to monitor real-time IAQ levels • Obtained Health and Safety Rating for shopping mall and office building • Equipped with a water recycling system to recycle HVAC condensation water
Westlake 66 (Hangzhou, mainland China) GFA: 194,100m^2	• Installed a closed-loop ground source heat pump system for the hotel building • Westlake 66 project, Jingqing Lane No. 1, has obtained the Net Zero Energy Building Demonstration Case of "2022 Hangzhou Green Building and Building Energy Saving Demonstration Project" during the design stage in 2023 – the first zero energy project for historical buildings in Hangzhou • Since July 1, 2022, the construction site has been fully powered by renewable energy, and has already avoided approximately 1,790 tonnes of carbon dioxide emissions • Deployed 5G technology to monitor, among other things, construction safety and quality, energy consumption, and dust and noise levels, to ensure environmental indicators in the construction stage meet requirements
228 Electric Road Redevelopment (Hong Kong) GFA: 9,754 m^2	• At least a 35% energy reduction from the baseline model ASHRAE 90.1-2010 (US) and 28% from the baseline model BEC 2018 (HK) • Provided drinking water dispenser and healthy food vending machine at G/F lobby for building users, visitors and tenants • Installed architectural fins as sunshine device, provided automatic window blind via daylight sensor and operable window control via electricity actuator, installed rainwater recycling system for irrigation
The Aperture (Hong Kong) GFA: 16,226 m^2	• Adopted Digital Quality Management System (DQMS), a multi-platform cloud solution for construction workflow inspection and quality management. • Use of Enertainer, an advanced battery energy storage system (BESS) to replace traditional diesel generators. As of February 2023, 66 tonnes of carbon emissions have been avoided.

ESG Due Diligence in Asset Acquisitions

	Status
2025 Target 100% of potential asset acquisitions include ESG due diligence.	**On track**
2023 KPI Improve the ESG due diligence guideline for potential asset acquisitions in Hong Kong	**Completed**

For optimal decision making and to identify material ESG risks or opportunities that could impact our business, we consider ESG factors in our investment decisions. In 2022, we developed an ESG due diligence guideline for asset acquisitions as part of our project management process for mainland China. In 2023, we adopted a similar approach to integrate ESG due diligence considerations into the feasibility study and valuation of selected sites in Hong Kong.

The ESG due diligence guidelines cover eight categories of ESG topics, namely: biodiversity; heritage conservation; accessibility; health impact assessment; renewable energy; climate adaptation; green buildings; and society. The last two topics were included in the guideline developed for Hong Kong, and then we added them to the guideline already developed for mainland China as well.

Sustainable Building Design

Green Building Design and Certification

We are dedicated to adopting international best practices in the design and construction of our buildings. Our first focus has been on enhancing the energy and environmental attributes of our buildings. Since 2007, we have also been committed to achieving a Gold rating or above, under the LEED certification program or equivalent, for all of our new Mainland and Hong Kong properties. To date, 39 buildings have been certified as green buildings, including 23 existing buildings and 16 projects under development. The green building certifications we have attained across our portfolio include LEED, BEAM Plus, China Green Building Design Labels and BRREAM. As of December 2023, over 80% of our overall construction floor area is certified as green buildings. The full list of our green building certifications is provided in Appendix 4.

We also studied the feasibility of adopting other recognized green building standards in 2023. We have identified a potential project in Hong Kong to obtain EDGE certification, a globally recognized green building certification system focused on making buildings more resource-efficient. We will share the results and what we learned in the next sustainability report.

Westlake 66 is striving for top environmental and wellness performance, and pursuing multiple certifications accordingly. The project is pursuing LEED Platinum/Gold ratings, BRREAM Excellent rating, China Green Building Design Label, and WELL Platinum rating. In 2023, the project achieved 'BREEAM Commercial Award – Leadership' in BRE China Awards 2023. And one building within the Westlake 66 project, Jingqing Lane No. 1, has obtained the Net Zero Energy Building Demonstration Case of "2022 Hangzhou Green Building and Building Energy Saving Demonstration Project" during the design stage in 2023 – the first zero energy project for historical buildings in Hangzhou.

Jingqing Lane No. 1

Hang Lung's Westlake 66 in Hangzhou Wins Gold Award in "Best New Mega Development" Category at MIPIM Asia Awards 2023

Westlake 66 in Hangzhou, Hang Lung's 11th large-scale commercial development in mainland China, has won the Gold Award in the "Best New Mega Development" category at the MIPIM Asia Awards 2023 – the leading regional property awards known as the "Oscars of the Asia Pacific real estate world." This affirms the company's motto, **We Do It Well**, and our relentless pursuit of excellence.

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Healthy Building Design and Certification

	Status
2025 Target Obtain WELL Gold certificate or equivalent for at least one new property in Hong Kong and mainland China	**On track**
2023 KPI Obtain China Healthy Building Label or equivalent in at least one property in mainland China	**Delayed**

As part of creating compelling spaces that enrich lives, we also aim to improve the wellbeing of our building occupants. We have applied for WELL certification for our new buildings and existing buildings undergoing major enhancement works since 2019. The WELL building standard has been developed based on the science of creating physical and social environments that benefit the health, wellbeing and performance of building occupants. It covers over 100 features within ten topics, including indoor environmental quality, water quality, thermal comfort, and the working environment.

In January 2023, we achieved the WELL Health-Safety Rating (WELL HSR) from the International WELL Building Institute (IWBI) for 19 properties located in Hong Kong and eight cities in mainland China including all shopping malls and office towers in our Mainland portfolio. The WELL HSR was first created in response to the COVID-19 pandemic and consists of operational interventions that can be made to help mitigate its spread, as well as the spread of similar diseases. With the pandemic behind us, the WELL HSR seal at Hang Lung's properties remains a visible indication of confidence and trust that the Company has achieved third-party verification for evidence-based measures and best practices in health and safety.

Among our ongoing efforts, we continue to conduct an indoor air quality test for in each building to monitor and maintain a good level of indoor air quality for our tenants, customers and employees; we review our emergency preparedness plan from time to time to ensure our readiness for another pandemic or for flu season; we are exploring potential enhancements to our employee benefits (i.e., sick leave days, mental health, vaccination coverage etc.); and we are making efforts to extend health and wellness activities to our tenants. As of December 2023, nearly 80% of our total construction floor area has either been certified with or has applied for WELL or WELL HSR. The full list of our healthy building certifications and ratings is provided in Appendix 4.

In 2023, we also conducted a design review for the feasibility of obtaining the China Healthy Building Label for our Hangzhou project, Westlake 66, and target applying for the certification in 2024.

Accessibility

To enable our spaces to be more inclusive for everyone, we incorporate accessibility features into building designs for new projects as well as modify such facilities at existing buildings during improvement works.

For our new projects in mainland China such as Westlake 66 in Hangzhou, we are incorporating accessibility considerations into our building design, including entrances allowing for wheelchair access, accessible parking spaces with enough turnaround space (for wheelchair, strollers, etc.), accessible toilets with enhanced design, lifts with audio broadcasting systems, and outdoor barrier-free facilities. We have also designed two accessible hotel rooms in the project to cater to people with disabilities, and further design enhancements to improve accessibility are being developed.

We have also conducted detailed site inspections at Westlake 66 to identify potential barriers for people with disabilities. Based on these inspections, we made accessibility enhancements including to the accessible toilets (e.g., adjusting the door width, L-shaped grab bar, height of washbasin and mirror), service desks (e.g., knee clearance), and lift cars (e.g., mirror-like surfacing, and grab bars).

In Hong Kong, with reference to the Hong Kong Building Department's statutory requirement in its Design Manual – Barrier Free Access 2008, we conducted a thorough accessibility inspection of Gala Place, Mongkok, Grand Plaza, Mongkok, the Standard Chartered Bank Building, Central and Kornhill Plaza, Quarry Bay. Inspection items included the provision of carparks, access routes, ramps, dropped curbs, steps and staircases, handrails, corridors, lobbies and paths, doors, toilets, signs, illumination, emergency call bells in accessible toilets, lifts, escalators and passenger conveyors, braille and tactile floor plans, tactile guide paths, accessible public information/service counters, and visual fire alarm systems. Various improvement initiatives in each property were identified and will be implemented in phases.

In 2023, the renovation project at Gala Place and our office rejuvenation project at Gala Place and the Standard Chartered Bank Building in Hong Kong will implement some of these improvement measures including provision of toilets for the disabled.

We conducted a pilot assessment to review the accessibility for people living with disabilities at our shopping mall and selected merchant stores at Center 66 in Wuxi. More details can be found in the Pilot Assessment on Inclusive Shopping Malls section of this Report.

Lastly, we are working towards our 2025 target to audit all our properties and corporate practices to enhance wellbeing and opportunities for persons with disabilities. We expect further insights and ideas to emerge as we pursue this target.

Supplier Collaboration

	Status
2025 Target Embrace technology to build a robust digital platform for assessing suppliers' ESG performance	**On track**
2023 KPI Continue to develop and refine ways of assessing suppliers' ESG performance, and continue to develop effective digital solutions to support such assessment	**Completed**

Supplier partnerships are critical for advancing many of our sustainability priorities. For both construction and operational suppliers/contractors, our sustainability engagement with them starts from our pre-qualification process, where we follow the Group's sustainable procurement policy to set requirements and recommendations for sustainable procurement practices, standards and expectations.

For example, in 2021 we introduced a framework with 16 ideas to improve the sustainability performance of our buildings and projects, and most of the ideas require engaging with appropriate suppliers.

The framework encompasses relevant environmental concerns (e.g., low embodied carbon materials, energy efficiency, environmentally friendly design features), and wellbeing concerns (e.g., indoor environmental quality, employee wellbeing) in our major projects. For projects under development in Hong Kong and mainland China, we examine the feasibility of incorporating any of the 16 improvement ideas, subject to scheduling and other

considerations, and engage suppliers where feasible. The following are key 2023 updates:

- **Low carbon concrete:** we have adopted low carbon concrete with pulverized fuel ash ("PFA") in the Phase 2 development of Center 66 in Wuxi and low carbon concrete bricks with recycled concrete aggregate ("RCA") at Westlake 66 in Hangzhou to reduce embodied carbon emissions. Please refer to Scope 3: Embodied Carbon section in the Climate Resilience for more details.
- **Low carbon steel:** recycling scrap steel can reduce the embodied carbon in steel production, and EAF is more energy efficient than the traditional blast furnace-basic oxygen furnace (BF-BOF) production process. We have adopted EAF rebar in the Phase 2 development of our Center 66 project in Wuxi, and 228 Electric Road and The Aperture in Hong Kong. In 2023, we joined SteelZero to support our decarbonization for embodied carbon. Please refer to the Scope 3: Embodied Carbon section in the Climate Resilience chapter for more details.
- **New refrigerants for chillers**: in selecting refrigerants for chillers, we consider their ozone depletion and global warming potential. Following the sustainable refrigerant chiller adopted at the Grand Hyatt Kunming hotel, the Westlake 66 in Hangzhou development project included a sustainable refrigerant (i.e., R514A) requirement in the tender specification.
- **Bamboo flooring:** we have adopted bamboo flooring in our sales office in the Phase 2 development of Center 66 in Wuxi. Bamboo is a sustainable alternative to timber.

Beyond our 16 ideas framework, we are working with Sedex, a global membership organization focused on sustainable business practices in supply chains, to engage our key suppliers for development projects (e.g., main contractors, E&M contractors, fit-out contractors, design architects) in 2024 on ESG evaluation and due diligence. Please refer to the Construction Supplier Management section for more details.

Sustainable Project Management

Project Development

Collaboration with our project consultants and contractors is critical for successfully delivering sustainable properties of excellent quality into our portfolio. To enhance sustainability performance in project development, our internal Project Management Manual includes sustainability requirements throughout the whole project life cycle. These include:

- land/asset acquisition;
- project planning;
- supplier and consultant registration;
- tendering procedure;
- performance evaluation; and
- construction site safety management.

Project Environmental Management

Activities at construction sites can result in water, sound, and air pollution, as well as demolition and construction waste. We consider these potentially negative impacts through detailed environmental impact assessments according to local laws before construction begins.

To reduce environmental impacts to the surrounding environment, our construction sites such as Westlake 66 in Hangzhou and Center 66 in Wuxi continued to implement environmental measures in 2023 including:

- use of rainwater and installation of jet nozzles for vehicle cleaning to reduce water consumption;
- installation of dust and noise monitoring system;
- use of watering cart, spray gun machine, fire water monitor and installation of sprinklers on the hoarding to suppress dust emissions;
- installation of sound insulation shed for pump truck and sound insulation walls;
- introduction of 5G+ smart construction technology; and
- installation of windproof and dust-proof mesh.

Westlake 66 in Hangzhou and Center 66 Phase 2 development in Wuxi worked closely with their main contractors to reuse waste as much as possible. In 2023, Westlake 66 reused waste concrete and broke it into aggregate for back filling in the basement as the hydrophobic layer, to reduce the amount of cobblestone needed. The total application area (for the reused waste concrete) is more than 12,200 m^3.

Back filling the recycled aggregate in Westlake 66 basement

To further reduce the carbon footprint of our construction sites, starting from July 2022 we procured renewable energy at two of our construction sites in mainland China – Westlake 66 in Hangzhou, and Grand Hyatt Kunming and Grand Hyatt Residences Kunming. The total green power consumption at Westlake 66 was 1,102 MWh in 2022 and 2,037 MWh in 2023. Over both years, the green power avoided 1,790 tCO_2e of carbon emissions.

Project Safety Management

	Status
2025 Target	**On track**
Maintain zero work-related fatalities for employees and contractors	
2023 KPI	**Completed**
Provide health and safety training to 100% of main contractors in mainland China and Hong Kong	

We continue to implement a construction site safety management system at all our active construction sites in Hong Kong and mainland China, overseen by the Design and Development, Project Management and Cost and Controls departments.

The Group's Health and Safety Policy stipulates our commitment to enhancing health and safety practices at our construction sites. Our Project Management Manual, which outlines key safety principles and instructions, is reviewed at least once a year and updated as needed. Safety training is provided regularly to workers on construction sites, covering topics related to site safety, use of PPE and use of equipment on site. Frequent site inspections are conducted to enhance project quality and site safety.

Safety management at construction sites, including compliance and reporting, training and safety culture, and technology updates, is reported at the HSS and regular project meetings. We also go beyond industry norms in appointing designated safety consultants as independent parties to monitor the performance of our contractors at key projects.

We also look to technology to deploy innovative and cost-effective solutions for safety management. Our Construction Innovation Taskforce serves as a platform to drive innovation in construction safety and sustainability. We have fully adopted a Digital Quality Management System (DQMS) for all new construction projects to enhance inspection and defect management for quality and safety. We have also implemented a Smart Site Monitoring System and other initiatives (e.g. tower crane monitoring system) at Mainland construction sites to enhance safety.

In June 2023, we introduced a groupwide Safe Production Month to reinforce our strong commitment to health and safety and enable our employees and contractors to understand how to work safely in their respective roles. A month-long set of activities enabled all employees to gain a deeper understanding of how to work safely in their respective roles, demonstrating the company's high regard for and commitment to health and safety. To engage our employees and contractors physically and virtually, we arranged for promotional material to be available at project sites, extensive training by internal and external speakers, safety inspections

and emergency drills involving 4,200 Hang Lung and 1,100 contractor's staff, and an interactive "Safety is My Responsibility" Quiz.

Our management and colleagues from different departments on the Mainland and in Hong Kong were invited to jointly produce a safe production promotion video.

The wellness of contractors and employees during the construction phase, especially over hot summers, is a key safety and wellbeing issue for us, and we provide cooling measures as well as on-site training to ensure health and safety. Measures include:

- the distribution of heatstroke prevention and cooling materials (watermelon, cold drinks and heat dissipation items, iced green bean soup, and towels);
- provision of physical examinations to workers to reduce the risk of illness or complications in hot weather;
- installation of water spray systems in working areas;
- provision of cooling fans; and
- making covered rest areas with good ventilation available.

Key Construction Safety Performance Indicators in mainland China

	2021	2022	2023
Number of active construction sites	7	6	6
Total man-hours	4,721,091	6,388,380	8,747,407
Number of fatalities	0	0	0
Number of accidents	0	0	1
Number of near-misses	1	0	4
Number of accidents per 100,000 man-hours	0	0	0.011
Total construction safety training hours	7,082.5	691.5	3,163

Key Construction Safety Performance Indicators in Hong Kong

	2021	2022	2023
Number of active construction sites	2	2	2
Total man-hours	203,580	881,970	823,830
Number of fatalities	0	0	0
Number of accidents	0	1	1
Number of near-misses	1	0	2
Number of accidents per 100,000 man-hours	0	0.113	0.121
Total construction safety training hours	5,377	8,955	4,078

In 2023, we maintained zero fatalities at our construction sites in mainland China and Hong Kong for the sixth consecutive year, and the overall accident rate has reached nearly zero accidents per 100,000 man-hours. We will continue to optimize work processes and promote safety awareness among construction site workers.

Construction Supplier Management

We work closely with our design, construction, and building materials suppliers and contractors on construction projects to advance our sustainability agenda. We maintain a master tenderer list for our contractors, suppliers and consultants. All potential vendors are subject to a pre-qualification process to ensure that they meet expectations in multiple areas including compliance and professionalism, as well as health and safety, sustainability, and green building capabilities.

Also, we conduct annual reviews of our suppliers to evaluate their overall performance. We also carried out interviews in 2023 with five main contractors from key development projects (e.g., Westlake 66, Center 66 Phase 2, Forum 66 Phase 3, Heartland 66 Residences, The Aperture) to assess their environmental performance including waste, water and energy use on site.

We also work with recognized third-party organizations and platforms to support us in construction supplier management, notably including Sedex and the Institute of Public & Environmental Affairs (IPE).

In 2023, we joined Sedex to enhance our governance and supply chain management. With Sedex's support, we have carried out a supply chain maturity assessment to understand our current performance and identified key improvement areas as follows:

- We need to categorize key suppliers and evaluate them for their compliance management based on internationally recognized methodologies.
- Based on the results of our maturity assessment, we will focus on human rights, labor standards, diversity, equal opportunities and suppliers' ranking in supply chain management.

We will work to make improvements in these identified areas in 2024.

We also work with IPE, a Beijing-based non-profit environmental research organization with a detailed database of environmental information in China. We have used IPE's Climate Action Transparency Index (CATI) methodology to support climate action performance evaluations throughout our value chain.

For contract works procurement, we had about 100 suppliers in Hong Kong and about 270 suppliers in mainland China in 2023.

Sustainable Operations

Environmental, Health and Safety Management

One of our top priorities is to ensure the safety of all individuals within our properties. To familiarize our staff, tenants and construction units with evacuation and other emergency procedures, we regularly conduct emergency and fire drills at our premises under our Crisis Management Protocol.

Hang Lung values the health and safety of all employees. Our occupational health and safety management system has been developed to protect all staff across our portfolio. In 2022, we optimized our occupational health and safety management system for the property management of our Hong Kong portfolio to meet the ISO 45001 standard, which we obtained in 2023. We also plan to develop an environmental management system for our Hong Kong properties in the years ahead.

In 2023, we also obtained the WELL Health and Safety Rating (HSR) for all Mainland properties as well as the Standard Chartered Bank Building (SCBB) in Hong Kong, covering 19 buildings. The HSR evaluation focuses on the following five major areas:

- cleaning and sanitization procedures
- emergency preparedness programs
- health service resources
- air and water quality management
- stakeholder engagement and communication

We received full scores in "Cleaning and Sanitization Procedures" and "Air and Water Quality Management" for all 19 properties, demonstrating our dedication to creating a healthy and safe environment.

Indoor Environmental Quality

Factors such as the use of synthetic building materials, furnishings, the condition of HVAC systems and air ventilation, and humidity levels may affect indoor air quality. We are committed to maintaining good indoor environmental quality (IEQ) as part of providing a healthy and comfortable environment for our building occupants. Six of our Hong Kong properties participated in the Environmental Protection Department's Indoor Air Quality (IAQ) Certification Scheme for Offices and Public Places. The scheme is voluntary and requires annual third-party assessment of IAQ of the buildings against the objectives. The list of IAQ certificates received by our buildings can be found in Appendix 2 – Memberships and Charters.

Another important aspect of IEQ is noise. Sound reverberation and background noise can make it difficult for people to hear one another's speech and detract from an otherwise enjoyable experience. Proper acoustic treatment of internal building finishing materials can help foster a high-quality acoustic environment that enables clear communication and an enjoyable shopping experience. As part of our collaboration with LVMH Group, we are developing an acoustic guideline for the design of shopping malls and shops to optimize space speech intelligibility and enhance customer experience. In 2023, we conducted an acoustic baseline survey in the public areas and nine LVMH shops of our Plaza 66 property in Shanghai. In 2024, we will look for an opportunity to implement an acoustic pilot project at a selected LVMH shop undergoing renovation. The effectiveness of the applied acoustic measures on the new shop design will be evaluated and help inform the development of our shared acoustic guideline.

Quality Water Supply Scheme for Buildings

13 Hong Kong properties have been validated under the Water Supplies Department (WSD) Quality water supply scheme for buildings – Fresh Water. This voluntary scheme was established in 2015 to ensure high-quality potable water is being used in buildings by identifying potential contamination risks in the internal plumbing system and recommending control measures. Three levels of recognition certificates are available, with validation every two years. The list of certificates awarded to Hang Lung's properties is mentioned in Appendix 2. On the Mainland, we monitor the quality of water periodically following local regulations.

Operational Supplier Management

We maintain close communication with a wide range of suppliers including goods and services providers for corporate services, property management providers such as cleaning, waste management, electrical and mechanical suppliers, security service providers, and minor works contractors.

Starting in 2022, all new suppliers undergo an ESG review at the registration stage. We also conduct ESG reviews with our existing suppliers upon contract renewal and at other times.

We continued to work with our suppliers to ensure their alignment with our Code of Conduct for Contractors, which sets out our expectations for suppliers covering compliance with laws and regulations, integrity, health and safety, child or forced labor, environmental conservation and data protection. Suppliers' records and practices are periodically examined to determine whether they may present any sustainability risks to the Group and whether any risk mitigation measures should be taken.

Similar to our construction supplier engagement approach, we are working with Sedex and IPE to advance sustainable procurement and operational supplier management, especially in due diligence and governance. With Sedex, we will be focusing on key operational suppliers' engagement, and compliance evaluation on social and governance issues. With regard to IPE, we use its Green Supply Chain Corporate Information Transparency Index (CITI) methodology to assess our supply chain transparency index. We also leverage IPE's suppliers' record database (e.g., environmental supervision records) to review the compliance of selected operational suppliers.

Furthermore, we have engaged an external consultant to work with our procurement team and internal key stakeholders to refine our current sustainable procurement policies in light of best practices.

In 2024 we will deepen our engagement with key operational suppliers to foster a collaborative approach to environmental compliance, promotion, and information disclosure. Through these initiatives, our goal is not only to meet industry standards but also to help establish elevated benchmarks for sustainable sourcing.

In terms of goods and services procurement, in 2023 we had about 2,400 suppliers in Hong Kong and about 6,500 suppliers in mainland China. About 90% of our procurement was sourced locally to minimize the environmental footprint from transportation and to benefit local communities.

Tenants

	Status
2025 Target	**On track**
100% of leases incorporate sustainability provisions	
2023 KPI	**Completed**
Incorporate sustainability provisions in fitout manuals for all Hong Kong projects	

Tenant Handbook and Fit-out Guide

We rolled out a Tenant Handbook and Fit-out Guide revision plan over the last two years. The Tenant Handbook amendments were first introduced to office tenants at Plaza 66 and Grand Gateway 66 in Shanghai in 2021, and then extended to both office and retail tenants at all Mainland properties, with the Fit-out Guide included, in 2022. We also incorporated sustainability principles into our Tenant Fit-out Guide in Hong Kong in 2023.

Both our Tenant Handbook and Fit-out Guide include five sustainability areas for collaboration – our four priorities of Climate Resilience, Resource Management, Wellbeing, and Sustainable Transactions – and a fifth area, Communication and Progress Reviews.

Among key areas for tenant cooperation, we encourage our tenants to install energy sub-meters to measure electricity use for HVAC, lighting, and other small equipment systems (such as computers, photocopiers, and televisions) and to share energy, water, and waste data with us to improve operating practices. We also encourage tenants to work with us in key areas such as community services, wellbeing, sustainable procurement, and sustainable cleaning. Lastly, we are incorporating sustainable food principles for our F&B tenants and encouraging them to adopt practices that promote healthy and environmentally friendly operations.

Tenant Partnerships

We have two major initiatives related to tenant partnerships:

Sustainability Partnership with LVMH Group

In October 2022, we embarked on a first-of-its-kind sustainability partnership with LVMH Group to accelerate sustainability progress in real estate and retail in mainland China to the end of 2025. The collaboration spans Hang Lung's portfolio in seven cities and 26 LVMH brands that occupy more than 90 retail spaces with a lettable floor area in excess of 28,000 sq. m.

Building on the success of our Real Estate & Climate Forum together in November 2022, we jointly published our Common Charter in March 2023, outlining a set of 20 innovative actions for implementation in 2023 and beyond.

Climate Resilience			
Energy efficiency	Energy measurement	#1	Partner on a pilot for the sharing of tenant energy consumption data
	Reduced lighting at night	#2	Switch off lights after business hours where feasible
	Energy savings awards	#3	Encourage ideas for efficiency improvements, and give awards for most impactful results achieved in 2023
Low carbon design	Carbon footprint assessment	#4	Include carbon footprint as a factor for review and approval for proposed design of LVMH projects
	Use more low carbon materials	#5	Define and expand the use of low carbon materials
Renewable energy	Use more renewable energy	#6	Share experience and explore renewable energy opportunities
Climate adaptation	Advance climate adaptation	#7	Advance climate adaptation by exchanging information and strengthening preparedness
Resource Management			
Waste management and circularity	Audit waste from operations	#8	Third party audit of waste and recycling practices from business operations for Plaza 66 and Grand Gateway 66
	Recycling pilot for renovation project	#9	Collaborate on a recycling project focused on a store renovation in Shanghai
	Define a recycling process for demolition materials	#10	Establish a recycling process for demolition materials
	Develop a material/assets marketplace	#11	Develop a marketplace for reuse of materials and assets
Biodiversity	Biodiversity projects	#12	Implement a biodiversity project at Spring City 66 and/or Westlake 66
	Study measures to protect birds	#13	Research potential measures to protect birds and prevent bird collisions
Water management	Improve water management	#14	Collaborate on a water stress analysis, exchange ideas on water consumption and efficiency, and hold a water management campaign for the public
People and Wellbeing			
Indoor wellbeing	Air quality assessment	#15	Conduct periodic air quality tests, and carry out an outdoor air temperature and quality monitoring pilot scheme in at least one of the properties
	Acoustics guidelines	#16	Review acoustics levels and identify potential improvements
Social impact	Enhance community wellbeing	#17	Collaborate on initiatives to enhance community wellbeing
Learning and development	Develop a shared learning agenda on sustainability	#18	Develop a shared learning agenda including expanded use of learning materials from 2022 Real Estate & Climate Forum and other resources
Sustainability Governance			
Environmental governance	Leverage data and digital platforms	#19	Work with Institute of Public and Environmental Affairs (IPE) to strengthen environmental governance, including supply chain due diligence
Procurement	Sustainable procurement	#20	Exchange information on policies, plans and strategies related to sustainable procurement, including a focus on cleaning products in 2023

Summary of key actions in the Common Charter 2023

We have been working to advance these 20 actions under our four thematic priorities of Climate Resilience, Resource Management, People and Wellbeing, and Governance. We will provide a detailed update of our progress for all 20 actions, as well as our plans for 2024, in the second edition of our Common Charter to be published in Q2 2024.

"Step-Up for Good" city walk event in Shanghai, which featured 50 volunteers from both groups and 50 grassroots children

In addition to working to advance our common actions, sharing sustainability ideas with the broader community is also an important component of our partnership. For example, we joined two panel discussions in Shanghai together with two LVMH brands to discuss biodiversity and circularity in real estate and retail. We were also honored to join LVMH Group's LIFE 360 Summit in Paris in December 2023, where we shared highlights of our partnership with the audience.

We will organize the second Real Estate & Climate Forum in April 2024 in Shanghai to reengage with our stakeholders. In addition to publishing the second edition of our Common Charter in Q2 2024, we will report on the progress and learning of our partnership in our next sustainability report.

Changemakers Program for All Tenants

We are keen to extend the spirit of collaboration with all our tenants. We launched our *Changemakers: Tenant Partnerships on Sustainability Program* in December 2023, a customized sustainability program applicable to all tenants, including office, retail, F&B, and hospitality sectors across Hong Kong and mainland China.

Our *Changemakers Program* is a collaborative initiative addressing sustainability challenges that affect our properties, occupants, and communities with the aim of reducing carbon emissions, minimizing waste, advancing circularity, and enhancing community wellbeing. We are aiming to create meaningful sustainability impacts while recognizing the commitments and achievements of our tenants in environmental and social sustainability.

The *Changemakers Program* offers two tiers of recognition — Foundational and Advanced, providing flexibility in terms of tenants' ambitions. Tenants who complete at least six out of eight specified sustainability actions in either tier in 2024 will enjoy a range of benefits.

Changemakers Program – Tenant Partnerships on Sustainability

Sustainability E-newsletter for Tenants

To establish an effective and transparent communication channel with our tenants, in December 2023 we launched *Changemakers*, a quarterly e-newsletter focused on sustainability. The newsletter keeps our tenants informed about our sustainability initiatives, progress, and achievements and promotes sustainable business operations while encouraging tenants and their employees to make sustainable choices. Additionally, we plan to feature tenants' sustainable practices as case studies, allowing them to showcase best practices and share their experiences with the wider tenant community.

Changemakers - our quarterly sustainability e-newsletter for tenants

Customers

Maintaining Quality Standards

We are committed to putting customers first by providing them with products and services that meet the highest standards. Our operations manuals set out standard procedures for managing our Hong Kong and mainland China properties. Annual inspections are conducted to identify any defects or deficiencies in building facilities and electrical and mechanical systems. To avoid a sudden breakdown of services and to ensure safety for building occupants, we also undertake regular maintenance of facilities such as HVAC systems, fire services systems, elevators and electrical systems.

During major renovations of existing properties led by our Asset Assurance and Improvement Department, and in close collaboration with relevant departments, the design, layout and circulation of the malls and offices are rejuvenated to improve customer experience and achieve a timeless design quality. Most works carried out by contractors have a one to two-year defects liability period (DLP) to ensure their quality, and major equipment has a warranty of 5-10 years on top of the DLP. Improvements to existing systems, such as upgrading closed-circuit television (CCTV) systems from analog to digital and expanding their storage capacity, were completed at Forum 66, Riverside 66 and Parc 66.

We continue to maintain high standards of hygiene by revamping projects and arranging for frontline staff to attend regular training on improving service provision. We also monitor the service quality of cleaning service providers through daily checks and monthly inspections.

Enhancing Customer Experience

We continue to enhance customer experience and loyalty throughout our operations in mainland China and Hong Kong. HOUSE 66 is a customer relationship management program spanning all our properties in mainland China where members can earn points and enjoy a variety of bespoke privileges. The program is active across ten malls in eight cities. In 2023, HOUSE 66 completed a brand visual refresh and upgraded a selection of its member benefits and privileges. To support our members pursuing a more sustainable lifestyle, we encouraged greener purchases while offering a larger selection of sustainability-inspired gifts for redemption.

In Hong Kong, the hello Hang Lung Malls Rewards Program continued to expand its member base and garnered support from over 600 tenants across seven malls and our Central portfolio. Through the Hang Lung Malls app, we continue to enhance customer experience through close collaboration with our tenants, creating extraordinary experiences for shoppers with diverse tastes and lifestyle needs. Our hello members are able to enjoy time-limited offers ranging from shopping discounts and sweet surprises to gifts with purchases, across the portfolio. Members are also pampered with access to a variety of unique activities, such as handicraft workshops at Peak Galleria, members-only sales events and previews, and new shop openings.

In 2023, we launched two initiatives to promote sustainable living and circular fashion to our members. From September to December 2023, we offered green rewards to our members when they participated in the recycling campaigns of our selected Fashion and Accessories tenant partners. In November 2023, we launched the "Old Clothes • New Life" campaign, a three-month pilot takeback program partnering with Redress Hong Kong. Consumers could give back any brand of clothes for reuse, resale and recycling/downcycling by Redress, making it easier for our members to play their part in helping to develop a circular fashion economy.

Measuring Customer Satisfaction

Feedback is vital for us to understand customer expectations and facilitate continual improvement. Our ongoing customer survey tracks both our Net Promoter Score (NPS) and qualitative feedback on customer touchpoint areas through verbatim analysis. Using word-by-word feedback from respondents to create a statistical summary, it provides a clear and quantifiable picture of customer sentiment. In 2023, we have revamped the questionnaire to evaluate our performance more comprehensively over the attractiveness of our trade mix, marketing mix and service standards. Our overall NPS score in Mainland was 61.3* points, on a par with the same period in 2022.

**Survey conducted from January to December 2023, interviewing over 33,000 customers on the Mainland.*

In response to customer complaints, standardized complaint handling procedures are in place to ensure customer feedback is addressed in a timely and consistent manner. Complaints are logged, managed and investigated by dedicated staff within an appropriate timescale, and close communication with the customer must be maintained throughout the whole process. Property management services staff are required to study various complaint cases regularly to strengthen their problem solving and complaint handling skills. Regular service level training is provided to our property management services staff to ensure we provide high quality service.

Written Complaints

Hong Kong	Mainland China
Interim reply within 3 working days	Formal reply within 7 working days
Formal reply within 14 working days	

Hang Lung People's Commitment to Customer-Centricity

We introduced our Customer Engagement Initiatives (CEI) this year with the aim of enhancing our service standards and providing customers with exceptional service experiences while adhering to our principle of "customer-centricity." Our colleagues shared their experiences participating in the CEI program.

LEARN MORE >>

Sustainable Marketing

	Status
2025 Target	**On track**
100% of marketing events evaluated for their sustainability impacts	
2023 KPI	**Completed**
Evaluate the sustainability impacts of 100% of centrally led marketing events	

We have a sustainable marketing guideline for all properties. The guideline defines the principles for sustainable events and considerations for arranging them, covering marketing promotion, venue set-up, waste management and green transportation. The guideline also includes sustainable procurement recommendations for marketing products and materials, and defined metrics (including electricity consumption and carbon footprint) to measure an event's sustainability impact. We measured the sustainability impact of the 2023 66 Brand campaign, and found that decorative materials and guests' transportation were opportunities for reducing our environmental footprint.

Customer centric event "BE MY HEARTLAND" at Heartland 66, Wuhan

In 2023, our shopping malls on the Mainland curated several sustainability-related marketing campaigns together with our tenants and partners. To celebrate *mois Franco-Chinois de l'Environnement* (French Chinese Environmental Month), Heartland 66 in Wuhan jointly organized a sustainable market with Wuhan Carbon Inclusion, and the French Consulate in Wuhan. We offered green rewards to our HOUSE 66 members in return for their greener actions, such as bringing their own bags and travelling by public transportation or bicycle. We also organized upcycling workshops and green talks that offered our customers in Wuhan a hands-on experience of circularity and an in-depth conversation about low carbon lifestyle.

Following the successful launch of "Green Circle," the sustainability campaign at Plaza 66 in Shanghai last year, we organized a five-day sustainable market event called "Rooftop Oasis," transforming the sixth floor garden into an oasis with bamboo as the theme. There were art installations using bamboo, a sustainable material that can be used in the built environment and in textile products. In collaboration with our tenants, we presented to our customers a variety of green and low-carbon products and showcased a lifestyle that integrates outdoor leisure, eco-friendliness, entertainment, dining, and pet interactions.

Rooftop Oasis at Plaza 66 in Shanghai

Grand Gateway 66 in Shanghai cooperated with Disney China to launch the first “Pixar Fluffy Festival” event with fluffy toys decorating the mall during the 2022 Christmas period. After the event, the fluffy toys used as decorations were given a second life after strict disinfection and packaging. With greetings specially penned by HOUSE 66 members on postcards, the toys were donated to underprivileged children in Shanxi in early 2023, as a way for customers to share the festive joy and warmth of the season with the wider community.

Fluffy toys and the postcards written by HOUSE 66 members brought winter warmth to underprivileged children

In August 2023, Grand Gateway 66 in Shanghai organized the "Stop and Go" themed art exhibition to encourage people in the community to slow down their pace and have a break from their busy daily lives. In this exhibition, we integrated sustainability concepts in various ways. All installations and facilities in this "Stop and Go" themed exhibition were made of environmentally friendly materials that are toxic-free and degradable. We invited industry experts to share stories about bird collisions and protecting our ecological habitat in the city, and to offer a new vision for sustainable living.

"Stop and Go" themed art exhibition at Grand Gateway 66 in Shanghai

Celebrating Easter, Peak Galleria in Hong Kong organized an Egg-citing Green Fest with a series of green handicraft workshops to create home decorations like eggshell planters, or useful botanical printing tote bags. hello members could redeem workshop quotas with designated spending at Peak Galleria.

Protecting Customer Data Privacy

Our business involves many direct and indirect daily transactions with our tenants and customers. Ethical and proper handling of customers' personal data and business information is fundamental for building and maintaining trust among stakeholders. Data leaks and breaches could have a serious impact on an organization's reputation and business relationships. The Group ensures that its operations comply with applicable laws and regulations regarding personal data. Measures regarding the collection, usage and protection of personal data, and for data security management are in place. Our handling of the personal data of our tenants and customers in Hong Kong is governed by our Privacy Statement to ensure it is in compliance with the Personal Data (Privacy) Ordinance. We also have policies in place for our operations in mainland China to comply with relevant personal information protection legislation in the Mainland. With the Personal Information Protection Law of mainland China coming into effect in 2021 followed by various detailed implementation rules, guidelines and standards, the terms and conditions and privacy policy for our HOUSE 66 program were updated accordingly to ensure compliance with mandatory requirements. In particular, before personal information is collected directly from customers in mainland China, consent and/or separate consent will be obtained, as the case may be. All such measures, rules and policies will be reviewed from time to time to ensure compliance with applicable laws and regulations.

We have set up a Data Security Management Committee as the decision making body for the data security management of the Group, which takes the lead in overall governance of data security matters and is also responsible for monitoring any potential breach of relevant laws and regulations. There were no substantiated complaints received concerning breaches of customer privacy and losses of customer data during the reporting period.

>> Next Steps >>

We are working to develop an increasingly systematic approach to managing and improving our environmental, social and governance performance along our value chain. As part of this effort, we will continue to work with relevant stakeholders and technology providers to improve the data we need to assess our performance against key metrics. We will collaborate with like-minded organizations to provide clearer market signals to suppliers regarding our expectations and ambitions. We will learn from the first year of our tenant partnerships program on sustainability, identify opportunities for improvement, and consider potential pathways to scaling the program. And we will continue dialogues with financial institutions as we explore ways to leverage capital more effectively to accelerate our ESG progress.

APPENDIX

Appendix 1 - Key Sustainability Trends

Key Trends and Synopsis	Relevance to Our Business
Climate risks	
Increased extreme climate events, such as heatwaves, droughts and floods caused by climate change, have already affected billions of people around the world. The World Economic Forum points out that the lack of deep, concerted progress on climate mitigation targets has exposed the divergence between what is scientifically necessary to achieve net zero and what is politically feasible. The competing demands for public and private-sector resources to address other crises may reduce the speed and scale of climate mitigation efforts.	According to the International Energy Agency (IEA), the building and construction sector accounts for nearly 40% of energy and process-related greenhouse gas emissions globally. Reducing carbon emissions in the construction and operation of buildings is crucial to achieving net zero emissions. China, has outlined in its 14th 5-year national plan clear policy directions and medium-term targets to direct emissions reduction efforts at provincial and city levels nationwide. Decarbonization is both a matter of strategic importance for our business – an opportunity if done well, a risk if not – and the right thing to do for the planet. We published our net zero targets validated by SBTi in January 2023 to help guide our emissions reduction investments and efforts across our operations and value chain. In addition, to meet with expectations from investors and other stakeholders, in 2019 we adopted TCFD's recommendations in disclosing how we govern and manage climate-related risks and opportunities, and we are committed to improving the quality of our climate-related disclosures annually. Please read more about our work in Climate Resilience and Appendix 8.
Productive employment and decent work for all	
These are crucial for socioeconomic development and stability. Quality of life and social mobility might be negatively impacted by structural deterioration of standards of work or work prospects arising from rising unemployment and underemployment, erosion of workers' rights amid economic downturn and restructuring, job displacement due to automation, geographical or industry mismatches between labor supply and demand, or stagnating wages amid a global cost-of-living crisis. In addition, a continued shortage in specific labor markets, especially in more developed economies, may exacerbate wage inflation and slow down productivity and economic development.	The ability of Hang Lung to compete and thrive in an increasingly complex market environment hinges on how well we are able to attract, retain and develop the right talent. Employee attraction, retention and development are among the top issues considered to be essential to our financial performance and longer-term enterprise value. A strategic approach to plan, manage and develop the composition and competence of our workforce amid the increasingly rapid pace of technological development and changing market environment is essential to remain competitive. Our employment and procurement policies and norms have a direct impact on the potential for decent work for our employees and suppliers. Please read more about our work in Wellbeing.

Key Trends and Synopsis	Relevance to Our Business
Biodiversity	
Human activities have profoundly altered most terrestrial ecosystems. As reported by the United Nations, 10 million hectares of forest are being destroyed each year and around 40,000 species are documented to be at risk of extinction over the coming decades. Human activities are also endangering marine ecosystems and affecting the livelihoods of billions of people. Continuing ocean acidification, rising ocean temperatures and overfishing are threatening marine species and negatively affecting marine ecosystem services. The World Economic Forum points out that over half of the world's economic output is estimated to be dependent on nature to some extent. Biodiversity and climate change are inextricably linked – a failure in one sphere will cascade into the other. The collapse of ecosystems would have far-reaching economic and societal consequences. These include increased occurrence of diseases, a fall in crop yields and nutritional value, growing water stress exacerbating potentially violent conflict, loss of livelihoods dependent on food systems and nature-based services like pollination, and ever more dramatic floods, sea-level rises and erosion from degradation of natural flood protection systems like water meadows and coastal mangroves.	Property development and operations can have significant negative impacts on the environment through pollution, land use changes, deforestation, and destruction of natural habitats. To protect natural habitats and biodiversity, we aim to minimize the environmental impacts of our developments through responsible planning and design, and responsible procurement practices favoring products and raw materials from sustainable sources and with lower ecological footprints. Financial institutions are paying attention to biodiversity loss. The Taskforce on Nature-Related Financial Disclosures (TNFD), established in 2021, has published its recommendations in September 2023, providing a global framework for organizations to report on risks from biodiversity loss and ecosystem degradation. We will look into taking steps to disclose our nature-related risks in line with the TNFD recommendations. Please read more about our work in Resource Management.
Environmental pollution and waste	
Environmental pollution is highly connected to the degradation of ecosystems and biodiversity loss and affects human health. According to the United Nations, ambient air pollution from power generation, traffic, industry, waste burning and residential fuel combustion resulted in 4.2 million deaths in 2019. As urbanization increases, the world's cities are struggling to cope with mounting problems of municipal solid waste such as food waste, marine litter and proliferation of plastic waste, misuse, over-extraction and contamination of freshwater supplies, and poor management of freshwater and wastewater. Unsustainable patterns of consumption and production are root causes of the triple planetary crises of climate change, biodiversity loss and environmental pollution. The United Nations calls for governments, enterprises and all citizens to work together to improve resource efficiency, reduce waste and pollution, and shape a new circular economy.	Public awareness and regulatory requirements in Hong Kong and other cities in mainland China concerning waste management are increasing. With the implementation of the Municipal Solid Waste Charging scheme by the Hong Kong Government from August 2024, as an owner and operator of commercial real estate with office, retail and food and beverage tenants, providing adequate facilities and implementing robust programs to support our tenants and visitors in waste reduction and recycling practices are rising priorities for us. In addition, by applying circular principles in procurement decisions and the design, construction and operations of buildings, we can reduce operational and embodied carbon emissions and other types of pollution, as well as reduce our dependency on virgin raw materials, reducing our planetary impact and making us more resilient to potential supply chain disruptions. Please read more about our work in Resource Management and Sustainable Transactions.

Key Trends and Synopsis	Relevance to Our Business
The health and wellbeing	
Health and wellbeing of people globally were gravely affected by the COVID-19 pandemic. The pandemic disrupted essential health services, triggered an increase in the prevalence of anxiety and depression, lowered global life expectancy, and suspended two decades of work towards making health coverage universal. It also amplified emerging risks to physical and mental health, including antimicrobial resistance, vaccine hesitancy and climate-driven nutritional and infectious diseases. Mental health issues have also been exacerbated by increasing stressors experienced during the pandemic and their lingering effects, such as violence, poverty and loneliness. According to the World Economic Forum, more frequent and widespread infectious disease outbreaks amidst a background of chronic diseases over the next decade risks pushing exhausted healthcare systems to the brink of failure around the world. As the disease burden grows, the population ages in many cities in developed economies, and innovation widens the scope of what medicine can treat, inexorable demand for healthcare is running up against chronic capacity challenges in healthcare systems. The World Health Organization (WHO) predicts a global shortfall of 15 million health workers by 2030. Some health systems are seeing productivity declines as experienced employees leave due to exhaustion, burnout and concerns about staff and patient safety. Skills and infrastructure gaps undermine capacity further as staff become overwhelmed by challenges for which they are not adequately equipped or supported to solve, leading to more strikes over pay and staffing levels.	As the World Green Building Council (WGBC) has noted, there are few issues relating to human health, wellbeing and quality of life that are not impacted, directly or indirectly, by the attributes of our built environment. The WGBC introduced a Health and Wellbeing Framework in November 2020, which outlines principles for a healthy, sustainable built environment, providing a framework to guide the building and construction sector in addressing its responsibility regarding the quality of our indoor environment, our mental and physical health, and influences on our behavior. It also emphasizes the importance of embracing the people and environment involved at all stages of the building lifecycle. The building and construction sector, including Hang Lung, can play an active role in protecting and enhancing the health and safety of its stakeholders – from protecting the health and safety of construction workers, to preventing illness and promoting wellness for all, to minimizing adverse impacts on the environment through how we source materials, construct and operate our buildings. Please read more about our work in Wellbeing and Sustainable Transactions.
Geoeconomic fragmentation	
Geoeconomic fragmentation is creating significant headwinds for global cooperation on important agenda topics for sustainable development, including climate change mitigation and adaptation, technology development and the energy transition, and innovation towards a circular economy. The World Economic Forum notes that economic warfare, with increasing clashes between global powers, will drive corresponding competition in economic policies. Inefficiencies in production, supply chain disruption and rising prices are becoming more likely. Food, energy and security risks are also expected to be amplified.	Geoeconomic fragmentation could entail supply chain disruption, instabilities in the policy and socioeconomic environment for businesses, and uncertainties clouding business and investment decisions. A rigorous approach to foresight and preparedness is vital to bolster business resilience to longer-term risks and chart a path forward for sustainable development. Please read more about our approaches to enterprise risk management in Sustainability Governance, our work in improving resource productivity in Resource Management, and in building a more resilient supply chain in Sustainable Transactions.

Key Trends and Synopsis	Relevance to Our Business
Diversity and inclusion	
Diversity and inclusion has received increasing attention as a global social and economic issue. Actual or perceived inequalities in opportunities will erode social cohesion and fracture communities leading to declining social stability, wellbeing and economic productivity. Digital inequality is a fast-emerging form of exclusion. The rapid pace of digitalization and technological advancement is likely to widen unequal access to resources and opportunities for education and livelihood. The International Labour Organization notes that there are significant correlations between greater diversity and inclusion and improvements in employee and enterprise performance. A high level of diversity and inclusion in workplaces can lower costs such as turnover and sickness absence, and add value through higher levels of employee productivity, creativity, innovation and engagement, and improved decision making. There is also growing pressure for enterprises to take constructive actions on diversity and inclusion, including from employees, prospective employees, investors, customers, and legal and policy frameworks. With regard to gender equality, the United Nations reports that the world is not on track to achieve gender equality by 2030. Women accounted for less than 40% of employment worldwide and 28% share of managerial positions worldwide in 2020. In Hong Kong, the Hong Kong Stock Exchange has imposed new requirements to issuers, aiming to promote gender diversity at the board level and gender ratios in the workforce.	We recognize that high levels of diversity and inclusion are associated with greater innovation, productivity and performance, talent recruitment and retention, and workforce wellbeing. Through policies and programs implemented across our workplaces, we endeavor to foster an inclusive work environment. We also recognize the valuable contribution of all employees, regardless of gender, age, disability, race, or marital status, and believe that an inclusive workplace will aid talent recruitment and boost employee satisfaction and productivity. In addition, we strive to work with our stakeholders to foster equality and diversity across our community and value chain. Inequality erodes social cohesion, diminishes human potential, and might lead to declining social stability and economic development. We also have a community program to cultivate future women leaders in both mainland China and Hong Kong. Please read more about our work in Wellbeing.
Cybersecurity	
Rapid advancements in technologies raise complex challenges for information privacy and cybersecurity. With the development of new tools and technologies, there are reduced risks and costs in committing cybercrimes, creating new opportunities for criminal networks. With the use of generative AI, phishing attacks can be accurately translated into multiple languages with ease. These technologies present substantial risks to individuals and businesses.	Our business operations involve many direct and indirect interactions with our employees, suppliers, tenants, customers and other business partners. Protecting the company's networks and systems against cyber threats, including phishing attacks, malware and ransomware, is important to safeguard our business sensitive information and personal data of our stakeholders from unauthorized access. Cybersecurity is one of the principal risks monitored under our ERM framework. In February 2023, the Group also established a Data Security Management Committee to manage our overall data security management and governance, including data security management, data classification and categorization, data retention and handling of data security incidents. Please read more about our work in Sustainability Governance.

Key Trends and Synopsis	Relevance to Our Business
Misinformation and disinformation	
Misinformation and disinformation refer to inaccurate or misleading information that is spread (deliberately or otherwise) to media networks. Advances in artificial intelligence models enable synthetic content and false information to be easily created and spread to the public. False information may erode public trust. Reduced trust from the general public may lead to unnecessary anxiety or even panic and undermine social stability. According to World Economic Forum's Global Risk Report 2024, over the next two years, misinformation and disinformation may disrupt electoral processes in several economies. Also, perceptions of reality are likely to become more polarized, affecting the public discourse on issues related to public health, social justice, and public confidence in institutions and organizations of various kinds.	The widespread dissemination of misinformation and disinformation relating to our industry, peers and our company could impact on our overall business environment and our brand reputation. The Group has a risk mitigation strategy to address the growing threats of disinformation and misinformation. We maintain regular and authentic two-way communication with our stakeholders via various engagement channels. A crisis management and communication plan is in place to allocate appropriate resources and predefined actions for crisis management to address incidents related to the spread of falsified information. Please read more about our work in Sustainability Governance.

Appendix 2 - Memberships and Charters

The Group actively supports government bodies, sustainability organizations and industry associations that have positive impacts on society. The following table summarizes our memberships and charters in 2023.

Partner	Nature of Membership/ Charter
Environmental	
Hong Kong Special Administrative Region Government	Carbon Reduction Charter and Carbon Audit Green Partner (Environmental Protection Department)
	Carbon Neutrality Partnership (Environment Bureau)
	Charter on External Lighting (Environment Bureau)
	Energy Saving Charter and 4T Charter (Environment Bureau and Electrical and Mechanical Services Department)
	Food Wise Charter (Environment Bureau)
	Glass Container Recycling Charter (Environmental Protection Department)
Business Environment Council	Council Member
	BEC Net-zero Carbon Charter
	Power Up Coalition Member
Civic Exchange and Walk 21	International Charter of Walking
The Green Earth	Green Earth Companion (Air)
Hong Kong Green Building Council	Platinum Patron Member
World Business Council for Sustainable Development	Manifesto for Energy Efficiency in Buildings
WWF Hong Kong	2022/23 Corporate Membership – Silver
	'No Shark Fin' Pledge
GRESB	GRESB Participant Member
Green Council	Sustainable Procurement Charter – Established Member
Urban Land Institute	Asia Pacific Corporate Partnership and Greenprint Programs
United Nations Global Compact	Participant

Partner	Nature of Membership/ Charter
Social	
Hong Kong Special Administrative Region Government	Joyful@Healthy Workplace Charter (Department of Health and Occupational Safety & Health Council)
	Talent-Wise Employment Charter (Labour and Welfare Bureau, in collaboration with the Rehabilitation Advisory Committee, the Hong Kong Joint Council for People with Disabilities and the Hong Kong Council of Social Service)
Agency for Volunteer Service	Group Member
Asia Society	Asia Corporate Member
Business and Professionals Federation of Hong Kong	Corporate Member
Business for Societal Impact (B4SI)	Member
China Real Estate Developers and Investors Association	Executive Member
Employers' Federation of Hong Kong	Member
Equal Opportunities Commission	Racial Diversity and Inclusion Charter for Employers signatory
Hong Kong Institute of Human Resource Management	Corporate Member
Hong Kong Management Association	Charter Members
Hong Kong Public Relations Professionals' Association Limited	Corporate Member
The Chamber of Hong Kong Listed Companies	Full Member
The Hong Kong Institute of Directors	Member
The Hong Kong Construction Association Ltd	Member
The Real Estate Developers Association of Hong Kong	Corporate Member
Hong Kong Green Finance Association	Corporate Member
The Hong Kong Jockey Club Charities Trust	Charter for Age-Friendly Shopping Malls of Jockey Club Age-Friendly City Project – *Peak Galleria*
United Nations Children's Fund (UNICEF)	Breastfeeding Friendly Workplace Certificate of Appreciation – *Peak Galleria, Amoy Plaza, Kornhill Plaza*
United Nations Children's Fund (UNICEF)	Breastfeeding Friendly Premises (Gold Label) – *Kornhill Plaza, Peak Galleria, Amoy Plaza*

Energy Saving Charter

The following properties have committed to the Energy Saving Charter and the 4T charter under the Environment and Ecology Bureau of the Hong Kong Government:

Shopping Mall: Amoy Plaza, Fashion Walk, Grand Plaza, Hollywood Plaza, Kornhill Plaza, Peak Galleria

Office Building/Commercial Building/Industrial Building: 1 Duddell Street, 9 Wing Hong Street, Baskerville House, Gala Place, Grand Centre, Grand Plaza Office Tower One & Two, Hanford Commercial Centre, Hang Lung Centre, Hollywood Plaza Office Tower, Kornhill Plaza Office Tower, Printing House, Standard Chartered Bank Building

Energywi$e Certification

The following properties have obtained Energwi$e certification under the Hong Kong Green Organisation Certification:

Basic Level: Burnside Villa

Wastewi$e Certification

The following properties have obtained Wastewi$e certification under the Hong Kong Green Organisation Certification.

Good / Excellence Level: Fashion Walk, Hang Lung Centre, 1 Duddell Street, Printing House, Baskerville House, Peak Galleria, Grand Plaza, Grand Centre, Hanford Commercial Centre, Amoy Plaza, Amoy Gardens, Hollywood Plaza, Gala Place, Kornhill Plaza, Kornhill Recreation Club, The Summit, Burnside Villa, Kornhill Apartments, 9 Wing Hong Street

Quality Water Supply Scheme for Buildings - Fresh Water Certification

The following properties have obtained Quality Water Supply Scheme for Buildings – Fresh Water certification under the Water Supplies Department.

Gold Certificate (Comply scheme standard > 6 years): Grand Centre, Hollywood Plaza, Amoy Gardens

Silver Certificate (Comply scheme standard between 4 < years < 6): Gala Place, One Grand Tower, Two Grand Tower

Blue Certificate (Comply scheme standard < 4 years): Hanford Commercial Centre, Standard Chartered Bank Building, Hang Lung Center, Peak Galleria, Kornhill Plaza, Kornhill Apartments, The Summit

IAQ Certification

The following properties have received IAQ certificates under the Environmental Protection Department.

Excellent Class: Standard Chartered Bank Building, Grand Centre

Good Class: Peak Galleria, Grand Plaza Office Tower 1, Grand Plaza Office Tower 2, Kornhill Apartments-Clubhouse, The Long Beach

Appendix 3 – Strategic ESG KPIs

For 2023

2023 KPIs	Results
Climate Resilience	
Meet or exceed 30% cumulative reduction in GHG intensity ($kgCO_2e/m^2$) relative to 2018.	Obtained a 41% reduction in GHG intensity ($kgCO_2e/m^2$) relative to 2018.
Meet or exceed 16% cumulative reduction in electricity intensity (kWh/m^2) relative to 2018.	Obtained a 13.8% reduction in electricity intensity (kWh/m^2) relative to 2018.
18% of our mainland China portfolio electricity demand from renewable energy	19% of our mainland China portfolio electricity demand from renewable energy in 2023.
Improve our EV charging plan and conduct at least two pilots to increase EV charging spaces, one in Hong Kong and one on the Mainland.	An additional 20 EV chargers have been installed in Center 66, Wuxi, and 8 EV chargers are planned for Kornhill Plaza and Canton Road Carpark in Hong Kong.
For the Shouson Hill Road project in Hong Kong, demonstrate best efforts in achieving at least 10% reduction in embodied carbon intensity (kg CO_2e/m^2) in accordance with the methodology of our 2025 embodied carbon target (i.e., comparing baseline design with a functionally equivalent proposed design).	The design is under development and we are liaising with the government. We will proceed with the carbon reduction plan once the design is confirmed.
Work with a major tenant to implement a plan to reduce GHG intensity from the tenant's electricity consumption across mainland China.	We are working with LVMH Group on several measures to reduce the electricity consumption of its stores across our properties.
Conduct technical analysis for climate adaptation for another four properties in mainland China, and implement adaptation measures in at least two properties in mainland China or Hong Kong.	Conducted technical analysis for climate adaptation for seven properties in mainland China and two properties in Hong Kong. Implemented adaptation measures in two properties.
Resource Management	
Conduct a pilot research study to improve construction waste (e.g., broken concrete) recycling and circularity in one Mainland development project.	Conducted waste concrete pilot research project in Westlake 66 in collaboration with CLEANCO2 which reused Westlake 66's waste concrete as aggregate and processed it into low carbon recycled concrete aggregate (RCA) through a carbon dioxide mineralization process.
Explore at least two innovative solutions to reduce embodied carbon in concrete, steel and curtain walls.	Westlake 66 adopted low carbon concrete bricks on the secondary partition walls of the basement. We also collaborated with LVMH Group to identify six recycling use cases for three major types of renovation waste in 2023.
Identify highest priority water reduction measures (considering impact and feasibility) and implement first iteration of the 2023-2025 water reduction plan.	We implemented water restrictors in three Mainland properties, confirmed the feasibility of water recycling broadly in our Mainland properties, and piloted water recycling at two of them.
Standardize waste data consolidation method and review and streamline waste handling procedures for all Hong Kong properties.	Aligned waste data categorization in Hong Kong via an ESG data collection platform.

2023 KPIs	Results
Pilot at least four reuse and circularity initiatives (e.g., food donation, furniture reuse, urban farming, e-waste recycling) in operations in Hong Kong and mainland China.	Implemented four waste management or reduction measures including used clothes recycling, office furniture recycling, surplus food donation in Hong Kong and e-waste recycling and used clothes recycling in mainland China.
Identify highest priority waste reduction measures (considering impact and feasibility) and implement first iteration of the 2023-2025 waste reduction plan.	Conducted waste audit at six different types of properties in Hong Kong with the audit findings incorporated into our waste reduction plan.
Wellbeing	
Coordinate a process for each department to develop and implement three employee engagement measures.	Following our 2022 employee engagement survey, all projects and departments have identified and implemented three employee engagement measures.
Design and implement at least three initiatives related to culture, age and gender to enable a more diverse and open workplace.	Implemented three initiatives including providing dementia training sessions for frontline staff, signed the "Racial Diversity and Inclusion Charter for Employers" which commits to offering job opportunities to ethnic minorities on fair basis, and purchased gifts for colleagues from social enterprises who supported newly arrived women from the Mainland.
Develop and implement a disability inclusion action plan based on 2022 assessment results.	Improved accessibility in Hong Kong's new offices, expanded channels of collaboration with organizations supporting people with disabilities, and increased the number of interns with special education needs.
Obtain WELL Gold rating or above for at least one Mainland or Hong Kong property.	Obtained WELL Platinum rating for Plaza 66, Shanghai in 2023.
Obtain China Healthy Building Label or equivalent for at least one property in mainland China.	Conducted a design review for the feasibility of obtaining the China Healthy Building Label for Westlake 66, Hangzhou in 2023. Target applying for the certification in 2024.
Develop and deliver at least 500 hours of ESG training including at least 100 hours focused on delivering climate-related competencies.	Developed and delivered 734 hours of ESG training for specific departments, of which 432 hours were focused on delivering climate-related competencies.
Provide health and safety training to 100% of employees in mainland China and Hong Kong.	Provided health and safety training to 100% of employees in mainland China and Hong Kong.
Provide health and safety training to 100% of main contractors in mainland China and Hong Kong.	Provided health and safety training to 100% of main contractors in mainland China and Hong Kong.
Deliver at least 2,200 mentorship hours and 4,400 leadership training hours to selected female university students in Hong Kong and mainland China.	Delivered over 2,800 mentorship hours and around 3,500 leadership training hours to selected female university students in Hong Kong and mainland China. We provided fewer leadership training hours than anticipated due to a variation in the number of participants compared to our initial estimate.
Continue to develop and refine ways of assessing suppliers' ESG performance and continue to develop effective digital solutions to support such assessments.	Improved suppliers' ESG performance assessment form for operational and construction suppliers/contractors and working on digital solutions to support assessment. Also engaged Sedex to enhance key suppliers' engagement in ESG evaluation and due diligence.

2023 KPIs	Results
Sustainable Transactions	
Evaluate the sustainability impacts of 100% of centrally led marketing events.	In 2023, we evaluated the sustainability impact of the 66 Brand campaign and identified opportunities to reduce our environmental footprint in decorative materials and guests' transportation.
Incorporate sustainability provisions in fitout manuals for all Hong Kong projects.	Sustainability provisions have been incorporated into the latest version of Hong Kong fit-out guide.
50% of total debts and available facilities from sustainable finance by the end of 2023.	55% of total debts and available facilities from sustainable finance by the end of 2023.
Improve the ESG due diligence guidelines for potential asset acquisitions in Hong Kong.	Incorporated ESG due diligence considerations into the process for evaluating potential asset acquisitions in Hong Kong.

For 2024

2025 Targets	2024 KPIs
Climate Resilience	
40% cumulative reduction in GHG intensity (kg CO_2e/m^2) relative to 2018	Meet or exceed 35% cumulative reduction in GHG intensity (kg CO_2e/m^2) relative to 2018
18% cumulative reduction in electricity intensity (kWh/m^2) relative to 2018	Meet or exceed 16% cumulative reduction in electricity intensity (kWh/m^2) relative to 2018
25% of our mainland China portfolio electricity demand met by renewable energy	22% of our mainland China portfolio's electricity demand from renewable energy
Wherever feasible exceed local regulations for the provision of parking spaces installed with EV charging facilities across our portfolio	Further develop our EV charging plan across 100% of our portfolio
Demonstrate best efforts to achieve at least 10% reduction in embodied carbon intensity (kg CO_2e/m^2) for new development project that begin in 2022 or later, compared to typical practice in an equivalent building	All development projects (including renovation projects) to demonstrate best efforts to reduce embodied carbon intensity ((kg CO_2e/m^2) by at least 10% through materials substitution or design improvements
15% reduction in GHG intensity (kg CO_2e/m^2) from tenants' electricity consumption for our properties in mainland China, relative to 2018	Implement energy management platform and start benchmarking tenants' electricity consumption
Complete technical analysis for climate adaptation measures for all properties	Conduct a technical deep-dive analysis for climate adaptation for one property in mainland China or Hong Kong, and implement adaptation measures in at least two properties in mainland China or Hong Kong
Resource Management	
60% of construction waste diverted from landfill for new projects starting in 2022 with maximized recycling	Complete one construction waste audit in one of the Mainland development projects
Demonstrate best efforts to maximize the use of recycled, reused and bio-based materials on all new projects	Improve construction and renovation waste source sorting, recycling and circularity and identify at least one pilot waste stream for upcycling
10% reduction in water intensity (m^3/m^2/year) relative to 2018	Apply water saving measures in at least two Hong Kong properties Have water recycling systems in use in at least six Mainland properties by the end of 2024
70% of operational waste diverted from landfill	Improve recycling rate for Hong Kong properties by engaging tenants and customers through at least two reduce and recycle initiatives in operations in Hong Kong Explore at least two innovative solutions to improve waste data reporting and circularity Improve source separation for Mainland properties by engaging tenants through at least one reduce and recycle initiative in Mainland operations

2025 Targets	2024 KPIs
Wellbeing	
Achieve an employee engagement rating greater than or equal to the 75th percentile	Coordinate a process for each department to develop and implement at least three employee engagement measures that reflect feedback from employees in our engagement survey
Maintain Female-to-Male pay ratio of 1:1	Design and implement at least three initiatives related to culture, age, gender and/or people with disabilities to enable a more diverse and open workplace
Conduct an audit of all our properties and corporate practices on how to enhance wellbeing and opportunities for persons with disabilities	Develop a toolkit to enhance accessibility and service performance of our properties for people with disabilities
Obtain local or international health and wellness certification for all our existing Mainland properties	Obtain WELL HSR rating for 15 Hong Kong buildings and maintain the WELL HSR rating for at least 10 mainland buildings
Obtain WELL Gold certificate or equivalent for at least one new property in Hong Kong and mainland China	Formulate a checklist for the design of healthy buildings in the Mainland with reference to the results of WELL, BREEAM and China Healthy Building certifications in Westlake 66
Deliver priority ESG training targeted to all departments and seniority levels	Develop and deliver at least 500 hours of targeted ESG training
Maintain a Lost Time Injury Rate of 1.5 or below for employees	Provide health and safety training to 100% of employees in mainland China and Hong Kong
Maintain zero work-related fatalities for employees and contractors	Provide health and safety training to 100% of main contractors in mainland China and Hong Kong, including through Safety Production Month in mainland China
Work with youth on wellbeing community initiatives at all properties by 2025	Pilot a social impact assessment in at least one community investment program
Sustainable Transactions	
Embrace technology to build a robust digital platform for assessing suppliers' ESG performance	Evaluate at least 80% of key suppliers' ESG performance
100% of marketing events evaluated for their sustainability impacts	Define evaluation criteria for local marketing events' sustainability impacts and evaluate the sustainability impacts of at least 50% of local marketing events in Mainland and Hong Kong
100% of leases incorporate sustainability provisions	Collaborate with at least eight tenants in Hong Kong and eight tenants in Mainland under Tenant Partnership Program
50% of total debts and available facilities from sustainable finance	Achieve 60% of total debts and available facilities from sustainable finance by end of 2024
100% of potential asset acquisitions include ESG due diligence	Work to enhance ESG due diligence in potential asset acquisition projects though ESG factor checklist in Hong Kong and project management manual in Mainland

Appendix 4 – List of Sustainable Building Certificate

Hong Kong Portfolio

Existing Buildings

Property	Scope	Type of Certification	Rating
Standard Chartered Bank Building	Entire Property	BEAM Plus v1.2 Existing Building	Platinum
		WELL Health-Safety Rating	-
Peak Galleria	Entire Property	BEAM Plus v1.1 Existing Building	Gold
Baskerville House	Entire Property	BEAM Plus v2.0 Existing Building (Selective scheme)	Energy Excellent
Grand Plaza	Shopping Mall	BEAM Plus v2.0 Existing Building (Selective scheme)	Energy Excellent
	Office Tower 2	BEAM Plus v2.0 Existing Building (Selective scheme)	Energy Excellent
23-39 Blue Pool Road	Entire Property	LEED BD+C: Homes v3 2008	Gold
228 Electric Road	Office Tower	LEED BD+C: Core and Shell v4	Platinum (Pre-certification)
		WELL Core v2	Gold (Pre-certification)
		BEAM Plus NB v1.2	Platinum (Pre-certification)
		China Green Building Design Label	3-star

Projects under Development (Pre-certification)

Property	Scope	Type of Certification	Rating
The Aperture	Residential Tower	BEAM Plus NB v1.2	Gold

Mainland Portfolio

Existing Buildings

Property	Scope	Type of Certification	Rating
Plaza 66, Shanghai	Entire Portfolio (Shopping Mall, Office Tower 1, Office Tower 2)	LEED O+M V4	Platinum
		WELL V2 Core	Platinum
		WELL Health-Safety Rating	-
Grand Gateway 66, Shanghai	Shopping Mall, Office Tower 1	LEED O+M V4	Platinum
	Office Tower 1	LEED BD+C: Core and Shell v3 2009	Gold
	Shopping Mall, Office Tower 1	WELL Health-Safety Rating	-
Palace 66, Shenyang	Entire Property	LEED BD+C: Core and Shell v2	Gold
		WELL Health-Safety Rating	-
Forum 66, Shenyang	Shopping Mall	LEED BD+C: Core and Shell v2	Gold
	Office Tower 1	LEED BD+C: Core and Shell v2	Gold
	Entire Portfolio	WELL Health-Safety Rating	-
Parc 66, Jinan	Entire Property	LEED BD+C: Core and Shell v2	Gold
		WELL Health-Safety Rating	-
Center 66 (Phase 1), Wuxi	Shopping Mall	LEED BD+C: Core and Shell v2	Gold
	Office Tower 1	LEED BD+C: Core and Shell v2	Gold
	Office Tower 2	LEED BD+C: Core and Shell v3	Gold
	Entire Portfolio	WELL Health-Safety Rating	-
Riverside 66, Tianjin	Entire Property	LEED BD+C: Core and Shell v2	Gold
	Entire Portfolio	WELL Health-Safety Rating	-
Olympia 66, Dalian	Entire Property	LEED BD+C: Core and Shell v3 2009	Gold
	Entire Portfolio	WELL Health-Safety Rating	-
Spring City 66, Kunming	Shopping Mall	LEED BD+C: Core and Shell v3 2009	Gold
	Office Tower 1	LEED BD+C: Core and Shell v3 2009	Gold
	Entire Portfolio	WELL Health-Safety Rating	-
Heartland 66, Wuhan	Shopping Mall	LEED BD+C: Core and Shell v3 2009	Gold
	Office Tower 1	LEED BD+C: Core and Shell v3 2009	Gold
	Entire Portfolio	WELL Health-Safety Rating	-

Projects under Development (Pre-certification)

Property	Scope	Type of Certification	Rating
Center 66 (Phase 2), Wuxi	Serviced Apartment Tower 1	LEED BD+C: Core and Shell v4	Gold
	Serviced Apartment Tower 2	LEED BD+C: Core and Shell v4	Gold
	Hotel	LEED BD+C: Core and Shell v4	Gold
	Entire Portfolio	China Green Building Design Label	2-star
Spring City 66 (Phase 2), Kunming	Serviced Apartment	LEED BD+C: Core and Shell v3 2009	Gold
Heartland 66, Wuhan	Serviced Apartment 1	LEED BD+C: Core and Shell v3 2009	Gold
	Serviced Apartment 2	LEED BD+C: Core and Shell v3 2009	Gold
	Serviced Apartment 3	LEED BD+C: Core and Shell v3 2009	Gold
Westlake 66, Hangzhou	Shopping Mall	LEED BD+C: Core and Shell v4	Gold
	Office Tower 1	LEED BD+C: Core and Shell v4	Platinum
	Office Tower 2	LEED BD+C: Core and Shell v4	Platinum
	Office Tower 3	LEED BD+C: Core and Shell v4	Gold
	Office Tower 4	LEED BD+C: Core and Shell v4	Gold
	Office Tower 5	LEED BD+C: Core and Shell v4	Gold
	Office Tower 6	LEED BD+C: Core and Shell v4	Gold
	Entire Portfolio	China Green Building Design Label	3-star

Appendix 5 – Performance Tables

List of Major Properties Covered in the Environmental KPIs

Hong Kong			
Amoy Plaza	Gala Place	Hang Tung Building	Printing House
AquaMarine	Grand Centre	Hollywood Plaza	Standard Chartered Bank Building
Baskerville House	Grand Plaza (Tower 1)	Kornhill Apartments	Tai Hing Garden
Burnside Villa	Grand Plaza (Tower 2)	Kornhill Plaza	The Long Beach
1 Duddell Street	Hanford Commercial Centre	Kornhill Recreation Club	The Summit
Fashion Walk	Hang Lung Centre	Peak Galleria	9 Wing Hong Street

Mainland China			
Center 66 (Mall, Office Tower 1 and Office Tower 2), Wuxi	Heartland 66 (Mall and Office Tower 1), Wuhan	Plaza 66 (Mall, Office Tower 1 and Office Tower 2), Shanghai	Spring City 66 (Mall and Office Tower 1), Kunming
Forum 66 (Mall and Office Tower of Phase 1), Shenyang	Parc 66, Jinan	Olympia 66, Dalian	
Grand Gateway 66 (Mall, Office Tower 1 and Office Tower 2), Shanghai	Palace 66, Shenyang	Riverside 66, Tianjin	

Scope 3 Emissions Data Reporting Methodology

Scope 3 reporting is based on estimated emissions reflecting the methodologies, boundaries and sources outlined in the table below.

No.	Scope 3 Category	Applicability	Methodology / Exclusion Statement	Calculation Method	Emission Factor Data Source
1a.	Purchased goods and services (product)	Yes	This category includes all upstream emissions from the production of construction materials purchased or acquired by Hang Lung Properties (embodied carbon from development projects). The calculation follows Life Cycle Assessment (LCA) modelling analysis.	Material emission = Purchased amount × Emission factor of purchased material	• Ecoinvent 3.10; • GBT 51366-2019 建筑碳排放计算标准 GB/T 51366-2019 Standard for Building Carbon Emission Calculation; • 中国产品全生命周期温室气体排放系数集（2022）China Products Carbon Footprint Factors Database (2022); • ICE (circular ecology, 2019)
1b.	Purchased goods and Services (non-product)	Yes	The emissions include extraction, production and transportation of goods and services purchased or acquired by Hang Lung Properties that are not directly related to products (excluding embodied carbon).	Financial spend × USEEIO Emission factor	US Environmentally-Extended Input-Output (USEEIO) Models
2	Capital goods	Yes	The emissions are mainly from capital goods expenditure including extraction, production and transportation of goods of high value purchased or acquired by Hang Lung Properties.	Financial spend × USEEIO Emission factor	US Environmentally-Extended Input-Output (USEEIO) Models
3	Fuel and energy related activities	Yes	The category includes extraction, production and transportation of fuels and energy purchased or acquired by Hang Lung Properties, not already accounted for in Scope 1 or Scope 2 reporting.	Fuel/Energy consumption × Upstream emission factor	• UK Government GHG Conversion Factors for Company Reporting (DEFRA, 2023) • International Energy Agency (IEA) Emissions Factors (2023)

No.	Scope 3 Category	Applicability	Methodology / Exclusion Statement	Calculation Method	Emission Factor Data Source
4	Upstream transportation & distribution	Yes	The category includes the transportation and distribution emissions related to building products and materials.	Weight of purchased material × transport distance × Emission factor of the transportation type	• GBT 51366-2019 建筑碳排放计算标准 GB/T 51366-2019 Standard for Building Carbon Emission Calculation • UK Government GHG Conversion Factors for Company Reporting (DEFRA, 2023)
5	Waste generated in operations	Yes	The category includes emissions from the disposal and treatment of waste generated from operations and construction of projects.	Waste amount × Emission factor by waste type and waste treatment method	• UK Government GHG Conversion Factors for Company Reporting (DEFRA, 2023)
6	Business travel	Yes	The category includes business air travel related emissions (calculated based on travel distance), and non-air travel emissions including taxis, cars and accommodation (calculated based on financial spend).	1. Air travel: Travel distance × Full lifecycle emission factor 2. Other travel: Financial spend × USEEIO Emission factor	• UK Government GHG Conversion Factors for Company Reporting (DEFRA, 2023) • US Environmentally-Extended Input-Output (USEEIO) Models
7	Employee commuting	Yes	Emissions from transportation of all employees between their homes and their worksites and from teleworking (i.e., working from home) were included in this category. An online survey was carried out with all staff to collect accurate data.	1. Commuting: Number of total employees × % of employee using mode of transport × Commuting days × commuting distance × emission factor of transportation mode 2. WFH: Number of total employees × WFH days × WFH emission factor	• Commuting emission factors were from UK Government GHG Conversion Factors for Company Reporting (DEFRA, 2023). • WFH emission factors were estimated based on factors from UK Government GHG Conversion Factors for Company Reporting (DEFRA, 2023) and International Energy Agency (IEA) Emissions Factors (2023), with fuel and energy use assumption.

No.	Scope 3 Category	Applicability	Methodology / Exclusion Statement	Calculation Method	Emission Factor Data Source
8	Upstream leased assets	Yes	Emissions related to operation of assets leased by the Group.	Electricity consumption × Lifecycle Emission factor	• National Grid Emission Factors from the Ministry of Ecology and Environment of the People's Republic of China • UK Government GHG Conversion Factors for Company Reporting (DEFRA, 2023) • International Energy Agency (IEA) Emissions Factors (2023)
9	Downstream transportation & distribution	No	Category excluded. Hang Lung Properties' business mode does not involve the distribution of raw materials or finished products to end customers.		
10	Processing of sold products	No	Category excluded. There is no further processing of sold products by Hang Lung Properties. Refurbishment activities by third party owners of any sold products are excluded.		
11	Use of sold products	Yes	This category includes the lifetime emissions from the use of sold products in the reporting year. There were no products sold to customers by Hang Lung Properties in 2023.		
12	End-of-life treatment of sold products	Yes	This category includes the emissions from waste disposal and treatment of products sold by Hang Lung Properties at the end of their life in the reporting year. There were no products sold to customers by Hang Lung Properties in 2023.		

No.	Scope 3 Category	Applicability	Methodology / Exclusion Statement	Calculation Method	Emission Factor Data Source
13	Downstream leased assets	Yes	Operation of assets owned by Hang Lung Properties and leased to other entities. This category of data includes electricity and energy usage from our tenants' operations. When there is no actual data received from tenants, emissions are calculated based on the total leased area of tenant space by a local appropriate energy use benchmark.	Electricity consumption × Lifecycle Emission factor	• For mainland China, the National Grid Emission Factors from the Ministry of Ecology and Environment of the People's Republic of China and Shanghai Municipal Bureau of Ecology and Environment were adopted. • For Hong Kong, local utility companies' emissions factors and government's specific energy use benchmarks were adopted as proxy estimations. • Upstream emission factors were from UK Government GHG Conversion Factors for Company Reporting (DEFRA, 2023) and International Energy Agency (IEA) Emissions Factors (2023).
14	Franchises	No	Not applicable to Hang Lung Properties' operations		
15	Investments	Yes	This category includes operation of investments (including equity and debt investment and project finance) by Hang Lung Properties in the reporting year.	Revenue of investee appointed to Hang Lung × USEEIO Emission factor	The US Environmentally-Extended Input-Output (USEEIO) Models

Economic

***HK**: Hong Kong, **MC**: Mainland China*

Indicator	Unit	HK			MC			Total		
		2021	2022	**2023**	2021	2022	**2023**	**2021**	**2022**	**2023**
Economic value generated										
Revenue (including property sales revenue)	HK$ million	3,382	3,595	**3,349**	6,939	6,752	**6,967**	**10,321**	**10,347**	**10,316**
Interest Income		N/A	N/A	**N/A**	N/A	N/A	**N/A**	**73**	**63**	**71**
Economic value distributed										
Operating costs [1]	HK$ million	N/A	N/A	**N/A**	N/A	N/A	**N/A**	**2,040**	**2,134**	**2,043**
Employee wages and benefits		N/A	N/A	**N/A**	N/A	N/A	**N/A**	**1,793**	**1,855**	**1,856**
Total borrowing costs		N/A	N/A	**N/A**	N/A	N/A	**N/A**	**1,487**	**1,512**	**1,959**
Dividends paid		N/A	N/A	**N/A**	N/A	N/A	**N/A**	**3,463**	**3,509**	**3,509**
Dividends paid to non-controlling interests		N/A	N/A	**N/A**	N/A	N/A	**N/A**	**465**	**510**	**514**
Income taxes to government		305	349	**293**	1,041	986	**1,026**	**1,346**	**1,335**	**1,319**
Community investments		N/A	N/A	**N/A**	N/A	N/A	**N/A**	**17**	**62**	**12**
Number of cities of operation	Number	1	1	**1**	9	9	**9**	**10**	**10**	**10**
Economic value retained or invested										
Economic value retained or invested	HK$ million	N/A	N/A	**N/A**	N/A	N/A	**N/A**	**-217**	**-507**	**-825**

Notes:
(1) Operating costs exclude: (1) employee wages and benefits; and (2) community investments.

Environmental

HK: *Hong Kong* ***MC:*** *mainland China*

Indicator	Unit	HK			MC			Total		
		2021	2022	**2023**	2021	2022	**2023**	**2021**	**2022**	**2023**
Greenhouse Gas (GHG) Emissions (1), (2), (3), (4), (5), (6), (7), (8)										
Total GHG Emissions (Scope 1 & 2)										
Total emissions (Scope 1 and 2) - location-based (9)	Tonnes CO_2e	40,235	38,636	**38,765**	136,388	149,358	**151,266**	**176,623**	**187,994**	**190,031**
Carbon emission intensity (Scope 1 and 2) - location-based	kg CO_2e/m^2/year	55.6	53.4	**53.7**	43.8	41.2	**41.7**	**46.0**	**43.2**	**43.7**
Total emissions (Scope 1 and 2) - market based (10)	Tonnes CO_2e	40,235	38,636	**38,765**	136,388	134,127	**125,600**	**176,623**	**172,763**	**164,365**
Carbon emission intensity (Scope 1 and 2) - market-based	kg CO_2e/m^2/year	55.6	53.4	**53.7**	43.8	37.0	**34.6**	**46.0**	**39.7**	**37.8**
GHG Emissions (Scope 1 & 2) - building operations only										
Total emissions (Scope 1 and 2) - location-based (9)	Tonnes CO_2e	40,189	38,585	**38,704**	136,279	149,259	**151,126**	**176,468**	**187,844**	**189,830**
Carbon emission intensity (Scope 1 and 2) - location-based	Tonnes CO_2e/m^2/year	0.0556	0.0534	**0.0536**	0.0438	0.0412	**0.0417**	**0.0460**	**0.0432**	**0.0437**
Total emissions (Scope 1 and 2) - market based (10)	Tonnes CO_2e	40,189	38,585	**38,704**	136,279	134,028	**125,460**	**176,469**	**172,614**	**164,164**
Carbon emission intensity (Scope 1 and 2) - market-based	Tonnes CO_2e/m^2/year	0.0556	0.0534	**0.0536**	0.0438	0.0370	**0.0346**	**0.0460**	**0.0397**	**0.0377**
GHG Emissions - by scope and type										
Gross Direct emission (Scope 1)	Tonnes CO_2e	255	51.2	**575**	2,381	3,890	**3,459**	**2,636**	**3,942**	**4,034**
Building operation	Tonnes CO_2e	209	0.6	**514**	2,272	3,791	**3,319**	**2,481**	**3,792**	**3,833**
Company vehicles and vessels (11)	Tonnes CO_2e	46	50.6	**61**	109	99	**140**	**155**	**150**	**201**
Gross Indirect emission (Scope 2) - location-based (9)	Tonnes CO_2e	39,980	38,585	**38,190**	134,008	145,468	**147,807**	**173,988**	**184,053**	**185,997**

Indicator	Unit	HK			MC			Total		
		2021	2022	**2023**	2021	2022	**2023**	**2021**	**2022**	**2023**
Building operation	Tonnes CO_2e	39,980	38,585	**38,190**	134,008	145,468	**147,807**	**173,988**	**184,053**	**185,997**
Gross Indirect emission (Scope 2) - market-based [10]	Tonnes CO_2e	39,980	38,585	**38,190**	134,008	130,237	**122,141**	**173,988**	**168,822**	**160,331**
Building operation	Tonnes CO_2e	39,980	38,585	**38,190**	134,008	130,237	**122,141**	**173,988**	**168,822**	**160,331**
Gross Indirect emission (Scope 3)	Tonnes CO_2e	98,362	107,112	**93,651**	362,647	336,260	**716,928**	**461,009**	**443,372**	**810,580**
Purchased goods & services (Cat 1)	Tonnes CO_2e	29,391	31,844	**21,748**	242,633	219,950	**558,443**	**272,024**	**251,794**	**580,191**
1a. Product	Tonnes CO_2e	16,567	18,615	**5,783**	216,010	196,852	**528,264**	**232,577**	**215,467**	**534,047**
1b. Non-product	Tonnes CO_2e	12,824	13,229	**15,965**	26,623	23,098	**30,179**	**39,447**	**36,327**	**46,144**
Capital goods (Cat 2)	Tonnes CO_2e	1,392	1,096	**1,293**	489	1,254	**4,323**	**1,881**	**2,350**	**5,616**
Fuel and energy related activities (Cat 3)	Tonnes CO_2e	1,536	1,409	**10,937**	14,393	15,118	**30,473**	**15,929**	**16,527**	**41,410**
Upstream transportation and distribution (Cat 4) [12]	Tonnes CO_2e	N/A	N/A	**1,178**	N/A	N/A	**9,932**	**N/A**	**N/A**	**11,110**
Waste generated in operations (Cat 5)	Tonnes CO_2e	11,436	13,340	**7,311**	14,593	12,921	**6,076**	**26,029**	**26,261**	**13,387**
Business travel (Cat 6)	Tonnes CO_2e	51	218	**937**	208	224	**942**	**259**	**442**	**1,879**
Employee commuting (Cat 7)	Tonnes CO_2e	512	455	**472**	1,129	1,061	**1,123**	**1,641**	**1,516**	**1,595**
Upstream leased assets (Cat 8)	Tonnes CO_2e	N/A	N/A	**0**	N/A	N/A	**172**	**N/A**	**N/A**	**172**
Use of sold products (Cat 11)	Tonnes CO_2e	0	0	**0**	0	0	**0**	**0**	**0**	**0**
End-of-life treatment of sold products (Cat 12)	Tonnes CO_2e	0	62	**0**	0	0	**0**	**0**	**62**	**0**
Downstream leased assets (Cat 13)	Tonnes CO_2e	41,058	43,293	**49,657**	89,202	85,732	**105,444**	**130,260**	**129,025**	**155,101**

Indicator	Unit	HK			MC			Total		
		2021	2022	2023	2021	2022	2023	2021	2022	2023
Investments (Cat 15) [13]	Tonnes CO_2e	12,986	15,395	**118**	0	0	**0**	12,986	15,395	118
Energy Consumed and Generated [14]										
Total Energy										
Total energy consumed	GJ	255,662	247,196	**252,030**	961,621	1,085,671	**1,087,339**	1,217,283	1,332,867	1,339,369
Total energy intensity [8]	MJ/m²/year	354	342	**349**	309	299	**300**	317	306	308
Direct Energy Consumed by type										
Gas and Liquid Fuels										
Total natural gas	GJ	0	0	**0**	2,248	45,386	**32,743**	2,248	45,386	32,743
Total liquid fuels	GJ	602	659	**802**	1,615	1,493	**2,139**	2,217	2,152	2,941
Petrol (for vehicles)	GJ	369	398	**474**	1,339	1,218	**1,726**	1,708	1,616	2,200
Diesel (for vehicles and vessels)	GJ	224	253	**311**	0	0	**0**	224	253	311
Diesel (for emergency generators)	GJ	9	8	**17**	276	275	**413**	285	283	430
Indirect Energy Consumed by type										
Electricity										
Total electricity consumed [15]	GJ	255,060	246,537	**251,228**	760,880	832,667	**862,078**	1,015,940	1,079,204	1,113,306
Total electricity consumed	MWh	70,850	68,483	**69,786**	211,356	231,296	**239,466**	282,206	299,779	309,252
Electricity purchased from non-renewable source	MWh	70,850	68,483	**69,786**	210,736	203,931	**193,826**	281,586	272,414	263,612
Electricity purchased from renewable source	MWh	0	0	**0**	0	26,707	**45,005**	0	26,707	45,005
Electricity self-generated (solar PV) and consumed	MWh	N/A	N/A	**N/A**	619	659	**635**	619	659	635
Electricity self-generated (solar PV) and exported (for Feed-in Tariff)	MWh	N/A	18	**18**	N/A	N/A	**N/A**	N/A	18	18

Indicator	Unit	HK			MC			Total		
		2021	2022	2023	2021	2022	2023	2021	2022	2023
Electricity intensity of buildings in use [8]	kWh/m²/year	98.11	94.83	**96.63**	67.67	63.60	**65.86**	**73.40**	**68.78**	**70.97**
District Heating										
Hot water	GJ	N/A	N/A	**N/A**	164,826	175,483	**157,883**	**164,826**	**175,483**	**157,883**
Steam	GJ	N/A	N/A	**N/A**	32,052	30,642	**32,495**	**32,052**	**30,642**	**32,495**
Water Consumed										
Total Water Consumed										
Total municipal water [16]	000 m³	484	469	**502**	1,433	1,641	**1,839**	**1,917**	**2,110**	**2,341**
Water intensity [8]	m³/m²/year	0.67	0.65	**0.69**	0.46	0.45	**0.51**	**0.50**	**0.49**	**0.54**
Water recycled [17]	m³	N/A	N/A	**N/A**	N/A	46,986	**58,665**	**N/A**	**46,986**	**58,665**
Waste Disposal and Recycling										
Total Non-Hazardous Waste										
Total waste collected	tonnes	19,104	22,053	**20,413**	32,763	29,955	**38,275**	**51,867**	**52,008**	**58,688**
Total waste diverted from landfill [18]	tonnes	465	331	**385**	7,053	28,894	**38,275**	**7,518**	**29,225**	**38,661**
Diversion rate (from landfill)	%	2%	2%	**2%**	22%	96%	**100%**	**14%**	**56%**	**66%**
Waste intensity [8]	kg/m²/year	26.5	30.5	**28.3**	10.5	8.3	**10.6**	**13.5**	**12.0**	**13.5**
Total Hazardous Waste										
Total waste collected [19]	tonnes	1.96	0.58	**3.35**	0.47	0.53	**0.79**	**2.43**	**1.11**	**4.14**
Hazardous waste intensity [8]	kg/m²/year	0.0027	0.0008	**0.0046**	0.0002	0.0001	**0.0002**	**0.0006**	**0.0003**	**0.0010**
Waste Disposed or Diverted - by type										
Municipal solid waste - Disposed	tonnes	18,639	21,722	**20,029**	25,710	21,886	**26,738**	**44,349**	**43,608**	**46,767**
Hazardous waste - Disposed [20]	tonnes	1.96	0.58	**3.35**	0.47	0.53	**0.79**	**2.43**	**1.11**	**4.14**
Recycled waste										
Food waste	kg	321,494	213,053	**258,419**	6,822,895	7,939,128	**11,208,469**	**7,144,389**	**8,152,181**	**11,466,888**
Paper	kg	125,171	103,148	**110,810**	107,265	76,598	**234,629**	**232,436**	**179,746**	**345,439**
Metal	kg	2,926	2,865	**843**	63,859	19,669	**49,293**	**66,785**	**22,534**	**50,136**
Plastics	kg	1,053	1,247	**1,482**	23,338	16,613	**25,332**	**24,391**	**17,860**	**26,814**

Indicator	Unit	HK			MC			Total		
		2021	2022	2023	2021	2022	2023	2021	2022	2023
Glass	kg	13,816	10,900	**12,241**	35,953	12,182	**19,986**	**49,769**	**23,082**	**32,227**
Textiles / Clothing	kg	N/A	123	**1,548**	N/A	5,000	**156**	**N/A**	**5,123**	**1,704**
WEEE	pieces	N/A	88	**66**	N/A	0	**474**	**N/A**	**88**	**540**
Floor Area										
Gross Floor Area	m^2	554,896	554,896	**554,896**	2,034,027	2,362,639	**2,362,639**	**2,588,923**	**2,917,535**	**2,917,535**
Construction Floor Area	m^2	722,185	722,185	**722,185**	3,114,114	3,626,621	**3,626,621**	**3,836,299**	**4,348,806**	**4,348,806**

Notes:

(1) The coverage of energy, greenhouse gas emissions, water and waste data in 2021 includes 24 properties in Hong Kong and nine properties in mainland China (Plaza 66, Grand Gateway 66, Palace 66, Parc 66 and Forum 66 (Mall and Office Tower of Phase 1), Center 66 (Mall, Office Tower 1 and Office Tower 2), Riverside 66, Olympia 66 and Spring City 66 (Mall and Office Tower 1). Heartland 66 is excluded as it opened in mid-2021.

(2) The coverage of energy, greenhouse gas emissions, water and waste data in 2022 and 2023 includes 24 properties in Hong Kong and ten properties in mainland China (Plaza 66, Grand Gateway 66, Palace 66, Parc 66 and Forum 66 (Mall and Office Tower of Phase 1), Center 66 (Mall, Office Tower 1 and Office Tower 2), Riverside 66, Olympia 66, Spring City 66 (Mall and Office Tower 1), and Heartland 66. 228 Electric Road is excluded as it opened in July 2023. For scope 3 emissions, the data boundary also covers projects under development in Hong Kong and mainland China, including 228 Electric Road Redevelopment, The Aperture, Westlake 66, Grand Hyatt and Grand Hyatt Residence Kunming, Curio Collection by Hilton, Wuxi, Heartland Residence, Center Residence, Forum 66 and renovation project in Parc 66.

(3) The emission from NOx, SOx and other pollutants are considered not significant to our operations. In 2023, the total emissions of NOx, SOx and PM from vehicles were estimated to be 7.3kg, 0.21kg, and 0.54kg respectively.

(4) We did not have any biogenic CO2 emissions during the reporting year.

(5) Our GHG emissions and intensity figures for 2021 have been restated as we updated the emissions factors for purchased electricity in mainland China in accordance with HKEX's recommendations.

(6) Calculation standards and methodologies for carbon emissions:
a) Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 edition) published by the Environmental Protection Department (EPD) and the Electrical and Mechanical Services Department (EMSD) of the Hong Kong Government.
b) Emission intensity published by CLP Power Hong Kong Limited in Sustainability Report 2023 and Hongkong Electric in Sustainability Report 2022
c) 2006 IPCC Guidelines for Nationals Greenhouse Gas Inventories, Chapter 2: Stationary Combustion (Commercial Institutional)
d) Emission factors issued by the Ministry of Ecology and Environment and local Regulations issued by local Municipality of Environmental Protection

(7) Carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O) and hydrofluorocarbons (HFCs) are included in greenhouse gas (GHG) calculations. Perfluorocarbons (PFCs), sulphur hexafluoride (SF6) and nitrogen trifluoride (NF3) are not applicable.

(8) The GHG emission, energy, water and waste intensity figures in this table are calculated per unit construction floor area.

(9) Location-based method is a method to quantify scope 2 GHG emissions based on average energy generation emission factors for defined geographic locations, including local, subnational, or national boundaries.

(10) Market-based method is a method to quantify the scope 2 GHG emissions of a reporter based on GHG emissions emitted by the generators from which the reporter contractually purchases electricity bundled with contractual instruments, or contractual instruments on their own.

(11) This only covers vehicles and vessels that are entirely owned and operated by the Group, excluding any vehicles and vessels operated by our service providers.

(12) Between 2021 and 2022, Scope 3 Category 4 emissions were included in Category 1a - purchased goods and services (product). We reported the emissions separately from Category 1a in 2023.

(13) Between 2021 and 2022, the Scope 3 Category 15 investments emissions include operation of investments (including equity and debt investment and project finance) by both Hang Lung Properties and Hang Lung Group in the reporting year. In 2023, we improved the accounting method and reported emissions only include investment emissions from Hang Lung Properties in the reporting year.

(14) The conversion factors from volumetric units of petrol, diesel and natural gas consumption to energy units are referenced from Technical Note: Conversion of fuel data to MWh published by CDP in 2020.

(15) Total electricity consumed is adjusted for 2021 to include the renewable electricity self-generated and consumed on site.

(16) This only covers total municipal potable water.

(17) This includes grey water, condensation water, fire service water, cooling tower bleed off water, etc.

(18) We started to collect data of our municipal waste sent to incineration in 2022, following the urban domestic waste classification and treatment facilities plan jointly issued by the National Development and Reform Commission and the Ministry of Housing and UrbanRural Development of PRC in 2021.

(19) We started to collect the amount of medical waste in 2023.

(20) Currently, all non-hazardous waste of our Hong Kong portfolio is disposed of offsite at public landfills, while the hazardous waste is diverted from landfill. In mainland China, our non-hazardous waste is disposed of offsite at incineration facilities, while the hazardous waste is disposed of in compliance with government requirements. The reported quantity of recyclables only reflects those being disposed of directly at our designated collection points. Data on recyclables that have been handled through informal channels, e.g., collected by individual recyclers, cannot be captured. The Group's operations did not involve significant generation of hazardous waste.

Social

HK: Hong Kong *MC: mainland China*

		HK			MC			Total		
Indicator	**Unit**	2021	2022	**2023**	2021	2022	**2023**	**2021**	**2022**	**2023**
Profile of workforce [1]										
Total workforce (employees and supervised workers)	Number	1,104	1,116	**1,017**	3,236	3,229	**3,287**	**4,340**	**4,345**	**4,304**
Supervised workers [2], [3]		44	70	**49**	26	26	**42**	**70**	**96**	**91**
Employees by gender										
Male	Number (%)	609 (57.5%)	592 (56.6%)	**541 (55.9%)**	1,973 (61.5%)	1,913 (59.7%)	**1,923 (59.3%)**	**2,582 (60.5%)**	**2,505 (59.0%)**	**2,464 (58.5%)**
Female		451 (42.5%)	454 (43.4%)	**427 (44.1%)**	1,237 (38.5%)	1,290 (40.3%)	**1,322 (40.7%)**	**1,688 (39.5%)**	**1,744 (41.0%)**	**1,749 (41.5%)**
Employees by age group										
Under 30	Number (%)	97 (9.2%)	97 (9.3%)	**74 (7.4%)**	456 (14.2%)	429 (13.4%)	**393 (12.1%)**	**553 (13.0%)**	**526 (12.4%)**	**467 (11.1%)**
30 – 50		569 (53.7%)	555 (53.1%)	**527 (54.4%)**	2,498 (77.8%)	2,498 (78.0%)	**2,519 (77.6%)**	**3,067 (71.8%)**	**3,053 (71.9%)**	**3,046 (72.3%)**
Over 50		394 (37.2%)	394 (37.7%)	**367 (37.9%)**	256 (8.0%)	276 (8.6%)	**333 (10.3%)**	**650 (15.2%)**	**670 (15.8%)**	**700 (16.6%)**
Employees by employment contract										
Permanent Full Time	Number	1,043	1,021	**955**	3,210	3,203	**3,245**	**4,253**	**4,224**	**4,200**
Male		599	581	**534**	1,973	1,913	**1,923**	**2,572**	**2,494**	**2,457**
Female		444	440	**421**	1,237	1,290	**1,322**	**1,681**	**1,730**	**1,743**
Permanent Part time		4	5	**4**	0	0	**0**	**4**	**5**	**4**
Male		0	0	**0**	0	0	**0**	**0**	**0**	**0**
Female		4	5	**4**	0	0	**0**	**4**	**5**	**4**
Contract / Temporary		17	20	**9**	0	0	**0**	**17**	**20**	**9**
Male		10	11	**7**	0	0	**0**	**10**	**11**	**7**
Female		7	9	**2**	0	0	**0**	**7**	**9**	**2**
Employees by employee category										
Executive staff	Number (%)	157 (14.8%)	166 (15.9%)	**166 (17.1%)**	153 (4.8%)	176 (5.5%)	**192 (5.9%)**	**310 (7.3%)**	**342 (8.0%)**	**358 (8.5%)**
Administrative staff		400 (37.7%)	412 (39.4%)	**386 (39.9%)**	1,350 (42.1%)	1,408 (44.0%)	**1,452 (44.7%)**	**1,750 (41.0%)**	**1,820 (42.8%)**	**1,838 (43.6%)**
Operational staff		503 (47.5%)	468 (44.7%)	**416 (43.0%)**	1,707 (53.2%)	1,619 (50.5%)	**1,601 (49.3%)**	**2,210 (51.8%)**	**2,087 (49.1%)**	**2,017 (47.9%)**

		HK			MC			Total		
Indicator	**Unit**	2021	2022	**2023**	2021	2022	**2023**	**2021**	**2022**	**2023**
New hires										
Total number and rate of new hires	Number (%)	186 (17.5%)	208 (19.9%)	**144 (14.9%)**	592 (18.4%)	410 (12.8%)	**360 (11.1%)**	**778 (18.2%)**	**618 (14.5%)**	**504 (12.0%)**
By gender										
Male	Number (%)	90 (14.8%)	91 (15.4%)	**74 (13.7%)**	271 (13.7%)	195 (10.2%)	**181 (9.4%)**	**361 (14.0%)**	**286 (11.4%)**	**255 (10.3%)**
Female		96 (21.3%)	117 (25.8%)	**70 (16.4%)**	321 (25.9%)	215 (16.7%)	**179 (13.5%)**	**417 (24.7%)**	**332 (19.0%)**	**249 (12.4%)**
By age group										
Under 30	Number (%)	58 (59.8%)	52 (53.6%)	**31 (41.9%)**	220 (48.2%)	141 (32.9%)	**126 (32.1%)**	**278 (50.3%)**	**193 (36.7%)**	**157 (33.6%)**
30 – 50		98 (17.2%)	139 (25.0%)	**98 (18.6%)**	363 (14.5%)	260 (10.4%)	**224 (8.9%)**	**461 (15.0%)**	**399 (13.1%)**	**322 (10.6%)**
Over 50		30 (7.6%)	17 (4.3%)	**15 (4.3%)**	9 (3.5%)	9 (3.3%)	**10 (3.0%)**	**39 (6.0%)**	**26 (3.9%)**	**25 (3.6%)**
Turnover [4]										
Total number and rate of turnover	Number (%)	232 (21.9%)	250 (23.9%)	**237 (24.5%)**	784 (24.4%)	485 (15.1%)	**384 (11.8%)**	**1,016 (23.8%)**	**735 (17.3%)**	**621 (14.7%)**
By gender										
Male	Number (%)	128 (21.0%)	117 (19.8%)	**135 (25.0%)**	437 (22.1%)	284 (14.8%)	**204 (10.6%)**	**565 (21.9%)**	**401 (16.0%)**	**339 (13.8%)**
Female		104 (23.1%)	133 (29.3%)	**102 (23.9%)**	347 (28.1%)	201 (15.6%)	**180 (13.6%)**	**451 (26.7%)**	**334 (19.2%)**	**282 (16.1%)**
By age group										
Under 30	Number (%)	46 (47.4%)	33 (34.0%)	**37 (50.0%)**	194 (42.5%)	99 (23.1%)	**89 (22.6%)**	**240 (43.4%)**	**132 (25.1%)**	**126 (27.0%)**
30 – 50		119 (20.9%)	150 (27.0%)	**127 (24.1%)**	559 (22.4%)	337 (13.5%)	**248 (9.8%)**	**678 (22.1%)**	**487 (16.0%)**	**375 (12.3%)**
Over 50		67 (17.0%)	67 (17.0%)	**73 (19.9%)**	31 (12.1%)	49 (17.8%)	**47 (14.1%)**	**98 (15.1%)**	**116 (17.3%)**	**120 (17.1%)**
Diversity										
Gender ratio by employee category										
Executive staff	Number (%) of female	71 (45.2%)	76 (45.8%)	**75 (45.2%)**	48 (31.4%)	59 (33.5%)	**66 (34.4%)**	**119 (38.4%)**	**135 (39.5%)**	**141 (39.4%)**
Administrative staff		256 (64.0%)	265 (64.3%)	**245 (63.5%)**	785 (58.1%)	827 (58.7%)	**847 (58.3%)**	**1,041 (59.5%)**	**1,092 (60.0%)**	**1,092 (59.4%)**
Operational staff		124 (24.7%)	113 (24.1%)	**107 (25.7%)**	404 (23.7%)	404 (25.0%)	**409 (25.5%)**	**528 (23.9%)**	**517 (24.8%)**	**516 (25.6%)**
Gender ratio by job function										
STEM-related positions	% of female	N/A	35%	**38%**	N/A	11%	**16%**	**23%**	**20%**	**24%**

		HK			MC			Total		
Indicator	**Unit**	2021	2022	**2023**	2021	2022	**2023**	**2021**	**2022**	**2023**
Executive staff in revenue-generating functions (e.g., sales, leasing)	% of female	N/A	49%	**47%**	N/A	34%	**41%**	**56%**	**42%**	**44%**
Ratio of basic salary of women to men by employee category										
All staff [5]	Ratio	N/A	1:0.992	**1:1.015**	N/A	1:1.031	**1:1.009**	**N/A**	**1:0.978**	**1:0.977**
Executive staff		1:1.319	1:1.285	**1:1.238**	1:1.179	1:1.245	**1:1.229**	**N/A**	**1:1.214**	**1:1.182**
Administrative staff		1:1.174	1:1.173	**1:1.189**	1:1.201	1:1.18	**1:1.137**	**N/A**	**1:1.121**	**1:1.109**
Operational staff		1:1.152	1:1.152	**1:1.168**	1:1.031	1:1.04	**1:1.034**	**N/A**	**1:1.105**	**1:1.092**
Parental leave [6]										
Total number of employees entitled to parental leave	Number	1,060	1,046	**968**	3,210	3,203	**3,245**	**4,270**	**4,249**	**4,213**
Male	Number	609	592	**541**	1,973	1,913	**1,923**	**2,582**	**2,505**	**2,464**
Female		451	454	**427**	1,237	1,290	**1,322**	**1,688**	**1,744**	**1,749**
Total number of employees took parental leave	Number	21	11	**16**	109	89	**71**	**130**	**100**	**87**
Male	Number	8	5	**8**	41	33	**26**	**49**	**38**	**34**
Female		13	6	**8**	68	56	**45**	**81**	**62**	**53**
Return to work rate by gender										
Male	%	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**	**100%**
Female		100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**	**100%**
Employee training [7]										
Total hours of employee training	Hours	10,178	15,959	**16,430**	84,471	85,865	**110,274**	**94,649**	**101,824**	**126,704**
Average hours of employee training	Hours per employee	9.6	15.3	**17.0**	26.3	26.8	**34.0**	**22.2**	**24**	**30.1**
Average training hours by gender										
Male	Hours	9.7	15.2	**15.4**	26.5	26.6	**32.2**	**22.6**	**23.9**	**28.5**
Female	Hours	9.5	15.3	**19.0**	26.0	27.1	**36.6**	**21.6**	**24.1**	**32.3**
Average training hours by employee category										
Executive staff	Hours	13.8	27.9	**25.8**	40.5	36.3	**35.2**	**26.9**	**32.2**	**30.9**
Administrative staff	Hours	9.6	10.5	**18.0**	23.1	20.9	**28.5**	**20.0**	**18.5**	**26.3**
Operational staff	Hours	8.3	15.0	**12.5**	27.6	30.9	**38.8**	**23.2**	**27.3**	**33.4**

		HK			MC			Total		
Indicator	**Unit**	2021	2022	**2023**	2021	2022	**2023**	**2021**	**2022**	**2023**
Percentage of employee trained by gender (7), (8)										
Male	%	N/A	99.3%	**99.3%**	N/A	99.6%	**99.7%**	**N/A**	**99.5%**	**99.6%**
Female	%	N/A	99.8%	**99.5%**	N/A	99.8%	**99.7%**	**N/A**	**99.8%**	**99.7%**
Percentage of employee trained by employee category (7), (8)										
Executive staff	%	N/A	100.0%	**99.4%**	N/A	99.4%	**99.0%**	**N/A**	**99.7%**	**99.2%**
Administrative staff	%	N/A	99.5%	**100.0%**	N/A	99.9%	**99.8%**	**N/A**	**99.8%**	**99.8%**
Operational staff	%	N/A	99.4%	**98.8%**	N/A	99.4%	**99.7%**	**N/A**	**99.4%**	**99.5%**
Training by Topics										
Training hours by topics (9)										
Occupational health and safety	Hours	1,769	4,603	**3,825**	9,814	9,210	**15,599**	**11,583**	**13,813**	**19,424**
Data privacy and cyber security	Hours	N/A	1,461	**1,779**	N/A	2,854	**5,841**	**N/A**	**4,315**	**7,620**
Crisis management	Hours	N/A	1,193	**1,094**	N/A	3,864	**8,097**	**N/A**	**5,057**	**9,191**
Anti-corruption Training	Hours	1,225	1,613	**1,092**	3,474	3,391	**3,981**	**4,699**	**5,004**	**5,073**
Percentage of employee received anti-corruption training by employee category (7)										
Executive staff	%	100%	96%	**96%**	100%	99%	**99%**	**100%**	**98%**	**97%**
Administrative staff	%	100%	99%	**100%**	100%	99%	**99%**	**100%**	**99%**	**99%**
Operational staff	%	100%	99%	**98%**	100%	98%	**99%**	**100%**	**98%**	**99%**
Employees receiving regular performance and career development reviews										
Percentage of total employees	%	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**	**100%**
By gender										
Male	%	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**	**100%**
Female		100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**	**100%**
By employee category										
Executive staff	%	100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**	**100%**
Administrative staff		100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**	**100%**
Operational Staff		100%	100%	**100%**	100%	100%	**100%**	**100%**	**100%**	**100%**
Employees covered by collective bargaining										
Percentage of total employees	%	0%	0%	**0%**	40%	39%	**39%**	**N/A**	**N/A**	**N/A**

		HK			MC			Total		
Indicator	**Unit**	2021	2022	**2023**	2021	2022	**2023**	**2021**	**2022**	**2023**
Occupational health and safety [10]										
Total hours worked	Hours	2,366,760	2,352,395	**2,380,526**	6,204,736	6,459,487	**6,553,524**	**8,571,496**	**8,811,882**	**8,934,050**
Fatalities [11]	Number	0	0	**0**	0	0	**0**	**0**	**0**	**0**
Fatalities rate	%	0%	0%	**0%**	0%	0%	**0%**	**0%**	**0%**	**0%**
Work-related injuries	Number	27	20	**23**	29	32	**22**	**56**	**52**	**45**
Injury rate (per 100 employees)	N/A	2.28	1.70	**1.93**	0.93	0.99	**0.67**	**1.31**	**1.18**	**1.01**
Lost-time work-related injuries	Number	26	19	**21**	27	14	**20**	**53**	**33**	**41**
Rate of lost-time work-related injuries / Lost-time injury rate (LTIR) [12]	N/A	2.20	1.62	**1.76**	0.87	0.43	**0.61**	**1.24**	**0.75**	**0.92**
Lost-time injury frequency rate (LTIFR)	Number of injuries/ million hours worked	10.99	8.08	**8.82**	4.35	2.17	**3.05**	**6.18**	**3.74**	**4.59**
High-consequence work-related injuries [13]	Number	2	0	**2**	2	3	**0**	**4**	**3**	**2**
Rate of high-consequence work-related injuries (per 100 employees)	N/A	0.17	0.00	**0.17**	0.06	0.09	**0.00**	**0.09**	**0.07**	**0.04**
Lost days due to work-related injuries	Days	537	387	**1,040**	828	962	**402**	**1,365**	**1,349**	**1,442**
Lost day rate (per 100 employees)	N/A	45.38	32.90	**87.38**	26.69	29.78	**12.27**	**31.85**	**30.61**	**32.28**
Absentee rate [14]	%	2.17%	2.00%	**2.32%**	1.63%	1.56%	**1.50%**	**1.78%**	**1.67%**	**1.72%**

Notes:

(1) The profile of workforce data was compiled based on the number of employees and number of workers as of the end of each reporting year, provided by our Human Resources Department. We do not yet report data on the employment of people from minority and vulnerable groups.

(2) Supervised workers are workers who are not employees under Hang Lung but whose work is controlled by the organization. The Group does not report data of supervised workers by gender and age. Supervised workers do not cause significant variation in the Group's workforce and activities. Most of the supervised workers are responsible for providing cleaning and security services.

(3) There was no significant variation in the number of non-supervised workers in the reporting period or between the current and last reporting period.

(4) The turnover rates cover voluntary resignations, retirements, and involuntary leave during the corresponding reporting periods.

(5) We started disclosing the overall ratio of basic salary of women to men in 2022.

(6) We are not reporting the total number of employees that returned to work after parental leave ended and that were still employed 12 months after their return to work as this particular data is not tracked. In the meantime, we do track the number of ex-colleagues who consider "family responsibility" as one of the reasons for resignation.

(7) Training categories include: onboarding programs, language skills, customer service, professional development, leadership development, occupational health and safety, and regulatory compliance. All our employees were required to receive either

induction or refresher training courses on integrity and crisis management during the reporting period, and all employees with company email addresses received cybersecurity training. The percentage of employees trained could not reach 100% since some of the employees had long leave or newly joined in the year-end and they could not participate in training in 2022 and 2023.

(8) We started disclosing the percentage of employee training by gender and employee category in 2022.

(9) We started disclosing the training hours related to data privacy and cyber security and crisis management in 2022.

(10) Our occupational health and safety data reported in the performance table only covers our office and frontline operations. This includes our employees and supervised workers. We do not report data on the occupational disease rate as we encounter difficulties in data collection. We do not further break down our occupational health and safety data by gender because we consider such data insignificant for reporting. For the occupational health and safety data of our contractors at our construction sites, please refer to the Project Safety Management section of this Report.

(11) Fatalities refer to work-related fatalities of employees as defined by HKEX and GRI.

(12) Loss day injuries are equivalent to recordable work-related injuries as defined by GRI. The injury rates, rates of high-consequence workrelated injuries, rates of recordable work-related injuries and lost day rates were calculated on 200,000 hours worked. The factor 200,000 is the annual hours worked by 100 employees, based on 40 hours per week for 50 weeks a year.

(13) Major work-related hazards that may cause high-consequence work-related injuries include falls, slips and falls at same level, the use of machines with moving parts, hot & electrical work, and manual handling. Major types of injury include scratches, being struck by objects, fractures and cuts.

(14) Absentee days are defined as the sum of non-work-related sick leave (i.e., sick leave not caused by a work-related accident/ injury/ illness).

Appendix 6 – Independent Assurance Opinion Statement

Statement No.:**SRA-HK 802871**

Hang Lung Group Limited and Hang Lung Properties Limited Sustainability Report 2023

The British Standards Institution is independent to Hang Lung Group Limited, and its subsidiaries including Hang Lung Properties Limited (hereafter referred to as "HLP" collectively in this statement), and has no financial interest in the operation of HLP other than for the assessment and assurance of HLP Sustainability Report 2023 ("Report").

This independent assurance opinion statement has been prepared for HLP only for the purposes of assuring its statements relating to the Report, more particularly described in the Scope, below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read. This statement is intended to be used by stakeholders & management of HLP.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by HLP. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to HLP only.

Scope

The scope of engagement agreed upon with HLP includes the followings:

1. The assurance covers the whole Report, and focuses on systems and activities of HLP and its subsidiaries (the Group), including Hang Lung Properties Limited (Hang Lung Properties) in Hong Kong and mainland China, which include commercial property development, leasing, management and construction during the period from 1st January 2023 to 31st December 2023. The Report is prepared in accordance with the GRI Sustainability Reporting Standards ("GRI Standards") and in accordance with the Hong Kong Stock Exchange's ("HKEX") Environmental, Social and Governance Reporting Guide ("ESG Guide").
2. Type 1 Moderate Level of Assurance evaluates of the nature and extent of HLP's adherence to four reporting principles, which include Inclusivity, Materiality, Responsiveness and Impact. The specified sustainability performance information/data disclosed in the Report has been evaluated.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the Report provides a fair view of the HLP's sustainability programmes and performances in the reporting year. We believe that the economic, social and environmental performance indicators are fairly represented in the Report, in which HLP's efforts being made to pursue sustainable development are widely recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurors. We planned and performed this part of our work to obtain the necessary information and explanations. We considered HLP has provided sufficient evidence that HLP's self-declaration of reporting in accordance with the GRI Standards and the HKEX ESG Guide were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- A top level review of issues raised by external parties that could be relevant to HLP's policies to provide a check on the appropriateness of statements made in the Report
- Discussion with senior executives on HLP's approach to stakeholder engagement. We had no direct contact with external stakeholders
- Interview with staff involved in sustainability management, report preparation and provision of report information were carried out
- Review of key organizational developments
- Review of supporting evidence for claims made in the Report
- An assessment of the company's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact.

Conclusions

A detailed review against the principles of Inclusivity, Materiality, Responsiveness and Impact and HKEX ESG Guide, and in accordance with the GRI Standards is set out below:

Inclusivity

The Report has reflected a fact that HLP is seeking the engagement of its stakeholders through numerous channels such as biannual two-way performance check-in and review; regular drinks sessions with management; annual dinner; quarterly corporate newsletter (print edition) with monthly articles on corporate website; annual sustainability-focused interviews, surveys and focus groups; annual employee engagement survey; Emerald Award, CEO Award, Long Service Award; annual conference (management conference, function conference); ongoing digital platform communication through intranet and WeChat; regular staff activities; exit interviews; regular sustainability newsletter; regular customer engagement surveys; annual tenant satisfaction surveys and interviews; tenant and customer surveys with sustainability focus; ongoing social media communication through various media; annual sustainability reporting, benchmarks and indices; regular investor interviews, meetings, roadshows, and investor conferences; annual General Meeting; regular project meetings; screening and performance evaluation; focus group discussions; regular meetings; occasional site visits by government officials; government consultations; regular collaboration on sustainability and community investment initiatives; regular participation in conferences, seminars, and networking events; regular two-way communication with international and local communities at the Board level; ongoing community programs; monthly community events; occasional one-on-one interviews by independent consultants; biannual results announcements and press conferences; occasional media briefings and luncheons, and more.

HLP's operation involves various methods of engaging its stakeholders on daily basis. The Report covers economic, social and environmental aspects concerned by its stakeholder with a fair level of disclosures. In our professional opinion, HLP adheres to the principle of Inclusivity. Our view of areas for enhancement to the Report was adopted by HLP before issue of this opinion statement.

Materiality

HLP publishes sustainability information that enables its stakeholders to make informed judgments about the company's management and performance. In our professional opinion, the Report adheres to the principle of Materiality and identifies HLP's material aspects by using appropriate method of materiality analysis and demonstrating material issues in a matrix form. Areas for enhancement to the Report were adopted by HLP before issue of this opinion statement.

Responsiveness

HLP has implemented practices to respond to the expectations and perceptions of its stakeholders. It includes various surveys and feedback mechanisms to both internal and external stakeholders. In our professional opinion, HLP adheres to the principle of Responsiveness. Areas for enhancement to the Report were adopted by HLP before issue of this opinion statement.

Impact

HLP has established processes to understand, measure and evaluate its impacts in qualitative and quantitative way. These processes enable HLP to assess its impact and disclose them in the Report. In our professional opinion, HLP adheres to the principle of Impact. Areas for enhancement of the Report were adopted by HLP before the issue of this opinion statement.

GRI Standards Reporting

HLP provided us with their self-declaration of reporting "In accordance with" the GRI Standards. Based on our verification review, we are able to confirm that social responsibility and sustainable development disclosures in all three categories (Environmental, Social and Economic) are reported in accordance with the GRI Standards.

In our professional opinion the report covers HLP's social responsibility and sustainability issues. Areas for enhancement to the report were adopted by HLP before issue of this opinion statement.

HKEX ESG Guide Reporting

Based on our verification review, we are able to confirm that social responsibility and sustainable development key performance indicators and disclosures in two ESG subject areas (Environmental and Social) being reported are based on HKEX ESG Guide.

In our professional opinion, the Report covers the HLP's social responsibility and sustainability issues. Areas for enhancement to the report were adopted by HLP before issue of this opinion statement.

Assurance Level

The Type 1 Moderate Level of Assurance provided in our review is defined by the scope and methodology described in this statement.

Responsibility & Limitations

It is the responsibility of HLP's senior management to ensure the information being presented in the Report is accurate. The assurance is limited by information presented by HLP. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of Lead Auditors, who are experienced in industrial sector, and trained in a range of sustainability, environmental and social standards including GRI G3, GRI G3.1, GRI G4, GRI Standards, GRI Certified Sustainability Professional, AA1000, HKEX ESG Guide, UNGC's Ten Principles, ISO20121, ISO14064, ISO 14001, OHSAS 18001, ISO45001, ISO 9001, and ISO 10002, etc. British Standards Institution is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI

Michael Lam -
Managing Director
Assurance, APAC

Verifier of the Report

Aaron Chim
Lead Assuror

14 March 2024

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Appendix 7 – Independent Practitioner's Assurance Report for Green Bonds and Green Loans

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Independent practitioner's limited assurance report
To the Board of Directors of Hang Lung Properties Limited

We have undertaken a limited assurance engagement in respect of the selected sustainability information of Green Bond, Green Loan and the Allocation disclosed on pages 93 to 95 of the 2023 Sustainability Report of Hang Lung Properties Limited (the "Company") as at 31 December 2023 (the "Identified Sustainability Information").

Identified Sustainability Information

The Identified Sustainability Information disclosed on pages 93 to 95 of the 2023 Sustainability Report as at 31 December 2023 is summarised below:

- amount Of Green Loan drawn and allocated to the eligible green projects as at 31 December 2023;
- amount of Green Bond issued and allocated to the eligible green projects as at 31 December 2023; and
- the amount of Pending for Allocation as at 31 December 2023.

Our assurance was with respect to the year ended 31 December 2023 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the 2023 Sustainability Report and, therefore, do not express any conclusion thereon.

Criteria

The criteria used by the Company to prepare the Identified Sustainability Information is set out in Appendix I of this report (the "Reporting Criteria").

The Company's Responsibility for the Identified Sustainability Information

The Company is responsible for the preparation of the Identified Sustainability Information in accordance with the Reporting Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Identified Sustainability Information that is free from material misstatement, whether due to fraud or error.

Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

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Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management 1 issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information* issued by the HKICPA. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the Identified Sustainability Information is free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of the Company's use Of the Reporting Criteria as the basis for the preparation of the Identified Sustainability Information, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation Of the Identified Sustainability Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- made inquiries of the persons responsible for the Identified Sustainability Information;
- understood the process for collecting and reporting the Identified Sustainability Information;
- performed limited substantive testing on a selective basis of the Identified Sustainability Information to check that data had been appropriately measured, recorded, collated and reported; and
- considered the disclosure and presentation of the Identified Sustainability Information.

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The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Company's Identified Sustainability Information has been prepared, in all material respects, in accordance with the Reporting Criteria.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Identified Sustainability Information as at 31 December 2023 is not prepared, in all material respects, in accordance with the Reporting Criteria.

Our report has been prepared for and only for the board of directors of the Company and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 28 March 2024

3 of 3 pages

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Appendix 1 — Reporting Criteria

- A Green Bond is added to the Sustainability Report when it was issued by the Company or its subsidiaries during the reporting period.
- A Green Bond is removed from the Sustainability Report when it has been fully repaid by the Company or its subsidiaries duirng the reporting period.
- A Green Loan is added to the Sustainability Report when it has been drawn by the Company or its subsidiaries and was still outstanding at the end date of the reporting period.
- A Green Loan is removed from the Sustainability Report when it has been fully repaid by the Company or its subsidiaries during the reporting period.
- The green projects eligible for the use of the green proceeds are approved by the Sustainable Finance Subcommittee under the Sustainability Steering Committee.

Appendix 8 – ISSB IFRS S2 Climate-related Disclosures Content Index

Starting from 2018, we have disclosed our approach to addressing climate-related issues in alignment with the Task Force on Climate-related Financial Disclosures' (TCFD) recommendations. As the International Financial Reporting Standards (IFRS) Foundation's International Sustainability Standards Board (ISSB) issued its sustainability standards in June 2023, we have aligned our climate-related disclosures with the recommendations of ISSB for the first time. We welcome stakeholder feedback and look forward to improving our ISSB disclosure in the years ahead.

Reference Paragraph	Disclosure Description	Reference and/or Response
Governance		
5	The objective of climate-related financial disclosures on governance is to enable users of general purpose financial reports to understand the governance processes, controls and procedures an entity uses to monitor, manage and oversee climate-related risks and opportunities.	-
6	To achieve this objective, an entity shall disclose information about: (a) The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the entity shall identify that body(s) or individual(s) and disclose information about: (i) how responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s); (ii) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities; (iii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities; (iv) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; and (v) how the body(s) or individual(s) oversees the setting of targets related to climate-related risks and opportunities, and monitors progress towards those targets including whether and how related performance metrics are included in remuneration policies	Joint Statement on Oversight and Management of Environmental, Social and Governance Issues Sustainability Governance – Board Involvement, ERM Working Group Wellbeing – ESG-linked Compensation As indicated in the Board's "Joint Statement on Oversight and Management of Environmental, Social and Governance Issues," the Board has overall responsibility for the Group's ESG strategy and reporting, including identification of relevant risks and opportunities. The Board approved the Sustainability Framework and the long-term sustainability goals and targets under the Sustainability Framework, and provides ongoing oversight to the framework. One of the four priorities under the Sustainability Framework is Climate Resilience. The Board reviews progress towards sustainability goals and targets related to climate resilience – including the Group's 2025, 2030 and 2050 goals and targets – principally through regular reporting of the Sustainability Team to the Board (at least twice a year). In addition, the Sustainability Team reports monthly to the Vice-Chair of the Board, including regular detailed updates on climate-related risks and opportunities. More generally, the Board has overall responsibility for risk management, evaluating and determining the nature and extent of significant risks it is willing to take to achieve the Group's strategic objectives. The Audit Committee is delegated by the Board to oversee the ongoing effectiveness of the Group's risk management system, including climate-related risks.

Reference Paragraph	Disclosure Description	Reference and/or Response
	(b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about: (i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and (ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Sustainability Governance Terms of Reference of the Sustainability Steering Committee **Role of Sustainability Steering Committee (SSC)** The SSC, chaired by the Vice-Chair of the Board and comprising senior representatives from a cross-section of departments, formulates, coordinates and implements climate resilience strategies, and ensures that our climate-related targets are translated into annual ESG KPIs. The SSC reviews the Group's progress against specific climate-related targets and annual ESG KPIs in detail in regular meetings (at least twice a year). The SSC also discusses climate-related risks and opportunities in detail, including for instance issues related to embodied carbon, energy efficiency, electric vehicles, physical risks from climate change, carbon pricing, collaboration with tenants and other stakeholders, and other relevant issues. **Role of Sustainability Team** The Sustainability Team provides regular updates to the Board (at least twice a year), and to the Vice Chair Vice Chair (at least monthly) on climate resilience, and supports the detailed strategy development and execution of ESG KPIs. The Team also presents and reports to the CEO on the sustainability-related spending (both CAPEX and OPEX) in an annual budgeting exercise, which includes spending related to climate resilience. **Role of Enterprise Risk Management (ERM) Working Group** The ERM Working Group, chaired by the Chief Executive Officer and reporting quarterly to the Audit Committee, is responsible for coordinating and overseeing the Group's risk management activities. Physical risks of climate change and the risks of the transition to a low-carbon economy are among the enterprise-level risks overseen by the ERM Working Group and the executive leading the Sustainability Team is assigned as the owner of these specific climate-related risks.
Strategy		
8	The objective of climate-related financial disclosures on strategy is to enable users of general purpose financial reports to understand an entity's strategy for managing climate-related risks and opportunities	-
9	Specifically, an entity shall disclose information to enable users of general purpose financial reports to understand:	Climate Resilience – Climate-Related Risks and Opportunities

Reference Paragraph	Disclosure Description	Reference and/or Response
	(a) the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects	
	(b) the current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain	Climate Resilience – Climate-Related Risks and Opportunities
	(c) the effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan	We will discuss this issue in our Net Zero Roadmap to be published before the end of 2024.
	(d) the effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those climate-related risks and opportunities have been factored into the entity's financial planning	We are taking initial steps to study this potential disclosure.
	(e) the climate resilience of the entity's strategy and its business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities	We work to build resilience into our strategy by applying the most rigorous relevant standards and considerations. For physical risks, we consider our adaptive capacity under two scenarios and focus on potential risks under the higher emissions scenario. We have established and are making progress towards our 2025 target to conduct technical analysis of physical risks from climate change for all our properties. For decarbonization, our emissions reduction targets are aligned with climate science and SBTi's Net Zero Standard. For new projects, we aim to optimize energy efficiency and renewable energy investments and implement measures that offer co-benefits for mitigation and adaptation.
10	**Climate-related risks and opportunities** An entity shall disclose information that enables users of general purpose financial reports to understand the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Specifically, the entity shall: (a) describe climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects;	Climate Resilience – Climate-Related Risks and Opportunities
	(b) explain, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk;	Climate Resilience – Climate-Related Risks and Opportunities
	(c) specify, for each climate-related risk and opportunity the entity has identified, over which time horizons— short, medium or long term— the effects of each	Climate Resilience – Climate-Related Risks and Opportunities

Reference Paragraph	Disclosure Description	Reference and/or Response
	climate-related risk and opportunity could reasonably be expected to occur; and	
	(d) explain how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	• Short term: 0-2 years – Under our sustainability framework and governance, we see the 1-2 year horizon as a short-term horizon. We set strategic ESG KPIs annually and review them regularly over the year, with adjustments as needed the following year to ensure that we are making progress in attaining our medium term target. • Medium term: 3-10 years – We have defined a set of 25 sustainability targets for 2025 and 4 goals and 10 targets for 2030 under our sustainability framework to support our long term vision. • Long term: 10-30 years – We have defined our long term vision beyond a 10 year horizon: we have set a target to reach net zero value chain emissions by 2050.
13	**Business model and value chain** An entity shall disclose information that enables users of general purpose financial reports to understand the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain. Specifically, the entity shall disclose: (a) a description of the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain	Climate Resilience – Climate-Related Risks and Opportunities
	(b) a description of where in the entity's business model and value chain climate-related risks and opportunities are concentrated	We provide some disclosure of these issues in our Climate Resilience chapter, and will elaborate on them in our Net Zero Roadmap to be published before the end of 2024.
14	**Strategy and decision-making** An entity shall disclose information that enables users of general purpose financial reports to understand the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the entity shall disclose (a) information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the entity shall disclose information about: (i) current and anticipated changes to the entity's business model, including its resource allocation, to address climate-related risks and opportunities (for example, these changes could include plans to manage or decommission carbon-, energy- or water-intensive operations; resource allocations resulting from demand or supply-chain changes; resource allocations arising from business development through capital expenditure	Climate Resilience – Climate Adaptation Climate Resilience – Climate Mitigation

Reference Paragraph	Disclosure Description	Reference and/or Response
	or additional expenditure on research and development; and acquisitions or divestments); (ii) current and anticipated direct mitigation and adaptation efforts; (iii) current and anticipated indirect mitigation and adaptation efforts; (iv) any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity's transition plan relies; and (v) how the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets.	
	(b) information about how the entity is resourcing, and plans to resource, the activities disclosed.	Climate Resilience – Climate Adaptation Climate Resilience – Climate Mitigation
	(c) quantitative and qualitative information about the progress of plans disclosed in previous reporting periods.	Climate Resilience – Climate Adaptation Climate Resilience – Climate Mitigation
15	**Financial position, financial performance and cash flows** An entity shall disclose information that enables users of general purpose financial reports to understand: (a) the effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period; and	We are taking initial steps to study this potential disclosure. We will review the feasibility of disclosing such information in the future.
	(b) the anticipated effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity's financial planning.	Climate Resilience – Climate-Related Risks and Opportunities Climate Resilience – Carbon Pricing Analysis
16	Specifically, an entity shall disclose quantitative and qualitative information about: (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period;	We are not assessing the current effects of climate-related risks and opportunities on the Group's financial position, financial performance and cash flows. We will review the feasibility of disclosing such quantitative and qualitative information in the future.
	(b) the climate-related risks and opportunities identified for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements;	We are reviewing methodologies and processes that will help to enhance our understanding of potential material adjustments arising from climate-related risks and opportunities.
	(c) how the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: (i) its investment and disposal plans, including plans the entity is not contractually committed to; and	Climate Resilience – Climate Adaptation Climate Resilience – Climate Mitigation

Reference Paragraph	Disclosure Description	Reference and/or Response
	(ii) its planned sources of funding to implement its strategy; and	
	(d) how the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Climate Resilience – Climate-Related Risks and Opportunities Climate Resilience – Carbon Pricing Analysis
22	**Climate Resilience** An entity shall disclose information that enables users of general purpose financial reports to understand the resilience of the entity's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities. The entity shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with the entity's circumstances. In providing quantitative information, the entity may disclose a single amount or a range. Specifically, the entity shall disclose: (a) the entity's assessment of its climate resilience as at the reporting date, which shall enable users of general purpose financial reports to understand: (i) the implications, if any, of the entity's assessment for its strategy and business model, including how the entity would need to respond to the effects identified in the climate-related scenario analysis; (ii) the significant areas of uncertainty considered in the entity's assessment of its climate resilience; (iii) the entity's capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term, including; (1) the availability of, and flexibility in, the entity's existing financial resources to respond to the effects identified in the climate-related scenario analysis, including to address climate-related risks and to take advantage of climate-related opportunities; (2) the entity's ability to redeploy, repurpose, upgrade or decommission existing assets; and (3) the effect of the entity's current and planned investments in climate-related mitigation, adaptation and opportunities for climate resilience	Climate Resilience – Climate-Related Risks and Opportunities Climate Resilience – Climate Adaptation Climate Resilience – Carbon Pricing Analysis We conducted climate-related scenario analysis for both physical and transition risks. For the scenarios used, assumptions, and the results of the assessment, please refer to our Climate Resilience chapter. **Our response to physical risks** Following the technical climate-related scenario analysis, we worked with our properties to review the climate adaptation recommendations we formulated together with our consultant. By taking into account the unique characteristics and challenges faced by each property, we were able to identify and prioritize measures for climate adaptation. We examined all recommendations and are planning to implement feasible measures to enhance our adaptive capacity, such as equipment retrofits, installation of flood detection and warning systems, the provision of flood gates at potential water entry points, and the installation of flood sensors, water collection pans and water discharge routes for major plant rooms. **Our response to transition risks** The Group is committed to achieving net zero value chain GHG emissions by 2050, and our near-term and long-term net zero targets are validated by SBTi. Starting in 2021, we have implemented an annual greenhouse gases mitigation plan to reduce our portfolio-wide Scope 1 and 2 GHG emissions, with inputs from all properties. Each plan is first endorsed by the management at property-level, then ultimately approved by the Vice-Chair of the Board. The Group is on track to achieve its GHG emission intensity targets for 2025 and 2030. To drive emissions reduction and inform our decision making, we have also piloted – and are continuing to develop – the use of internal carbon pricing within the Group. To build capacity within the organization, we delivered priority ESG training to identified departments in 2023 on topics including renewable energy, internal carbon pricing, climate adaptation, and net zero emissions.

Reference Paragraph	Disclosure Description	Reference and/or Response
	(b) how and when the climate-related scenario analysis was carried out, including: (i) information about the inputs the entity used, including: (1) which climate-related scenarios the entity used for the analysis and the sources of those scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the entity used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the entity decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) the time horizons the entity used in the analysis; and (7) what scope of operations the entity used in the analysis; (ii) the key assumptions the entity made in the analysis, including assumptions about: (1) climate-related policies in the jurisdictions in which the entity operates; (2) macroeconomic trends; (3) national- or regional-level variables; (4) energy usage and mix; and (5) developments in technology; and (iii) the reporting period in which the climate-related scenario analysis was carried out	Climate Resilience – Climate-Related Risks and Opportunities Climate Resilience – Climate Adaptation Climate Resilience – Carbon Pricing Analysis We conducted climate-related scenario analysis for both physical and transition risks. For the scenarios used, assumptions, and the results of the assessment, please refer to our Climate Resilience chapter.
Risk Management		
24	The objective of climate-related financial disclosures on risk management is to enable users of general purpose financial reports to understand an entity's processes to identify, assess, prioritise and monitor climate-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process.	-
25	To achieve this objective, an entity shall disclose information about:	-

Reference Paragraph	Disclosure Description	Reference and/or Response
	(a) the processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks, including information about: (i) the inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes); (ii) whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) how the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria); (iv) whether and how the entity prioritises climate-related risks relative to other types of risk; (v) how the entity monitors climate-related risks; and (vi) whether and how the entity has changed the processes it uses compared with the previous reporting period;	The Group conducts a materiality assessment annually to identify material ESG issues that are relevant to our business. For climate-related risks relevant to our business, we have worked with technical consultants to undertake a physical risk analysis against two climate scenarios and a carbon pricing analysis against six transition scenarios. We also consult regularly with stakeholders on policy, technology and regulatory risks, and participate in numerous industry platforms, benchmarks and indices in Hong Kong and mainland China, the Asia-Pacific region, and internationally to benchmark ourselves against our peers and identify emerging trends. Climate-related risks and opportunities are reviewed and monitored through regular meetings of our Enterprise Risk Management Working Group and Sustainability Steering Committee, annual Strategic ESG KPIs related to Climate Resilience, working groups dedicated to implementing specific climate-related KPIs, and monthly reporting of the Sustainability Team to top management. Our executives also regularly discuss climate-related risks and opportunities with peers and other real estate industry stakeholders through relevant organizations (e.g., the executive leading our Sustainability Team is also Co-Chair of the Urban Land Institute's Asia Pacific Net Zero Council, which two or three times a year convenes experts to discuss best practices and innovations in decarbonization).
	(b) the processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities; and	
	(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.	Material climate-related risks are identified, managed and disclosed under our corporate Enterprise Risk Management Framework. Our executive leading the Sustainability Team, as the dedicated risk owner of both physical and transition climate-related risks, reports to the ERM Working Group regularly on the status of climate-related risk management to ensure adequate control measures are in place. Please refer to the Corporate Governance Report section in our 2023 Annual Report for detailed information on the overall risk management approach of the Group. In addition, annual Strategic ESG KPIs related to climate resilience are tied to biannual performance reviews for relevant departments and individuals, including the CEO in his reporting to the Board.

Reference Paragraph	Disclosure Description	Reference and/or Response
Metrics and targets		
27	The objective of climate-related financial disclosures on metrics and targets is to enable users of general purpose financial reports to understand an entity's performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation.	-
28	To achieve this objective, an entity shall disclose:	-
	(a) information relevant to the cross-industry metric categories	Appendix 9 – SASB Content Index
	(b) industry-based metrics that are associated with particular business models, activities or other common features that characterize participation in an industry	Appendix 9 – SASB Content Index
	(c) targets set by the entity, and any targets it is required to meet by law or regulation, to mitigate or adapt to climate-related risks or take advantage of climate-related opportunities, including metrics used by the governance body or management to measure progress towards these targets	Climate Resilience – Net Zero Commitments by 2050 Appendix 3 – Strategic ESG KPIs
29	**Climate-related metrics** An entity shall disclose information relevant to the cross-industry metric categories of:	-
	(a) greenhouse gases—the entity shall: (i) disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO2 equivalent, classified as: (1) Scope 1 greenhouse gas emissions; (2) Scope 2 greenhouse gas emissions; and (3) Scope 3 greenhouse gas emissions;	Performance Tables – Environmental
	(ii) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions;	Our methodology for calculating GHG emissions is in accordance with the Greenhouse Gas Protocol.
	(iii) disclose the approach it uses to measure its greenhouse gas emissions including: (1) the measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions; (2) the reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	About this Report Performance Tables – Environmental We use the operational control approach to measure and account for our greenhouse gas emissions. For the details of the methodology, please refer to the footnote of our Performance Tables. For further information on our measurement approach, inputs and assumptions for measuring our scope 3

Reference Paragraph	Disclosure Description	Reference and/or Response
	(3) any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	emissions, please see Performance Tables - Scope 3 Emissions Data Reporting Methodology.
	(iv) for Scope 1 and Scope 2 greenhouse gas emissions disclosed, disaggregate emissions between: 1. the consolidated accounting group; and 2. other investees;	The reporting boundary of our scope 1 and 2 emissions includes the properties under our operational control. The Group will review the feasibility of disaggregating the greenhouse gas emissions of our associates and joint ventures in future reporting.
	1. for Scope 2 greenhouse gas emissions disclosed, disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions; and	Performance Tables – Environmental In 2023, we procured 100% of renewable electricity for both the landlord and tenant areas at Spring City 66 in Kunming and Parc 66 in Jinan through PPAs.
	(vi) for Scope 3 greenhouse gas emissions disclosed, disclose: 1. the categories included within the entity's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011); and 2. additional information about the entity's Category 15 greenhouse gas emissions or those associated with its investments (financed emissions), if the entity's activities include asset management, commercial banking or insurance;	Performance Tables – Scope 3 Emissions Data Reporting Methodology Performance Tables – Environmental
	(b) climate-related transition risks—the amount and percentage of assets or business activities vulnerable to climate-related transition risks;	We are taking initial steps to study this potential disclosure.
	(c) climate-related physical risks—the amount and percentage of assets or business activities vulnerable to climate-related physical risks;	Climate Resilience – Climate Adaptation We have presented the residual climate risks faced by our properties in the Climate Adaptation section and will develop this disclosure in future reports.
	(d) climate-related opportunities—the amount and percentage of assets or business activities aligned with climate-related opportunities;	We are taking initial steps to study this potential disclosure.
	(e) capital deployment—the amount of capital expenditure, financing or investment deployed towards climate- related risks and opportunities;	We are taking initial steps to study this potential disclosure.
	(f) internal carbon prices—the entity shall disclose: 1. an explanation of whether and how the entity is applying a carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis); and	Climate Resilience – Internal Carbon Pricing Pilot

Reference Paragraph	Disclosure Description	Reference and/or Response
	2. the price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions;	
	(g) remuneration—the entity shall disclose: 1. a description of whether and how climate-related considerations are factored into executive remuneration and 2. the percentage of executive management remuneration recognised in the current period that is linked to climate related considerations	Wellbeing – ESG-linked compensation The Group sets goals, targets and KPIs related to climate resilience, such as GHG emissions reduction, electricity intensity reduction, and conducting climate adaptation technical analysis. These ESG KPIs are directly incorporated into our annual appraisal process for departments and individual employees, including the CEO.
32	An entity shall disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry.	Appendix 9 – SASB Content Index
33	**Climate-related targets** An entity shall disclose the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the entity shall disclose:	We have committed to setting near-term (2025), medium term (2030) and long-term (2050) targets to reach net zero emissions by 2050, as well as annual Strategic ESG KPIs for climate resilience and resource management in support of these targets. In December 2022, SBTi validated and approved our near- and long-term net zero targets under SBTi's Net-Zero Standard framework. More details are shared in the Climate Resilience chapter.
	(a) the metric used to set the target;	Climate Resilience – Net Zero Commitments by 2050
	(b) the objective of the target;	Climate Resilience – Net Zero Commitments by 2050
	(c) the part of the entity to which the target applies;	Climate Resilience – Net Zero Commitments by 2050 Our SBTs cover the entire Group.
	(d) the period over which the target applies;	Climate Resilience – Net Zero Commitments by 2050
	(e) the base period from which progress is measured;	Climate Resilience – Net Zero Commitments by 2050
	(f) any milestones and interim targets;	Climate Resilience – Climate Mitigation We also set annual Strategic ESG KPIs and 2025 targets to monitor our progress towards the 2030 and 2050 SBTs. Please refer to the Climate Resilience chapter for the KPI and target progress.
	(g) if the target is quantitative, whether it is an absolute target or an intensity target; and	Climate Resilience – Net Zero Commitments by 2050 Our SBTs adopt the absolute contraction approach, and we also have internal GHG intensity reduction targets for 2025 and 2030.
	(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target	We committed to achieving net zero value chain emissions by 2050. Our near- and long-term net zero targets are endorsed under SBTi's Net-Zero Standard framework, which is in line with the 1.5°C trajectory.
34	An entity shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	-

Reference Paragraph	Disclosure Description	Reference and/or Response
	(a) whether the target and the methodology for setting the target has been validated by a third party;	Climate Resilience – Net Zero Commitments by 2050 Our short-term and long-term GHG emissions reduction targets are approved by SBTi.
	(b) the entity's processes for reviewing the target;	We review the need for updating the targets by monitoring changes in our target boundary, as well as developments in GHG emissions accounting methodologies and target setting guidance, such as the GHG Protocol and SBTi's sector guidance.
	(c) the metrics used to monitor progress towards reaching the target; and	Climate Resilience – Climate Mitigation We also set annual Strategic ESG KPIs and 2025 targets to monitor our progress towards our 2030 and 2050 SBTs. Please refer to the Climate Resilience chapter for the KPIs and our target progress.
	(d) any revisions to the target and an explanation for those revisions.	No revision has been made.
35	An entity shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance.	Climate Resilience – Climate Mitigation
36	For each greenhouse gas emissions target disclosed, an entity shall disclose:	-
	(a) which greenhouse gases are covered by the target.	Carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O) and hydrofluorocarbons (HFCs) are included in greenhouse gas (GHG) calculations. Perfluorocarbons (PFCs), sulphur hexafluoride (SF6) and nitrogen trifluoride (NF3) are not applicable.
	(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target.	Performance Tables – Environmental Our GHG emissions targets cover Scope 1, 2 and 3 emissions.
	(c) whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target	Our targets are gross greenhouse gas emissions targets.
	(d) whether the target was derived using a sectoral decarbonization approach.	Our SBTs are not derived using a sectoral decarbonization approach as the Buildings Sector Science-Based Target-Setting Guidance was not in place at the time we set our targets. We will monitor the latest development of the Building Sector Guidance and update our targets as necessary.
	(e) the entity's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits the entity shall disclose information including:	The Group currently does not have any plan to purchase carbon credits to offset GHG emissions. Our priority is to maximize emission reductions through energy efficiency, renewable energy, and by working with other stakeholders to accelerate the development and availability of lower-carbon building materials.

Reference Paragraph	Disclosure Description	Reference and/or Response
	(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary for users of general purpose financial reports to understand the credibility and integrity of the carbon credits the entity plans to use (for example, assumptions regarding the permanence of the carbon offset).	

Appendix 9 – Content Indices for Reporting Guidelines

HKEX ESG Reporting Guide Content Index

Aspects	KPI	Disclosure	Section/ Explanation
Mandatory Disclosure Requirement			
Governance Structure	-	A statement from the board containing the following elements: 1. a disclosure of the board's oversight of ESG issues; 2. the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and 3. how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Joint Statement on Oversight and Management of Environmental, Social and Governance Issues
Reporting Principles	-	A description of, or an explanation on, the application of the following Reporting Principles (Materiality, Quantitative, Consistency) in the preparation of the ESG report.	About this Report Performance Tables
Reporting Boundary	-	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About this Report
Environmental			
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) 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, and generation of hazardous and non-hazardous waste.	Climate Resilience Resource Management There were no significant fines or non-monetary sanctions for non-compliance with environmental laws and regulations that had a significant impact on the Group during the reporting period.
	KPI A1.1	The types of emissions and respective emissions data.	Performance Tables – Environmental Air emissions including SOx, NOx and PM are not considered significant in our operations.
	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Tables – Environmental
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Tables – Environmental
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Tables – Environmental

Aspects	KPI	Disclosure	Section/ Explanation
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Climate Resilience – Climate Mitigation Resource Management– Energy Management
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Resource Management – Waste and Circularity
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Resource Management
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Performance Tables – Environmental
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Performance Tables – Environmental
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Resource Management – Energy Management
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Resource Management – Water and Circularity During the reporting period, we did not encounter any problems in sourcing water for our operations.
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	This KPI is not applicable to our business.
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Resource Management
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Resource Management
A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Resilience ISSB IFRS S2 Climate-related Disclosures
	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Resilience ISSB IFRS S2 Climate-related Disclosures

Aspects	KPI	Disclosure	Section/ Explanation
Social			
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) 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.	Wellbeing There were no confirmed incidents of non-compliance with employment related laws and regulations that had a significant impact on the Group during the reporting period.
	KPI B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	Performance Tables – Social
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Tables – Social
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) 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.	Wellbeing – Employee Health and Safety Performance Tables – Social There were no confirmed incidents of non-compliance with occupational health and safety related laws and regulations that had a significant impact on the Group during the reporting period.
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Performance Tables – Social
	KPI B2.2	Lost days due to work injury.	Performance Tables – Social
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Wellbeing – Employee Health and Safety
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Wellbeing – Learning and Development
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Tables – Social
	KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance Tables – Social
B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Wellbeing Hang Lung's Sustainability Policy There were no confirmed incidents of non-compliance with laws and regulations relating to child and forced labor that had a significant impact on the Group during the reporting period.

Aspects	KPI	Disclosure	Section/ Explanation
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	We specify in our Code of Conduct for Contractor that we forbid our suppliers or contractors to use child labor and/or forced labor.
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Sustainable Transactions – Construction Supplier Management Sustainable Transactions – Operational Supplier Management
	KPI B5.1	Number of suppliers by geographical region.	Sustainable Transactions – Construction Supplier Management Sustainable Transactions – Operational Supplier Management
	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.	Sustainable Transactions – Construction Supplier Management Sustainable Transactions – Operational Supplier Management
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Sustainable Transactions – Construction Supplier Management Sustainable Transactions – Operational Supplier Management
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Sustainable Transactions – Construction Supplier Management Sustainable Transactions – Operational Supplier Management
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) 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.	Sustainable Transactions We ensure that our marketing and promotional materials comply with relevant laws and regulations, and avoid making any misrepresentation, exaggeration or overstatement of the Group's capabilities. There were no confirmed incidents of non-compliance with laws and regulations relevant to health and safety, advertising, labelling and privacy matters relating to our products and services that had a significant impact on the Group during the reporting period.
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	This KPI is not applicable to our business.
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Sustainable Transactions – Measuring Customer Satisfaction There were no materially significant complaints received relating to the provision and use of products and services during the reporting period.
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	We have relevant policies in place to observe and protect intellectual

Aspects	KPI	Disclosure	Section/ Explanation
			property rights. Our Staff Handbook provides guidelines on respecting intellectual property rights. Employees using infringing copies of copyright works in the course of their employment may incur disciplinary action or summary dismissal.
	KPI B6.4	Description of quality assurance process and recall procedures.	Sustainable Transactions – Maintaining Quality Standards Product recall procedures are not considered as material to the Group's operations.
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Our Sustainability Strategy – Data Privacy and Cybersecurity Sustainable Transactions – Protecting Customer Data Privacy
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Our Sustainability Strategy – Ethics and Integrity There were no confirmed incidents of non-compliance with laws and regulations relating to bribery, extortion, fraud and money laundering that had a significant impact on the Group during the reporting period.
	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.	There were no concluded legal cases regarding corrupt practices brought against the Group or its employees during the reporting period.
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Our Sustainability Strategy – Ethics and Integrity Annual Report 2023 P.124 Whistleblowing Mechanism
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	Our Sustainability Strategy – Sustainability Governance Performance Tables – Social
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Wellbeing – Community Wellbeing
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Wellbeing – Community Wellbeing
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Wellbeing – Community Wellbeing

GRI Content Index

Hang Lung Properties has reported in accordance with the GRI Standards for the period January 1, 2023 to December 31, 2023.

GRI Standard	GRI	Disclosure	Section/ Explanation
GRI 1: Foundation 2021			
Reporting in accordance to the GRI Standards	1-R7	Publish a GRI content index	About this Report Content Indices for Reporting Guidelines
	1-R8	Provide a statement of use	Hang Lung Properties has reported in accordance with the GRI Standards for the period January 1, 2023 to December 31, 2023.
GRI 2: General Disclosures 2021			
The Organization and its reporting practices	2-1	Organizational details	About this Report About Hang Lung Properties Annual Report 2023 P.3 (Corporate Profile)
	2-2	Entities included in the organization's sustainability reporting	About this Report We report on our principal subsidiaries in our Annual Report as required by the Listing Rules. A list of our principal subsidiaries is outlined in the Annual Report 2023 (P.210-212).
	2-3	Reporting period, frequency and contact point	About this Report This Report was published in March 2024.
	2-4	Restatements of information	Performance Tables
	2-5	External assurance	About this Report Independent Assurance Opinion Statement
Activities and workers	2-6	Activities, value chain and other business relationships	About Hang Lung Properties Our Sustainability Strategy Sustainable Transactions – Sustainability Issues Across Our Value Chain Annual Report 2023 P.3, 34-71(Corporate Profile, Review of Operations) There were no significant changes in the Group's business activities, its value chain, or its business relationships compared to the previous reporting period.
	2-7	Employees	Performance Tables – Social The Group did not employ non-guaranteed hours employees during the reporting period.
	2-8	Workers who are not employees	Performance Tables – Social

GRI Standard	GRI	Disclosure	Section/ Explanation
Governance	2-9	Governance structure and composition	Our Sustainability Strategy – Sustainability Governance Annual Report 2023 P.99-134 (Corporate Governance Report, Profile of the Directors)
	2-10	Nomination and selection of the highest governance body	Annual Report 2023 P.111-112 (Corporate Governance Report – (II) Delegation by the Board - Nomination and Remuneration Committee)
	2-11	Chair of the highest governance body	Our Sustainability Strategy – Sustainability Governance| Annual Report 2023 P.107-108
	2-12	Role of the highest governance body in overseeing the management of impacts	Our Sustainability Strategy – Sustainability Governance Joint Statement on Oversight and Management of Environmental, Social and Governance Issues
	2-13	Delegation of responsibility for managing impacts	Our Sustainability Strategy – Sustainability Governance Annual Report 2023 P.124 (Corporate Governance Report – Code of Conduct)
	2-14	Role of the highest governance body in sustainability reporting	Our Sustainability Strategy – Materiality Assessment
	2-15	Conflicts of interest	Our Sustainability Strategy – Sustainability Governance Annual Report 2023 P.124 (Corporate Governance Report – Code of Conduct)
	2-16	Communication of critical concerns	Our Sustainability Strategy – Sustainability Governance Annual Report 2023 P.124 (Corporate Governance Report – Code of Conduct)
	2-17	Collective knowledge of the highest governance body	Annual Report 2023 P.102-104 (Corporate Governance Report – Effective and Qualified Board)
	2-18	Evaluation of the performance of the highest governance body	Annual Report 2023 P.102-104 (Corporate Governance Report – Effective and Qualified Board)
	2-19	Remuneration policies	Annual Report 2023 P.111-112 (Corporate Governance Report) Annual Report 2023 P.176-177 (Notes to the Financial Statement – Emoluments of Directors and Senior Management)
	2-20	Process to determine remuneration	Annual Report 2023 P.111-112 (Corporate Governance Report - Nomination and Remuneration Committee)
	2-21	Annual total compensation ratio	Annual Report 2023 P.177 (Emoluments of Directors and Senior Management) We do not disclose the annual total compensation ratio due to confidentiality constraints. The Group will consider disclosing relevant figures in the future.

GRI Standard	GRI	Disclosure	Section/ Explanation
Strategy, policies and practices	2-22	Statement on sustainable development strategy	Our Sustainability Strategy
	2-23	Policy commitments	Our Sustainability Strategy – Sustainability Governance Hang Lung's Sustainability Policy Hang Lung Code of Conduct for Contractors
	2-24	Embedding policy commitments	Our Sustainability Strategy – Sustainability Governance Hang Lung's Sustainability Policy
	2-25	Processes to remediate negative impacts	Our Sustainability Strategy – Ethics and Integrity Whistleblowing Mechanism
	2-26	Mechanisms for seeking advice and raising concerns	Our Sustainability Strategy – Ethics and Integrity Whistleblowing Mechanism
	2-27	Compliance with laws and regulations	There were no significant fines or non-monetary sanctions for non-compliance with environmental laws and/or regulations, or laws and/or regulations in the social and economic area, that had a significant impact on the Group during the reporting period.
	2-28	Membership associations	Memberships and Charters
Stakeholder engagement	2-29	Approach to stakeholder engagement	Our Sustainability Strategy – Stakeholder Engagement
	2-30	Collective bargaining agreements	Performance Tables – Social Our Code of Conduct for Contractors sets out our expectations for suppliers in relation to association. The contractors are expected to respect all rights of their employees to associate, organize and bargain collectively in a lawful and peaceful manner, without penalty or interference.
GRI 3: Material Topics 2021			
Materiality assessment	3-1	Process to determine material topics	Our Sustainability Strategy – Materiality Assessment
	3-2	List of material topics	Our Sustainability Strategy – Materiality Assessment
Material Topics (Economic)			
Economic Performance			
GRI 3: Material Topics 2021	3-3	Management of material topics	Message from the Vice Chair Our Sustainability Strategy – Materiality Assessment Annual Report 2023 P.12-27 (Chair's Letter to Shareholders)
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Performance Tables – Economics
	201-2	Financial implications and other risks and opportunities due to climate change	Climate Resilience
	201-3	Defined benefit plan obligations and other retirement plans	Annual Report 2023 P.197-201 (Notes to the Financial Statements – Employee Benefits)
Procurement Practices			

GRI Standard	GRI	Disclosure	Section/ Explanation
GRI 3: Material Topics 2021	3-3	Management of material topics	About this Report Our Sustainability Strategy – Materiality Assessment Sustainable Transactions – Construction Supplier Management Sustainable Transactions – Operational Supplier Management Sustainable Procurement Policy
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Sustainable Transactions – Construction Supplier Management Sustainable Transactions – Operational Supplier Management
Anti-corruption			
GRI 3: Material Topics 2021	3-3	Management of material topics	About this Report Our Sustainability Strategy – Materiality Assessment Our Approach to Sustainability – Ethics and Integrity
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Our Sustainability Strategy – Sustainability Governance Structure Our Sustainability Strategy – Ethics and Integrity Our Sustainability Strategy – Risk and Crisis Management We do not disclose the total number and percentage of operations assessed for risks related to corruption due to confidentiality constraints.
	205-2	Communication and training about anti-corruption policies and procedures	Our Approach to Sustainability – Ethics and Integrity Performance Tables – Social
	205-3	Confirmed incidents of corruption and actions taken	There were no concluded legal cases regarding corrupt practices brought against the Group or its employees during the reporting period.
Material Topics (Environmental)			
Energy			
GRI 3: Material Topics 2021	3-3	Management of material topics	About this Report Our Sustainability Strategy – Materiality Assessment Resource Management – Energy Management Appendix 1 – Key Sustainability Trends
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Resource Management – Energy Management Performance Tables – Environmental
	302-2	Energy consumption outside of the organization	We do not disclose the energy consumption outside the organization as we have accounted for the energy consumption outside the organization in our scope 3 calculation and relevant figures are disclosed in Performance Table – Environmental.
	302-3	Energy intensity	Performance Tables – Environmental
	302-4	Reduction of energy consumption	Performance Tables – Environmental Resource Management – Energy Management

GRI Standard	GRI	Disclosure	Section/ Explanation
Water and Effluents			
GRI 3: Material Topics 2021	3-3	Management of material topics	About this Report Our Sustainability Strategy – Materiality Assessment Resource Management – Water and Circularity Appendix 1 – Key Sustainability Trends Hang Lung's Sustainability Policy
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Resource Management – Water and Circularity All of our properties are located in prime locations in cities. The Group's operations involve the use of municipal water.
	303-2	Management of water discharge-related impacts	Resource Management – Water and Circularity We comply with local laws and regulations in effluent discharge.
	303-3	Water withdrawal	Performance Tables – Environmental
	303-4	Water discharge	We do not track and therefore do not report the amount of wastewater discharged from our operation. Water discharged from our operations was transported to local municipal wastewater systems for treatment. We adopted various measures in our operations, including water-efficient fixtures and water recycling, to enhance our water management and help reduce wastewater discharged.
	303-5	Water consumption	Performance Tables – Environmental
Biodiversity			
GRI 3: Material Topics 2021	3-3	Management of material topics	About this Report Our Sustainability Strategy – Materiality Assessment Resource Management – Biodiversity Appendix 1 – Key Sustainability Trends
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Resource Management – Biodiversity All of our properties are located in prime locations in cities. Although we expect our operations to have minimal impacts on natural ecosystems and biodiversity, in our Sustainability Policy, we set out our commitments to biodiversity conservation, such as avoiding the development of projects and operational activities in ecologically sensitive and nationally protected sites deemed critical for biodiversity. In addition, we are examining biodiversity issues relevant to our properties such as bird collisions and our impacts on surrounding habitats.
	304-2	Significant impacts of activities, products and services on biodiversity	
	304-3	Habitats protected or restored	
Emissions			
GRI 3: Material Topics 2021	3-3	Management of material topics	About this Report Our Sustainability Strategy – Materiality Assessment Climate Resilience – Climate Mitigation Appendix 1 – Key Sustainability Trends
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Performance Tables – Environmental
	305-2	Energy indirect (Scope 2) GHG emissions	Performance Tables – Environmental

GRI Standard	GRI	Disclosure	Section/ Explanation
	305-3	Other indirect (Scope 3) GHG emissions	Performance Tables – Environmental
	305-4	GHG emissions intensity	Performance Tables – Environmental
	305-5	Reduction of GHG emissions	About this Report Climate Resilience – Climate Mitigation
Waste			
GRI 3: Material Topics 2021	3-3	Management of material topics	About this Report Our Sustainability Strategy – Materiality Assessment Resource Management – Waste and Circularity Appendix 1 – Key Sustainability Trends
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Resource Management – Waste and Circularity
	306-2	Management of significant waste-related impacts	Resource Management – Waste and Circularity
	306-3	Waste generated	Performance Tables – Environmental
	306-4	Waste diverted from disposal	Performance Tables – Environmental
	306-5	Waste directed to disposal	Performance Tables – Environmental
Supplier Environmental Assessment			
GRI 3: Material Topics 2021	3-3	Management of material topics	About this Report Our Sustainability Strategy – Materiality Assessment Sustainable Transactions – Construction Supplier Management Sustainable Transactions – Operational Supplier Management Sustainable Procurement Policy
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Sustainable Transactions – Construction Supplier Management Sustainable Transactions – Operational Supplier Management
	308-2	Negative environmental impacts in the supply chain and actions taken	Sustainable Transactions – Construction Supplier Management Sustainable Transactions – Operational Supplier Management The Group evaluates overall supplier performance after project completion. Through our partnerships with third parties such as IPE and Sedex, we will further enhance our assessment by quantifying the number of suppliers with potential or actual negative environmental impacts.

GRI Standard	GRI	Disclosure	Section/ Explanation
Material Topics (Social)			
Employment			
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Sustainability Strategy – Materiality Assessment Wellbeing – Employee Wellbeing Appendix 1 – Key Sustainability Trends
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Performance Tables – Social
	401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	Wellbeing – Employee Wellbeing
	401-3	Parental leave	Performance Tables – Social
Occupational Health and Safety			
GRI 3: Material Topics 2021	3-3	Management of material topics	About this Report Our Sustainability Strategy – Materiality Assessment Wellbeing – Employee Health and Safety Sustainable Transactions – Project Safety Management Appendix 1 – Key Sustainability Trends
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Wellbeing – Employee Health and Safety Sustainable Transactions – Project Safety Management
	403-2	Hazard identification, risk assessment, and incident investigation	Wellbeing – Employee Health and Safety Sustainable Transactions – Project Safety Management
	403-3	Occupational health services	Wellbeing – Employee Health and Safety Sustainable Transactions – Project Safety Management
	403-4	Worker participation, consultation, and communication on occupational health and safety	Our Sustainability Strategy – Sustainability Governance Structure Wellbeing – Employee Health and Safety Sustainable Transactions – Project Safety Management
	403-5	Worker training on occupational health and safety	Wellbeing – Employee Health and Safety Sustainable Transactions – Project Safety Management
	403-6	Promotion of worker health	Wellbeing – Employee Health and Safety Sustainable Transactions – Project Safety Management
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Wellbeing – Employee Health and Safety Sustainable Transactions – Project Safety Management
	403-8	Workers covered by an occupational health and safety management system	Wellbeing – Employee Health and Safety Sustainable Transactions – Project Safety Management
	403-9	Work-related injuries	Performance Tables – Social
	403-10	Work-related ill health	We do not collect relevant data as our operations do not involve exposure to significant work-related hazards that cause ill health.

GRI Standard	GRI	Disclosure	Section/ Explanation
Training and Education			
GRI 3: Material Topics 2021	3-3	Management of material topics	About this Report Our Sustainability Strategy – Materiality Assessment Wellbeing – Learning and Development Appendix 1 – Key Sustainability Trends
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Performance Tables – Social
	404-2	Programs for upgrading employee skills and transition assistance programs	Wellbeing – Learning and Development We have a guideline in place for providing support to employees who are retiring.
	404-3	Percentage of employees receiving regular performance and career development reviews	Performance Tables – Social
Diversity and Equal Opportunity			
GRI 3: Material Topics 2021	3-3	Management of material topics	About this Report Our Sustainability Strategy – Materiality Assessment Wellbeing – Diversity and Inclusion Appendix 1 – Key Sustainability Trends Hang Lung's Sustainability Policy
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Performance Tables – Social Please refer to Annual Report 2023 (P.103, 130-134) on the gender diversity of our Board. Two Board members fall under the age group of 30-50 years old; the rest are all over 50 years old.
	405-2	Ratio of basic salary and remuneration of women to men	Performance Tables – Social
Non-discrimination			
GRI 3: Material Topics 2021	3-3	Management of material topics	About this Report Our Sustainability Strategy – Materiality Assessment Our Sustainability Strategy – Ethics and Integrity Wellbeing – Diversity and Inclusion Appendix 1 – Key Sustainability Trends
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	There were no confirmed incidents of non-compliance with the laws and regulations relating to discrimination that had a significant impact on the Group during the reporting period.

GRI Standard	GRI	Disclosure	Section/ Explanation
Local Communities			
GRI 3: Material Topics 2021	3-3	Management of material topics	About this Report Our Sustainability Strategy – Materiality Assessment Our Sustainability Strategy – Stakeholder Engagement Appendix 1 – Key Sustainability Trends Hang Lung's Sustainability Policy
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Wellbeing – Community Wellbeing The Group does not conduct social impact assessments to measure its impact to the local communities at this moment.
	413-2	Operations with significant actual and potential negative impacts on local communities	About Hang Lung Properties Sustainable Transactions – Sustainable Project Management The Group conducts media searches regularly to identify any actual and potential negative impacts on the local community. We are not aware of any significant negative impacts on the local communities.
Customer Health and Safety			
GRI 3: Material Topics 2021	3-3	Management of material topics	About this Report Our Sustainability Strategy – Materiality Assessment Sustainable Transactions – Healthy Building Design and Certification Sustainable Transactions – Environmental, Health and Safety Management Sustainable Transactions –Indoor Air Quality Appendix 1 – Key Sustainability Trends
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Sustainable Transactions – Healthy Building Design and Certification Sustainable Transactions – Environmental, Health and Safety Management Sustainable Transactions –Indoor Air Quality
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	There were no confirmed incidents of non-compliance with laws and regulations relevant to health and safety matters relating to our products and services that had a significant impact on the Group during the reporting period.
Customer Privacy			
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Sustainability Strategy – Materiality Assessment Our Sustainability Strategy – Data Privacy and Cybersecurity Sustainable Transactions – Protecting Customer Data Privacy
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainable Transactions – Protecting Customer Data Privacy

SASB Content Index

Topic	Code	Accounting Metric	Section/ Explanation
Energy Management	IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	100%
	IF-RE-130a.2	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	Performance Tables - Environmental 71% 12.3%
	IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	Resource Management – Energy Management
	IF-RE-130a.4	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property subsector	Nil
	IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Resource Management – Energy Management
Water Management	IF-RE-140a.1	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	(1) 100% (2) 100%
	IF-RE-140a.2	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	(1) Performance Tables – Environmental (2) 52%
	IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	Resource Management – Water and Circularity
	IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	Resource Management – Water and Circularity
Management of Tenant Sustainability Impacts	IF-RE-410a.1	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency related capital improvements and (2) associated leased floor area, by property subsector	Not currently tracked.
	IF-RE-410a.2	Percentage of tenants that are separately metered or sub-metered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	(1) 69% (2) Not currently tracked.
	IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	Sustainable Transactions – Tenants
Climate Change Adaptation	IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector	Climate Resilience – Climate Adaptation
	IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	

Code	Activity Metric	Section/ Explanation
IF-RE-000.A	Number of assets, by property subsector	About Hang Lung Properties
IF-RE-000.B	Leasable floor area, by property subsector	Nil
IF-RE-000.C	Percentage of indirectly managed assets, by property subsector	Nil
IF-RE-000.D	Average occupancy rate, by property subsector	Please refer to our Annual Report 2023 (P. 46-55, 60-65) for the occupancy rate of our major properties.

Note: The Group discloses against the SASB criteria on a voluntary basis only and the disclosed metrics are not verified by any external party.

STOCK CODE

00101

We welcome your feedback on our sustainability report and sustainability performance.

Please share your views with us at Sustainability@HangLung.com.

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