

FOSTERING PARTNERSHIPS FOR SUSTAINABLE DEVELOPMENT



2024
SUSTAINABILITY
REPORT

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About This Report

Reporting Scope and Boundary

This Sustainability Report (the “Report”) provides an overview of the sustainability approach taken by Hysan Development Company Limited (Hysan or the “Company”) and the Environmental, Social and Governance (“ESG”) performance of its principal subsidiaries (the Group) during the reporting period from 1 January 2024 to 31 December 2024. This is Hysan’s 19th sustainability report since 2006.

The Report focuses on sustainability issues of significant material importance to our business and stakeholders. It encompasses our approach, strategy and performance with regard to these material issues. We provide annual updates on sustainability-related initiatives, performance and achievements, along with climate-related disclosures, to communicate our progress.

The Report also provides detailed insights into the ESG performance of Hysan’s real estate portfolio in Hong Kong. This portfolio has significant financial and material impacts on both the Group and its stakeholders¹. For 2024, we have expanded the scope to include Lee Garden Eight, currently under construction. For quantitative performance, Lee Garden Eight is included under our Scope 3 carbon emissions due to its on-going construction. Lee Gardens Shanghai is not included as it has not reached full operation, and we are still in the data preparation and collection phase. Otherwise, there were no material changes in the reporting scope and metrics used to measure our ESG performance in 2024 compared with the previous reporting period.

Reporting Standards and Principles

The Report aligns with the Appendix C2 ESG Reporting Guide² (“ESG Reporting Guide”) of the Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”, or “HKEX”), based on reporting principles that include “materiality”, “quantitative”, “consistency” and “balance” as outlined in the ESG Reporting Guide. The Report also references Global Reporting Initiative (“GRI”) Standards 2021 and focuses on sustainability issues that have been identified as material to Hysan’s business and its stakeholders.

We have continued to share our climate disclosures in accordance with the ESG Reporting Guide, which referenced the International Sustainability Standards Board (“ISSB”) climate related requirements that were built upon the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”). The Report has been reviewed and approved by our Board of Directors (the “Board”).

Reporting Assurance

This Report has been externally assured by the Hong Kong Quality Assurance Agency (“HKQAA”) to validate the accuracy and reliability of its content to provide an independent opinion with a reasonable level of assurance in accordance with the ESG Reporting Guide. HKQAA conducted the independent verification in accordance with the International Standard on Assurance Engagement (“ISAE”) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (“ISAE 3000”) issued by the International Auditing and Assurance Standards Board. Please refer to **Appendix 6** for the Verification Statement.

Access to the Report

For the online version and supplementary information, please refer to the Sustainability page on the Hysan website. If there is any inconsistency or conflict between the English and Chinese versions of the Report, the English version shall prevail.

Share your Thoughts

We welcome stakeholders’ feedback on this Report and other sustainability-related matters. Please share your thoughts at sustainability@hysan.com.hk

Tel: (852) 2895 5777

Address: 50/F Lee Garden One, 33 Hysan Avenue, Hong Kong

¹ The Sustainability Report focuses on the operational impacts of Hysan’s portfolio in Hong Kong, which includes Lee Garden One, Lee Garden Two, Lee Garden Three, Lee Garden Five, Lee Garden Six, Hysan Place, Lee Theatre Plaza, One Hysan Avenue, Leighton Centre, Bamboo Grove and Lee Garden Eight construction. These significant investment properties, under the control and operation of Hysan in Hong Kong, collectively contributed over 90% of the Group’s turnover in 2024 and represented the most significant ESG impacts on the Group and its stakeholders.

² The version effective from 31 Dec 2023, which remains applicable to annual reports for financial years commencing before 1 Jan 2025. The Sustainability Report has also referenced HKEX ESG Reporting Code (effective from 1 Jan 2025), including the new climate related disclosure requirements under Part D of the Code, as a preparatory measure for the next reporting cycle.

Message from the Executive Director and Chief Operating Officer



Fostering Partnerships for Sustainable Development

As we migrate into our next centennial and unveil our rejuvenated Lee Gardens project, we have been receiving positive feedback from both our stakeholders and recent financials, reaffirming our strategic direction. Our extensive rejuvenation efforts have not only brought in new content and experiences but also enriched our vibrant Lee Gardens community.

Our sustainability approach — based on our Community Business Model (CBM) — harnesses collaboration, innovation and responsible practices to build a more sustainable and resilient future. Through the CBM, we prioritize the wellbeing and aspirations of our communities, with a focus on enhancing liveability, social wellbeing, environmental stewardship and positive economic impacts. Our ultimate goal is to create sustainable and vibrant neighbourhoods that are adaptable to change and offer a lasting and unique community experience.

Taking Action on Climate Change

Recognizing the need to address climate change, we are decarbonizing our portfolio while creating value for our business and stakeholders in pursuit of a net-zero future, primarily by reducing carbon emissions and enhancing energy efficiency.

By setting ambitious targets in line with the Science Based Targets initiative (“SBTi”), we aim to limit temperature rise to 1.5°C above pre-industrial levels. During the year, with our commitment to SBTi and the refinement of our CBM, we updated our corporate targets to better demonstrate our impacts and set new goals for our Scope 1, 2 and 3 emissions, highlighting our environmental stewardship. By 2031, we plan to reduce our carbon emissions by 46% and meet our new water and waste reduction targets. In 2024, our year-on-year electricity consumption dropped by about 3%, and our combined Scope 1 and 2 emissions decreased by over 7%. Compared with our 2021 base year, we have already achieved a reduction of over 7% in electricity use. We will also extend our decarbonization efforts to our stakeholders, promoting a culture of sustainability beyond our organization.

To ensure climate readiness, we have initiated scenario-based climate risk assessments for our core business and asset portfolio, covering both physical and transition risks. The climate-related risk we have identified will be addressed through targeted actions and references to changes in policies, regulations, technology, market dynamics and reputation as we transition to a low-carbon economy. The next phase will focus on physical assessments at the asset level, identifying adaptation measures to enhance property resilience, protect our assets, minimize financial risks and ensure business continuity.

Lee Garden Eight: A New Industry Benchmark for Sustainable Development

With the completion of Lee Garden Eight (“LG8”), we envision a regenerative and interconnected community in Causeway Bay that will expand the Lee Gardens’ area by 30%. LG8 features a sustainable and resilient design, including 60,000 sq. ft. of green open space, fully connected weatherproof walkways and footbridges for enhanced connectivity, as well as the newly confirmed 20,000 sq. ft. of Performing Arts and Cultural Facilities.

Our design incorporates passive and active design elements that emphasize climate resilience and super low carbon readiness. We have also taken an integrated development approach for the design, construction and operational stages by engaging the value chain from the main contractor to tenants. Taking such an approach will help to ensure LG8 is developed sustainably, operates efficiently and addresses the needs of tenants for green-lease readiness.

LG8 has further been designed to achieve multi-platinum ratings from the highest building certifications, such as LEED, BEAM Plus, WELL, WiredScore and SmartScore. The use of advanced technologies such as BIM¹, MiMEP², an AI management platform for operations and a digital display interface for tenants also earned LG8 a number of prestigious industry awards. These include the Grand Award in Construction for Building Project under the Hong Kong openBIM/openGIS Awards 2024 and the CIC Construction Digitalization Award 2024.

Adopting MiMEP for over 80% of the project has made LG8 a pioneer in the construction industry that involved extensive collaboration across our supply chain. To highlight the advantages of this technology, we co-hosted the Hysan MiMEP Summit with Chinachem Group in December 2024. The event showcased MiMEP’s role in enhancing site safety, reducing environmental impact and improving efficiency, as well as the power of teamwork in eco-friendly urban developments.

Enhancing Liveability, Social Wellness and Cultural Vitality

Through collaborations for social good, we enrich the community by creating happy and memorable moments for the public. In 2024, we surpassed our targets with over 2 million Happy Hours and more than 3 million participants in over 200 events.

By maintaining a diverse mix of trades and providing support to our neighbourhood, we are able to help local businesses thrive and prosper. One example is our signature event, Urban Jam, which took place over two weekends in May and featured interactive performances and mural art installations. Supported by the HKSAR Government, the event involved more than 40 groups of urban artists and local restaurants, attracted over 600,000 visitors. As a result of strong public-private partnerships such as Urban Jam, we are helping to create a vibrant, inclusive community for all.

Promoting community wellbeing also includes art and culture programmes such as gLeeful music busking, Urban Talks and city walks, which in 2024 totalled over 50 events with more than 12,000 participants. Other activities included sports such as the Hysan Running Club, which gained traction during the year with a record participation rate, and rugby, a sport for which Hong Kong is internationally renowned. Our partnership with Hong Kong China Rugby (HKCR), is now in its third year, engaging over 4,500 youths through various initiatives, including the District Primary School Touch Rugby Tournament that has made rugby more accessible to local schools. In 2024, 96 teams with over 1,000 students from 64 schools took part in this programme.

In future, we will continue to enhance liveability through placemaking and environmental curation to shape our community into a unique place to live, work and enjoy. We will also continue to invest in creating inclusive communities where culture, creativity and caring are celebrated.

Our Ongoing Commitment to Sustainable Growth

Looking ahead, we are committed to improving our ESG performance, implementing sustainable strategies and managing our climate-related risks. We believe these efforts will strengthen the long-term resilience and success of our business.

Our sustainability journey has been guided and supported by our Board and the Sustainability Committee, whose leadership has integrated valuable learnings into our operations. I am deeply grateful to my colleagues for their dedication and hard work, which have been instrumental in driving our sustainability initiatives forward.

Ricky Lui

Executive Director and Chief Operating Officer

¹ BIM – Building Information Modelling

² MiMEP – Multi-trade Integrated Mechanical, Electrical, and Plumbing

Sustainability at Hysan

About Hysan

Occupying approximately 4.5 million square feet of office, retail and residential tenant space at the centre of Causeway Bay, Hysan is known for its core businesses of property investment, management and development set predominantly in Lee Gardens Area. Additionally, we pursue strategic growth and geographic diversification through investments such as GBA Flex, Lee Gardens Shanghai, VILLA LUCCA and New Frontier, which complement and reinforce our core business. Our aim is to be a trusted partner to our stakeholders, providing support to our tenants, shoppers, visitors and residents, while fostering a true sense of community.

Celebrating Hysan's Centennial

For over a century, Hysan has shaped Hong Kong's growth, transforming Causeway Bay into a commercial hub according to the vision of our founder, Mr. Lee Hysan. As we celebrated our 100th anniversary in 2023, we reflected on a century of growth, innovation and community building. From our humble beginnings in the early 20th century to becoming a cornerstone of Causeway Bay in the modern era, Hysan has consistently demonstrated a commitment to excellence and sustainability.

Today, we are focused on placemaking – creating vibrant, sustainable, and community-centric spaces that enhance the urban experience for residents, tenants and visitors. Through continuous innovation and strategic investments, we are building a strong and resilient community in the vibrant heart of Causeway Bay and reinforcing our commitment to sustainability.

Hysan continues to innovate with projects such as Lee Garden Eight. Our ultimate aim is to build a sustainable and smart community that enhances liveability and economic impact in Causeway Bay and beyond. We will continue to focus on providing designated spaces for social engagement and interaction, with enriching and culturally relevant experiences.

Upon completion of Lee Garden Eight, we will be offering not only retail, office and community facilities, but also a 60,000 sq ft green space open to the public and over 20,000 sq ft for the performing arts and cultural facilities. Additionally, a new integrated walkway system will be put in place throughout our Lee Gardens buildings, linking Causeway Bay MTR station through to Lee Garden Eight. With four footbridges and a covered walkway, it will make the neighbourhood the most accessible in Hong Kong. The development will also set a new sustainability benchmark by incorporating the latest green construction technologies such as Multi-trade Integrated Mechanical, Electrical and Plumbing (MiMEP). In all aspects, Lee Garden Eight will exemplify our Community Business Model of liveability, social wellbeing, environmental stewardship and positive economic impacts.

Our Commitment to Sustainability

At Hysan, sustainability is fundamental to our business. It shapes how we engage with our stakeholders – including investors, tenants, employees and customers – and guides the programmes we initiate to benefit the community. We also aim to create value and provide strong and sustainable shareholder returns from our property portfolio, which is primarily located in the premier commercial district of Causeway Bay. In future, we will continue to curate and expand our portfolio in the Lee Gardens Area, so that it remains a vibrant and sustainable place in which to live, shop and work.

To keep our sustainability strategy relevant, we incorporate the latest developments in sustainability into our business, the community and the environment. We also identify, assess and manage sustainability-related risks and opportunities to ensure our practices have a positive social and environmental impact on the community for many years to come. This approach helps us mitigate potential risks such as regulatory changes and emerging environmental challenges. It also helps us capitalise on opportunities through community engagement initiatives and new green building technologies. These practices not only support our commitment to sustainability but also enhance the resilience and long-term success of our business.

Our Contributions to the UNSDGs

The 17 Sustainable Development Goals (SDGs) of the United Nations provide a clear framework for driving transformative change and tackling the world’s most pressing economic, social, environmental and governance challenges.

Hysan has adopted four SDGs as references for improving our sustainability practices. These SDGs are integrated into our own sustainability framework and help us shape our sustainability programmes and goals. To communicate the impact of our ESG practices in the markets where we operate, we focus our commitments on the four SDGs we have identified as most relevant to our business, as illustrated below.

SDGs	Hysan’s contribution towards achieving the respective SDGs
 3 GOOD HEALTH AND WELL-BEING	<ul style="list-style-type: none"> Promote community wellness and resilience, including health & safety via various programmes and activities, to stakeholders in the community. Establish and maintain comprehensive management policies to provide a safe and healthy environment for our tenants, customers and staff at work and within our community.
 8 DECENT WORK AND ECONOMIC GROWTH	<ul style="list-style-type: none"> Promote sustainable economic growth. Support tenants’ business growth. Nurture entrepreneurs and incubate innovative new businesses. Provide an inclusive environment of decent work².
 11 SUSTAINABLE CITIES AND COMMUNITIES	<ul style="list-style-type: none"> Make cities and neighbourhoods inclusive, safe, resilient and sustainable. Apply climate actions and develop green/WELL buildings to optimise impacts. Develop smart communities that leverage technology to enhance liveability, connectivity and quality of life for stakeholders. Undertake activities that contribute to community health and wellness, family and children, art and culture, environmental sustainability, diversity and inclusion.
 17 PARTNERSHIPS FOR THE GOALS	<ul style="list-style-type: none"> Mobilise multiple resources, including support from project partners, government and non-governmental organisations, to make positive impacts on communities through our operations. Enhance the use of enabling technology to create smart solutions that improve operational efficiency and environmental performance, and develop smart communities to enhance liveability, connectivity and quality of life for stakeholders.

Our Targets

In 2024, we continued to build on our past accomplishments and sustainability performance to surpass most of our targets in 2023. Along with our commitment to the Science Based Targets initiative (SBTi) and our own refined Community Business Model, we have updated our corporate targets with changes in our environmental and community targets to better demonstrate our impacts.

As we move forward, we will ensure our sustainability strategy remains agile and responsive. We are dedicated to cultivating a strong sense of community through initiatives that promote social well-being, environmental stewardship, positive economic impacts and liveability.

² By “decent work”, we mean providing employees with safe working conditions and opportunities for growth, while also promoting equality and respect for all workers.

1.5°C

We are committed to set Science-based targets at

In 2023, Hysan committed to the Science Based Targets initiative (SBTi) to combat climate change. By signing the pledge, we aim to set greenhouse gas (GHG) emissions reduction targets in line with the Paris Agreement to limit global temperature rise to 1.5°C above pre-industrial levels.

While we await SBTi’s validation, we are proactively setting decarbonisation targets aligned with SBTi criteria, including a new baseline year for our decarbonisation efforts.



Key: ✔ Achieved ▶ On Track ▶ Lagging

Category	Targets	Base Year	Status
Environment	Achieve 46% reduction in absolute Scope 1 and 2 carbon emissions by 2031	2021	▶
	Achieve 46% reduction in absolute Scope 3 carbon emissions by 2031	2023	▶
	Achieve 10% reduction in water consumption intensity by 2031	2021	▶
	Divert >50% waste from landfill by 2031	Annual	▶
	Maintain at least 40% of debt financed by sustainable finance	Annual	✔
Community	Engage >500,000 participants by hosting no fewer than 100 events covering arts & culture, wellness, sustainability and family	Annual	✔
	Curate 2 million Happy Hours		
	Maintain Lee Gardens neighbourhood co-existence ratio of traditional trade and modern urban culture shops to 25:75		
People	Provide support to 30% of the stakeholders in the Lee Gardens neighbourhood to help sustain their businesses		
	Reduce workplace injury rate to <0.5 injuries per 100 employees by 2030	Annual	▶
	Zero work-related employee fatalities	Annual	✔
Governance	Increase number of training hours by 30% by 2030	2022	▶
	Maintain compliance with the Corporate Governance Code (“CG Code”) of the Listing Rules	On going	✔
	Maintain a minimum of 33% female representation on the Board	On going	✔

Our Strategy

Hysan's sustainability approach is deeply embedded in our commitment to engaging with our communities and delivering on mutual aims. Our dedication to community-driven initiatives is longstanding. The strong foundations we have built and the connections we have formed have enabled us to enhance our Company's positive contributions over the years. Our Community Business Model is central to our sustainability approach.

Community Business Model

The Community Business Model harnesses collaboration, innovation, and responsible practices to create a sustainable and resilient future. Having Governance as our foundation, we focus on liveability, social wellbeing, positive economic impacts, and environmental stewardship. Through innovation and partnerships, we curate resilient communities with lasting connections between people and places.

Partnerships

the cornerstone of our approach, allow us to collaborate with stakeholders across our value chain and leverage their collective expertise, resources and networks. Fostering partnerships for sustainable development is the theme for our sustainability report in 2024.



Liveability

- Community Enrichment & Empowerment
- Collaboration Platform for Social Goodness
- Respectful, Inclusive, and Safe Place to Live and Work

Social Wellbeing

- Placemaking
- Accessibility and Connectivity
- Proximity to Amenities

Positive Economic Impacts

- Opportunities for Entrepreneurship
- Vibrant and Appealing Environment for Businesses
- Diversified Business Offerings
- Sustainable Finance

Environmental Stewardship

- Climate Resilience and Decarbonisation
- Biodiversity in Urban Environment
- Waste Management and Circular Economy
- Green Lease

Innovation

motivates us to seek creative solutions and adopt new technologies and practices for positive social, economic and environmental outcomes.

Celebrating More than a Century of Shaping the City's Growth

The year 2024 marked a major milestone for Hysan, celebrating over 100 years since the founder, Mr. Lee Hysan, acquired East Point Hill in 1923, the very area that has transformed into Lee Gardens. His bold vision transformed Lee Gardens into a vibrant heart of Hong Kong, starting with the establishment of Lee Garden Amusement Park in 1924 and the grand Lee Theatre in 1927. Nearly 100 pioneering four-storey residential units were also built, setting early milestones for Causeway Bay. Today, the precinct stands as a testament to continuous growth and positive community impact, dedicated to enhancing the urban experience for residents, tenants, and visitors through vibrant, sustainable, and community-centric spaces, reflecting our commitment to building a strong and resilient community in Causeway Bay.

We continue to shape Causeway Bay while staying true to our founder's enterprising vision of fostering social and community connections. Accordingly, Lee Gardens will remain a hub for social engagement and cultural experiences. The upcoming Lee Garden Eight will feature large-scale retail and office spaces, community facilities, 60,000 sq ft of green open space – the Lifestyle Park – and over 20,000 sq ft dedicated to the performing arts and cultural facilities. By 2026, Lee Gardens will be fully connected by an integrated pedestrian system, creating a seamless working, shopping, dining and leisure experience for all. Lee Garden Eight exemplifies our Community Business Model, focusing on liveability, social well-being, positive economic impacts and environmental stewardship. By incorporating the latest green technologies, including the MiMEP construction method, Lee Garden Eight will set a new benchmark for sustainability in the industry.

As we look forward to Hysan's next century of growth, we remain committed to our core values of innovation, sustainability and community engagement. We look forward to continuing our journey and making a positive impact for many more years to come.

Showcasing Historic Milestones

To commemorate the evolution of Lee Gardens, we organised a series of celebratory events in Lee Gardens that highlighted our dedication to sustainability and community development.



"The Colours of Causeway Bay" Photo Exhibition



A Century of Splendour: 20th Century Chinese Furniture from the Lee Family Collection Showcase



Book reception and forum celebrated the Lee family's contributions to Hong Kong's development

Commitment Towards Sustainable Development



"A Sustainable Future — Pioneering MiMEP Innovation" Summit

STEAM workshop for students



Placemaking: 100 Years of Making: From 'Space to Place' Lee Gardens Community Dialogue

The 100 Years of Making: From 'Space to Place' Lee Gardens Community Dialogue in 2024 celebrated Hysan's centenary and the transformation of Lee Gardens. This community event at the newly unveiled atrium of Hysan Place reflected on the historical evolution and future of the area. Over 100 participants attended. They included community leaders, industry professionals and local stakeholders, who discussed the evolution of the area into a vibrant hub promoting community engagement and connectivity.

The dialogue successfully captured the ongoing journey of placemaking at Lee Gardens and set the foundation for the precinct's continued evolution as a vibrant destination where diverse community members can thrive together. It also highlighted Hysan's commitment to enhancing liveability, social wellbeing, positive economic impacts and environmental stewardship. Partnerships remain the key to driving innovative solutions and sustainable development, setting a benchmark for future community initiatives.

"100 Years of Making: From 'Space to Place' Lee Gardens Community Dialogue"



Lee Garden Eight: A New Benchmark in Sustainable Urban Development

In early December 2024, the Caroline Hill Road Project was officially renamed Lee Garden Eight. When completed in 2026, the project will set a new benchmark in sustainable urban development, embodying Hysan's commitment to innovation and environmental stewardship.

Sustainable and Resilient Design

Lee Garden Eight has been created as a regenerative, connected community in a vibrant and sustainable neighbourhood. In its design, we have prioritised walkability and accessible art, culture, music and amenities that enhance community interaction and engagement.

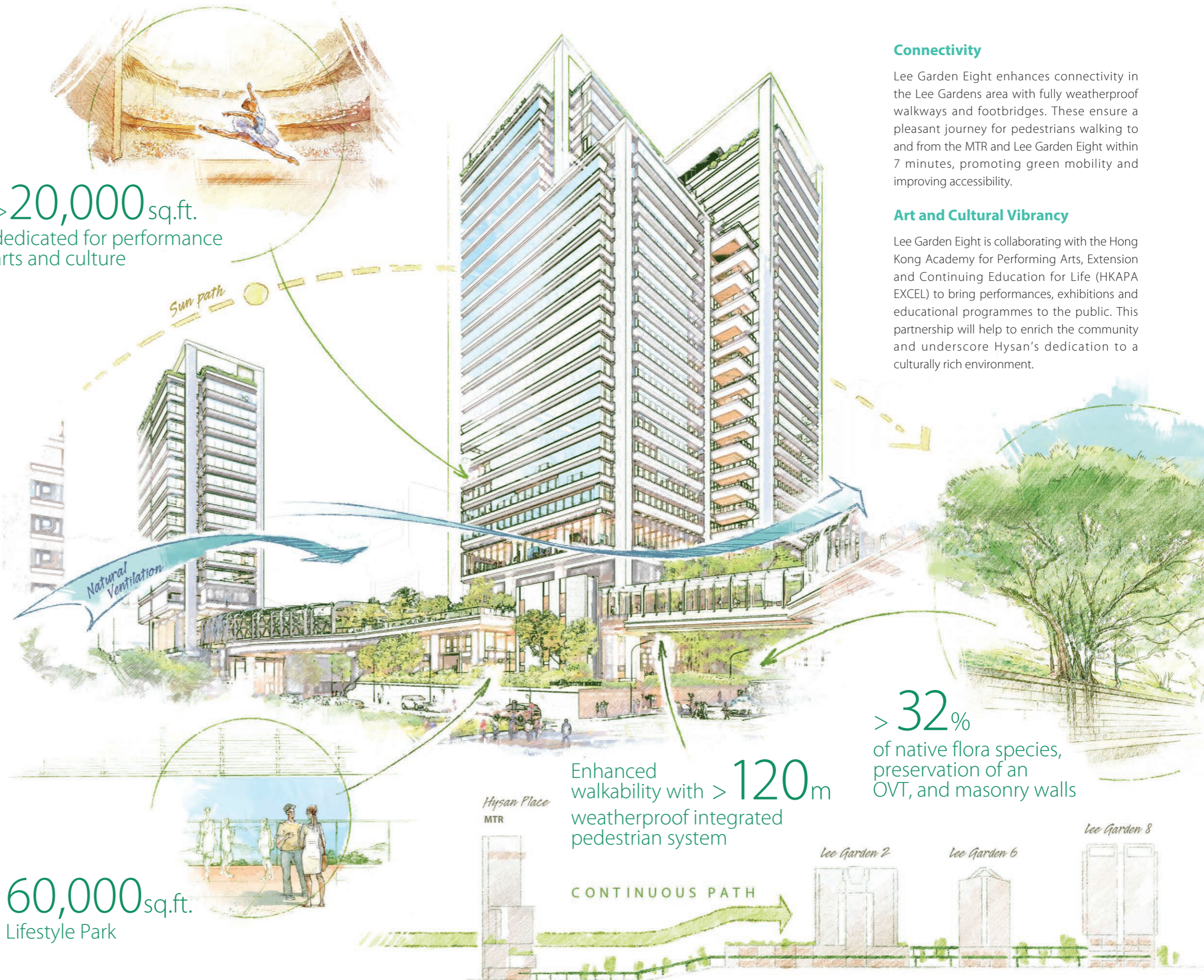
Our design incorporates green mobility, including enhanced walkability features and EV charging facilities, to encourage the use of sustainable transportation. We have also integrated green technology with design thinking to produce a modern, eco-friendly space.

The project further embraces urban biodiversity, upcycling and green spaces as part of our vision to transform the area into a thriving ecosystem. Decarbonisation and energy-efficiency are also important in our design, as well as the reuse of rainwater for self-sufficient irrigation. Capable of adapting to changing environmental conditions, including climate change, Lee Garden Eight exemplifies our commitment to sustainability and community wellbeing.

Urban Green Oasis

Lee Garden Eight offers a green deck and a 60,000 sq ft at Lifestyle Park. In addition to retaining over 30% of the existing trees, the development includes a blend of native and ornamental plant gardens to promote biodiversity in a tranquil environment. These areas enhance the aesthetic appeal and well-being of the community by offering a welcoming natural retreat within Causeway Bay.

>20,000 sq.ft.
dedicated for performance
arts and culture



Connectivity

Lee Garden Eight enhances connectivity in the Lee Gardens area with fully weatherproof walkways and footbridges. These ensure a pleasant journey for pedestrians walking to and from the MTR and Lee Garden Eight within 7 minutes, promoting green mobility and improving accessibility.

Art and Cultural Vibrancy

Lee Garden Eight is collaborating with the Hong Kong Academy for Performing Arts, Extension and Continuing Education for Life (HKAPA EXCEL) to bring performances, exhibitions and educational programmes to the public. This partnership will help to enrich the community and underscore Hysan's dedication to a culturally rich environment.

60,000 sq.ft.
Lifestyle Park

Enhanced walkability with > 120m weatherproof integrated pedestrian system

> 32% of native flora species, preservation of an OVT, and masonry walls

Urban Jam: Community Collaboration, Cultural Enrichment and Strong Partnerships

Urban Jam was one of the Community Enrichment and Empowerment initiatives organised by Hysan of 2024. Held over two weekends in May, the festival received the support the HKSAR Government for its contributions to by the local economy and vibrancy in Hong Kong.

Through Urban Jam, Hysan helped to enrich the cultural life of the area with a variety of activities held in Kai Chiu Road, Pak Sha Road and Yun Ping Road, including interactive performances, and mural art installations. The festival attracted over 600,000 visitors in just two weekends, with over 40 groups of urban artists and local restaurants. It also provided an opportunity for local artists and performers to showcase their talents and for pop-up stores to highlight the rich urban culture of Hong Kong. In addition to promoting community wellbeing, Urban Jam generated an estimated 1,200,000 Happy Hours.

A key factor behind Urban Jam's success was the involvement of strong public-private partnerships with various organisations. Among these were the Wan Chai District Office and Council, the Lee Gardens Association, Hong Kong China Rugby, Hong Kong Ballet, UNICEF, Hong Kong Youth Arts Foundation and HKWALLS. These partnerships enabled us to combine one another's strengths and resources to create a vibrant, inclusive community over the two weekends.



>40 participation groups



>600,000 traffic



>1,200,000 Happy Hours

INNOVATIVE EXPERIENCES



VIBRANT ATMOSPHERE



COLLABORATIVE EFFORT

CULTURAL DIVERSITY



COMMUNITY ENGAGEMENT

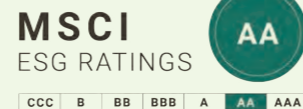
Performance At-a-Glance

ESG Ratings and Benchmarking



Hang Seng Corporate Sustainability Index Series Member 2024-2025

Constituent Member of Hang Seng Corporate Sustainability Index Series



MSCI ESG RATINGS
CCC B BB BBB A AA AAA

Improved to "AA" Rating in 2024



Maintained a "4-star" Rating
 GRESB
★★★★☆ 2024



"Low Risk" in Sustainalytics ESG Risk Rating



FTSE4Good
 Constituent Member of the FTSE4Good Index Series

Awards and Recognitions

Best Corporate Governance and ESG Awards 2024

Most Sustainable Companies/Organisations Awards (Non-Hang Seng Index Medium Market Capitalisation Category) — Gold Award

Hong Kong Institute of Certified Public Accountants

Best Annual Reports Awards 2024

Citation for Design
 Excellence Award in Environmental, Social and Governance Reporting

The Hong Kong Management Association

Hong Kong Sustainability Award 2024

Distinction Award (Large Organisations)

The Hong Kong Management Association

HKIA Annual Awards 2024

Finalist Urban Design & Master Planning (Lee Garden Eight)

The Hong Kong Institute of Architects

Zero-Carbon-Ready Building Certification Scheme — Existing Building — EUI Pathway

Hong Kong portfolio including Hysan Place, Lee Garden One, Lee Garden Two, Lee Garden Three, Lee Garden Five, Lee Garden Six, Lee Theatre Plaza, Leighton Centre and One Hysan Avenue

Hong Kong Green Building Council

CIC Construction Digitalisation Award 2024

Project — OpenBIM (Lee Garden Eight)

Construction Industry Council

HKIS QS Awards 2024

Merit — QS Awards on Projects (Sustainability) (Lee Garden Eight)

The Hong Kong Institute of Surveyors

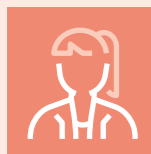
The Hong Kong openBIM/openGIS Awards 2024

The Grand Award — Construction for Building Project (Lee Garden Eight)

The Hong Kong Alliance of Built Asset & Environment Information Management Associations (HKABAEIMA) and The Hong Kong Chapter of buildingSMART International



Governance



Exceeded **33%** representation of female directors on the Board



Zero cases of cybersecurity/data privacy breaches



Environment



>7% y-o-y reduction in carbon emissions (Scope 1 and 2) from 2023



>7% reduction in electricity use from base year 2021



Committed to **Science Based Target Initiative (SBTi)**



Over **32,000 kWh** renewable Energy generated



40% of debt financed by sustainable finance



People



Zero work-related fatalities



52% of management positions³ held by female



14% increase in training hours

³ "Management positions" is manager grade staff and above.



Community



Curated **>2,000,000** Happy Hours



Engaged **>3,000,000** participants through **>200** events



Maintained traditional trade and modern urban culture shops **>25:75** ratio



Provided support to **>30%** to the Lee Garden's neighbourhood

Sustainability Governance



Exceeded

33%

representation of female directors on the Board



0

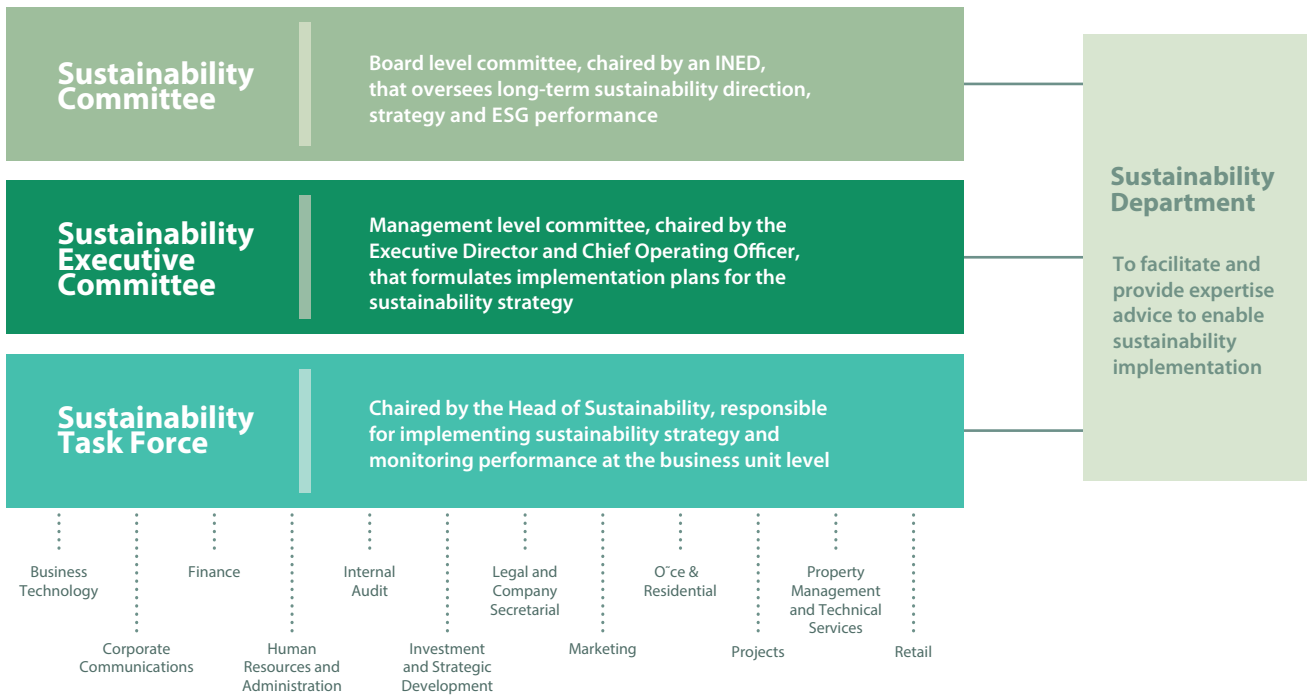
cases of cybersecurity/
data privacy breaches

Sustainable development forms the cornerstone of Hysan's long-standing commitment to creating value for our stakeholders. Governance underpins our community business model and guides us in integrating sustainability concepts into our decision-making and day-to-day operations to maximise value creation. With a robust governance framework in place, we are able to continuously enhance our sustainability strategies and policies. This reinforces our commitment to responsible business practices and ensures that sustainability remains at the core of our operations.

Governance Structure

The Board is the highest governance body at Hysan. The four Board committees supporting the Board include the Audit and Risk Management Committee, Remuneration Committee, Nomination Committee and Sustainability Committee. Among these Committees, the Sustainability Committee (the "Committee") has a central role in addressing corporate responsibility and sustainable development matters at Hysan. It provides direction and advises the Board on strategies concerning ESG-related risks and issues that are relevant to the Group.

The Sustainability Committee members are highly experienced senior management and come from diverse industries and business backgrounds. It is chaired by independent non-executive director of the Company (the "Independent Non-Executive Director") Ms. Young Elaine Carole and includes two other Independent Non-Executive Directors and Non-Executive Director, Ms. Wong Ching Ying Belinda and Mr. Lee Tze Hau Michael.



Roles and Responsibilities

As per its Terms of Reference, the Sustainability Committee has been meeting at least once a year since February 2024. During the review period, two meetings were held in February and July. The committee discussed and reviewed Hysan’s sustainability strategy, performance and approaches to achieving environmental, social and governance goals, including updates on science-based targets and climate-related preparedness and risks and opportunities. Other topics under discussion included Hysan’s cultural heritage, the uniqueness of the Lee Gardens community, and its contributions to social wellbeing. A fuller “Sustainability Committee Report” presented by the Committee Chairman is available in our *Annual Report 2024*.

The Executive Director and Chief Operating Officer lead the Sustainability Executive Committee, comprising department heads. They formulate the Group’s sustainability strategies, the pathway to achieve net zero, and major stakeholder engagement campaigns.

The Sustainability Department guides the implementation of sustainability practices at Hysan, providing expertise and advice to support the integration of sustainability concepts, principles and best practices into our daily business operations. Additionally, the Sustainability Department collaborates with and oversees the Sustainability Task Force to ensure proper implementation of sustainability across the organisation.

Sustainability Governance

Sustainability Committee Members

Young Elaine Carole,

Independent Non-Executive Director, Chairman of the Sustainability Committee

Ms. Young has extensive experience in both real estate and hospitality across Asia. She is the co-founder of the boutique serviced apartment brand, Shama. After Shama was acquired by ONYX Hospitality Group in 2010, Ms. Young founded her own real estate and hospitality consultancy firm. In 2017, Ms. Young co-founded TULU, a Shanghai based Co-Living brand. Ms. Young is a special advisor to one of Warburg Pincus' joint ventures in China, NOVA Property Investment Co. Ltd., and sits on its board. Ms. Young is also the co-chair of The Mekong Club, a non-profit organisation that fights modern day slavery. She was named "Entrepreneur of the Year" at the prestigious RBS Coutts/Financial Times Woman in Asia Awards in 2009.

Ms. Young served as an independent non-executive director of Link Asset Management Limited (as manager of Link Real Estate Investment Trust) for nine years until 31 January 2022 and was a member of its finance and investment committee and remuneration committee. She was an independent non-executive director of Ascott Residence Trust Management Limited, the manager of Ascott Residence Trust listed on The Singapore Exchange Securities Trading Limited, and was a member of its audit committee.

Wong Ching Ying Belinda,

Independent Non-Executive Director, Member of the Sustainability Committee

Ms. Wong was the former chairwoman and chief executive officer of Starbucks China. Under her visionary leadership, Starbucks expanded its retail presence over 15-fold, reaching more than 7,500 company-owned stores across 1,000 cities and solidifying China as its largest international market. Ms. Wong positioned the brand at the forefront of retail innovation, championing digital initiatives that revolutionized operations and enhanced customer experiences. Notably, she created an omni-channel business model that generated half of the sales of Starbucks China and developed a highly successful loyalty program with nearly 150 million members.

Ms. Wong joined Starbucks Coffee Company in 2000 and held leadership positions across a variety of business units and geographies, including marketing director for the Asia Pacific region of Starbucks Coffee, managing director of Starbucks Singapore and general manager of Starbucks Hong Kong. She has extensive experience in retail, food and beverage, people, brand development and growth strategy across the Greater China and Asia Pacific regions.

Ms. Wong is currently an independent director of Canada Goose Holdings Inc. (listed on the New York Stock Exchange and Toronto Stock Exchange) and serves as a member of the Faculty Advisory Board for the University of British Columbia's Sauder School of Business. Ms. Wong was an independent non-executive director of Television Broadcasts Limited. Ms. Wong holds a Bachelor of Commerce degree with a major in finance from the University of British Columbia in Canada.

Lee Tze Hau Michael,

Non-Executive Director, Member of the Sustainability Committee

Mr. Lee is currently a director of Oxer Limited, a private investment company.

Mr. Lee is also an independent non-executive director and the chairman of the corporate governance committee of Chen Hsong Holdings Limited, as well as the chairman of the Board of Stewards of The Hong Kong Jockey Club.

Mr. Lee was previously an independent non-executive director of Hong Kong Exchanges and Clearing Limited and Trinity Limited, and an independent non-executive director and chairman of OTC Clearing Hong Kong Limited. He was also a member of the Main Board and Growth Enterprise Market Listing Committees of The Stock Exchange of Hong Kong Limited.

Mr. Lee is a member of the founding Lee family and a director of Lee Hysan Company Limited, a substantial shareholder of the Company. Mr. Lee received his Bachelor of Arts degree from Bowdoin College and his Master of Business Administration degree from Boston University.

Policies and Guidelines

The Sustainability Executive Committee sets Hysan’s sustainability policies for all properties and business units. Comprising members from each department, the Sustainability Task Force implements projects and initiatives according to these policies.

Policies and guidelines related to sustainability help standardise and regulate actions and provide direction on sustainability issues for Hysan. The Sustainability Committee at the Board level conducts regular reviews and updates to ensure these policies and guidelines align with stakeholder, industry and market expectations. Staff receive regular training to enhance their understanding of the policies and ensure their proper implementation.

HKEX 2024 Updates: Enhancements to the CG Code and ESG Reporting Code



In 2024, HKEX made significant updates to both the CG Code and ESG Reporting Code. The CG Code enhancements, published in December 2024, will come into effect on 1 July 2025, and include new requirements for board effectiveness and enhanced disclosures on shareholder engagement. The updated ESG Reporting Code, which aligns more closely with the International Financial Reporting Standards (IFRS) S2, emphasises the Board’s role in overseeing ESG matters and integrates ESG considerations into strategies and decision-making processes. These new ESG reporting requirements will be implemented in phases starting from 1 January 2025.

For preparing the latest ESG Reporting Code, we engaged a third party to assess gaps in our sustainability and annual reports. We identified areas for improvement, particularly in Part D indicators on climate-related disclosure. We are also phasing in our climate risk asset-level assessments across our portfolio and will share more details as results become available. Some enhancements related to climate metrics and targets are disclosed in this report – “Climate Resilience and Adaptation”.

As part of the Board’s oversight, training has been provided in climate-related risks, with active engagement by the Sustainability Committee. This includes regulatory updates and industry and peer trends, delivered through ESG news digests and internal briefings. Key topics under discussion included changes in HKEX’s expectations on climate disclosure requirements and the background and preliminary findings of our climate assessment from the first stage. Since 2024, we have ensured that more climate-related training is delivered to the Board through various modes, including online webinars and reading materials. We will also incorporate case studies and guest speakers as appropriate in the future.

Sustainability-related Policies

Sustainability Policy

Climate Change Policy

Environmental Policy

Health and Safety Policy

Sustainable Procurement Policy

Supplier Code of Conduct

Governance and Compliance Policies

Corporate Governance Guidelines

Corporate Culture Statement

Anti-Bribery and Corruption Policy

Anti-Fraud Policy

Whistleblowing Policy

Human Rights Policy

Board Diversity Policy

Code of Ethics

Workforce Diversity Policy*

* New in 2024

Sustainability Governance

Integrating Sustainability into Performance Reviews



Sustainability performance is considered in employees' performance reviews, although it varies across roles and hierarchy levels. The Executive Director and Chief Operating Officer, who chairs the Sustainability Executive Committee, is responsible for achieving corporate ESG targets, including carbon reduction and Health & Safety performance, while optimising business objectives. The Sustainability Department facilitates and advises on the formulation and implementation of sustainability strategy. The Project team ensures that developments with significant sustainability features are delivered on time. Property Management Technical Services staff are held responsible for achieving phased energy reduction goals. Other departments have sustainability objectives related to the nature of their operations and have targets set under the Community Business Model. All performance is monitored and achievements considered in employee performance reviews.

Ethics and Anticorruption



Hysan is committed to maintaining a high level of integrity and ethical conduct in its business practices. The Company's reputation for honesty, trustworthiness and fair play, built over many years, is a significant asset for Hysan's long-term development and success. Our Code of Ethics covers conflicts of interest, bribery, competition and antitrust, privacy compliance and equal opportunity. All directors, officers and employees of the Group must fully abide by the Code of Ethics and confirm in writing that they have read and understood it after recruitment.

We also have a policy aligned with the Competition Ordinance of Hong Kong. It applies to all employees of the Group and prohibits any Hysan employee from engaging in anti-competitive conduct. Our Anti-Fraud Policy, adopted in 2021, promotes an ethical culture and emphasises our zero-tolerance attitude towards fraud. In 2022, we adopted an Anti-Bribery & Corruption Policy to reinforce our anti-bribery and corruption practices and procedures embedded in our Code of Ethics.

Anti-corruption training is provided to all Directors and employees. Training materials for Directors are included in a comprehensive memorandum on Directors' Duties and Responsibilities, accessible at all times on a separate portal. Senior management are reminded of their relevant duties on a half-yearly basis and have access to training materials on our intranet. All employees must complete anti-corruption training courses within the first three months of their employment. Training materials are available on Hysan's mobile learning platform, featuring live videos and interactive elements to support learning at employees' own pace from any location, at any time.

During the year, there was no case of non-compliance with relevant laws and regulations that had a significant impact on the Group.

Hysan's 100th Anniversary Share Award

To foster a sense of belonging and engagement, all employees were awarded with 100 shares of the Company as part of our commemoration of Hysan's 100th anniversary. The share award plan is a gesture of appreciation for the valuable contributions made by our employees towards Hysan's success.



Whistleblowing Policy



Hysan has long maintained a whistleblowing policy to ensure compliance with our corporate policies and relevant laws. This policy allows any irregularities or instances of non-compliance to be reported confidentially to an independent third party. If any Hysan employee raises genuine and appropriate concerns under this policy, they are assured of fair treatment, including protection against unfair dismissal, victimisation or unwarranted disciplinary action, even if the concerns turn out to be unsubstantiated.

Any whistleblower who becomes aware of existing or potential misconduct, malpractice or irregularity within the Group is encouraged to report it promptly to the Group's designated independent third party. The Group will keep the whistleblower's identity strictly confidential unless it becomes necessary for them to provide evidence or be interviewed by relevant regulators or authorities. The designated third party will conduct a thorough investigation and report the matter to the Audit and Risk Management Committee. Additionally, the Internal Audit Department will be copied on the report to ensure proper oversight and follow-up. For more information, please refer to our Code of Ethics, Anti-Bribery and Corruption Policy, Anti-Fraud Policy, and Whistleblowing Policy available on our website.

During the reporting period, no whistleblowing cases were reported at Hysan.

Intellectual Property Rights



All Hysan employees must observe and protect the Company's intellectual property rights, according to the Company's relevant requirements and applicable laws and regulations as stated in our Code of Conduct. The intellectual property and technology developed by our employees during their employment with Hysan are considered the property of the Company. Employees shall ensure the Company's technology and facilities are used ethically and lawfully under the Company's policies and procedures and applicable laws and regulations.

Cybersecurity



Hysan recognises the critical importance of cybersecurity in safeguarding our information and assets. In the rapidly-evolving digital landscape, we take cybersecurity seriously and regularly update our measures to combat potential threats. Protecting our hardware, software and data from cyber threats is an essential component of our comprehensive data protection regime. We continually implement and enhance our cybersecurity measures to ensure the confidentiality, integrity and availability of our systems and information. By prioritising cybersecurity, we strive to maintain the trust of our stakeholders and uphold the security of our operations in an ever-changing digital environment.

In 2024, we upgraded our email protection system to a new cloud-based email security solution. The enhanced email system safeguards the Company against email threats such as phishing, malware and spam. It features advanced threat detection that leverages machine learning and AI to identify and block sophisticated threats in real time. These innovations enable real-time detection and blocking of sophisticated threats while optimising resource usage, thereby contributing to a more eco-friendly operational model.

Sustainability Governance

During the reporting period, we continued to arrange regular cybersecurity awareness training sessions for our staff. To that end, we acquired a comprehensive cybersecurity awareness training platform that offers training materials in various formats and languages, covering a wide range of topics. We also conducted a phishing campaign via the platform, with over 92% of users successfully identifying and responding appropriately to the simulated phishing attacks.

Personal Data Privacy



We attach great importance to the protection of personal data privacy in Hysan's operations. The Company allocates considerable time and resources

to promote the awareness of, and compliance with, the provisions of the Personal Data (Privacy) Ordinance of Hong Kong, particularly its data protection principles.

Through our robust data protection framework, we ensure that privacy matters raised across departments are thoroughly reviewed and promptly addressed. We have established a Data Privacy Inventory of the Group, which each department is responsible for updating periodically. Our Internal Audit Department conducts regular compliance audits to ensure internal controls in each department are properly implemented to minimise the Group's risk of privacy exposure.

To further strengthen our data privacy management, we established the Data Privacy Management Group ("DPMG") in 2022. The DPMG, led by the Data Privacy Officer and the General Manager of Internal Audit, handles escalated privacy matters within the Hysan Group. The DPMG ensures that privacy issues requiring immediate resolution are addressed in a timely manner. It reports directly to the Executive Director and Chief Operating Officer, and Chief Financial Officer.

We also have a comprehensive handbook and clear guidelines on data privacy, with guidelines on mitigating system development risks, restricting third-party access, and following incident response and escalation procedures. It has been circulated to all employees and are made available on our intranet.

In addition, we have published various in-house privacy compliance documents, amongst others, *the Privacy Compliance Policy* and *the Procedure for Handling and Reporting a Data Breach*. Each has been adopted to enhance our data protection framework. These documents provide detailed guidelines on compliance with relevant privacy laws and regulations and the appropriate handling and reporting of data breaches.

Hysan remains committed to upholding data protection protocols. We conduct regular online training sessions and mandatory annual training in data privacy to keep our employees well-informed on these protocols and will periodically revise our policies and procedures to align with new business developments and legal updates. During the year, there were no cases of non-compliance that had a significant impact on the Group.

Supply Chain Management



Hysan implements good supply chain management practices to ensure the efficiency, reliability and overall success of our operations. We recognise that an effective supply chain is essential for delivering high-quality products and services to our customers while minimising costs and risks.

Policy and Internal Control

In 2024 Hysan's Internal Audit Department conducted a Group Procurement Review as to reinforce the procurement controls and ensure their operating effectiveness. Procurement policies were updated to address specific functional needs and with a fraud-risk focus. Hysan also recognises the significance of integrating ESG principles into our supply chain management process to make a positive social and environmental impact. In 2024, we updated our Sustainable Procurement Policy and Supplier Code of Conduct to include functions such as administration and marketing.

Our Supplier Code of Conduct states the legal and regulatory requirements that must be followed by our service providers, including corporate governance, anti-corruption, labour standards, environmental protection, health & safety, and data privacy. They are also required to adhere to Hysan's Human Rights Policy, which stipulates they do not use child labour, or forced or involuntary labour. We will review adherence to these requirements, and if any issues are identified, appropriate actions will be considered, which may include discontinuing future use of the supplier.

The aim of Hysan's Sustainable Procurement Policy, our guiding framework for procurement decisions, is to minimise our environmental impacts and generate positive social outcomes. We assess and review our supply chain from time to time in accordance with our sustainable procurement commitments and environmental and social standards. We continue to review the need to strengthen monitoring the performance of our service providers more systematically, especially the key suppliers. To ensure our staff are well-informed about our policies, we provide training in sustainable practices and encourage them to explore more sustainable and efficient ways of carrying out their daily work.

Communication and Engagement with Suppliers

Effective communication is vital for promoting Hysan's sustainable procurement practices. This means actively engaging with our suppliers and clearly communicating our environmental and social requirements to them.

Building on the findings from our stakeholder engagement exercises in 2023, we have incorporated comments from our stakeholders, which are evident in our latest project development at Lee Garden Eight. The partnership between Hysan and Chinachem, along with the collaboration among our professional consultants and contractors – ATAL, Hip Hing and Arup – has been pivotal in driving the adoption of MiMEP technology. By pooling their expertise and resources, these companies have implemented innovative construction methods that significantly improve efficiency and reduce environmental impact. The Lee Garden Eight project, which adopted over 80% MiMEP application, is a testament to the success of this collaborative effort.

Sustainability Governance

Case Study

Hysan MiMEP Summit: A Milestone in Sustainable Construction, Technology and Partnerships

“A Sustainable Future — Pioneering MiMEP Innovation” Summit marked a significant milestone in sustainable construction. This event highlighted the successful implementation of Multi-trade integrated Mechanical, Electrical and Plumbing (MiMEP) in the Lee Garden Eight project. The summit brought together industry leaders and experts to discuss advancements in sustainable construction practices.

The opening remarks were delivered by Ms. Bernadette Linn, JP, Secretary for Development, The Government of the HKSAR. She underscored the critical role of technological advancements in the construction industry, particularly through sustainable technologies such as MiMEP. With over 80% of the project incorporating MiMEP, Lee Garden Eight set a new industry benchmark.

Mr Ricky Lui, Executive Director and Chief Operating Officer of Hysan Development, emphasised how strategic partnerships have revolutionised the construction landscape. During his remarks, he shared that the Lee Garden Eight project stands as a testament to the power of collaboration in eco-friendly urban developments in Hong Kong.



Risk Management

Hysan has established an effective ESG risk management mechanism to identify, assess, review and manage enterprise risks across the Group. ESG-related risks, climate risks and other potential risks are integrated into our multi-disciplinary risk management system.

During the reporting year, we conducted an ESG risk assessment to strengthen the Group's risk mitigation and response capabilities. Business units are now required to identify and highlight the key ESG risks in their operations and assess the risk level according to their likelihood, impact and risk velocity based upon a defined risk-scale system.

The Risk Management Committee reviews the major ESG risks and opportunities, and the management-level Sustainability Executive Committee and operations-level Sustainability Task Force communicate these risks to the respective business units for appropriate action.

Hysan has also adopted a risk management and internal control model, which is based on that of the Committee of Sponsoring Organisations of the Treadway Commission (COSO) in the United States, and adapted it to our business and organisational structure. During the reporting year, the Audit and Risk Management Committee focused their reviews and discussions on corporate risks and the overall risk management agenda, including climate-related transition risks, ESG risks and cybersecurity risks.

Through our robust risk management process, risks are reviewed and communicated across our multi-level risk governance structure. This procedure consists of (i) an ongoing process integrated into our day-to-day operations, in which risk owners dynamically evaluate and report any emerging risks they encounter to the Risk Management Committee and, (ii) a periodic risk assessment process in which key risks identified by management are regularly and systematically assessed. To strengthen management's assurance to the Audit and Risk Management Committee and the Board, self-

assessment questionnaires are completed by senior management each year. This exercise ensures our internal controls are being properly implemented. Through these mechanisms, we also ensure that effective processes are in place against the latest regulatory and ESG-related risks.

Climate-related Risks

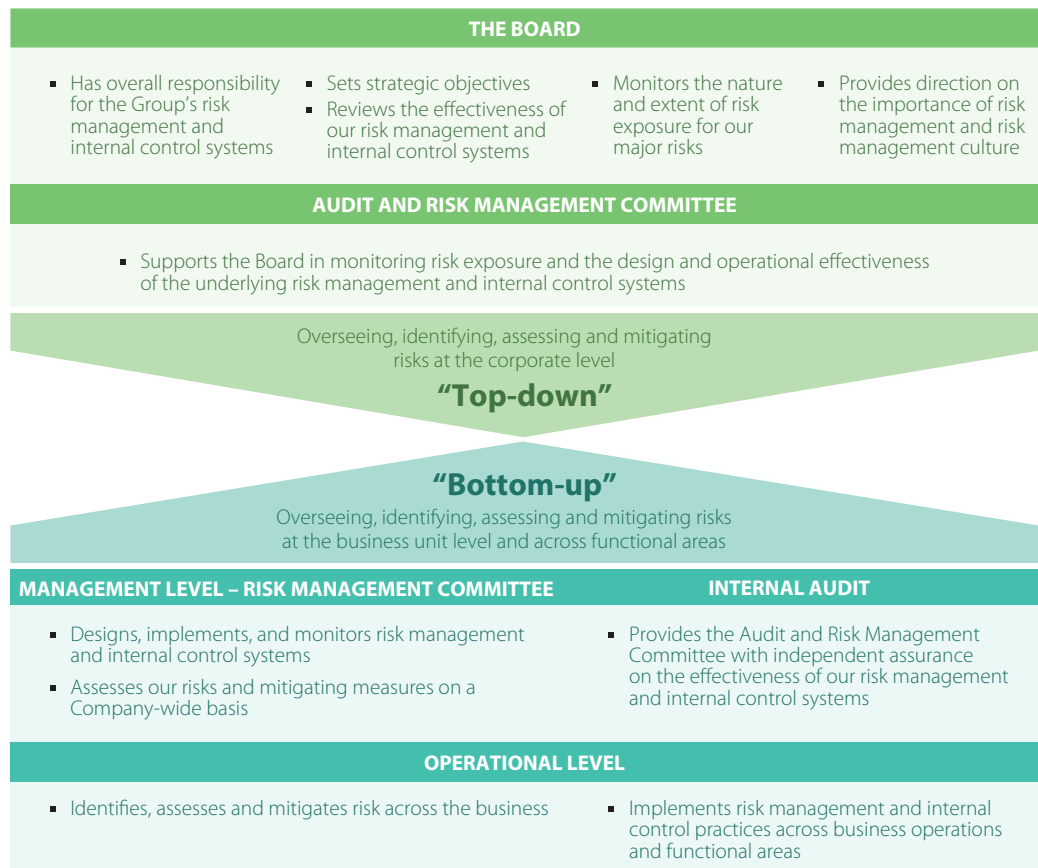


Since 2022–23, the Group has engaged an external consultant to support a climate-related physical risk assessment of the Lee Gardens portfolio, including the Lee Garden Eight project and Lee Gardens Shanghai, so that we can address concerns related to extreme weather events. Details of climate-related risks (both physical and transition risks) are reported in the “Environment” chapter, and the risks that have been identified are incorporated into our enterprise risk management framework for continual evaluation.

Incorporating climate-transition risks involves recognising and addressing the potential inherent risks and opportunities associated with the transition to a low-carbon economy and the impacts of climate change. Key aspects such as policy changes and liability risks, technology developments and market shifts, were considered according to the recommendations of the TCFD framework.. Respective business units are being asked to evaluate each inherent risk and identify measures to mitigate the associated risks.

Hysan continually reviews and updates the risk management framework to reflect the most material and critical risks and their associated mitigation measures and responsible parties. Although risks associated with climate change and ESG compliance remain at the same inherent risk level, the shift towards low carbon technologies and the increase in climate change impacts on Hysan building operations have intensified the need for integrating mitigating measures into our risk management framework.

Hysan’s Top-Down/Bottom-up Risk Management Framework



Stakeholder Engagement and Materiality Assessment

For further details on risk management and the key ESG and climate risk areas that have been identified, please refer to the “Risk Management and Internal Control Report” section in the Annual Report. For further details on our climate risks assessment, please refer to the “Environment” section.

It is important for us to grow and collaborate with our diverse stakeholders, which we do by communicating regularly with them. By actively listening and engaging in dialogue, we gain valuable insights into their expectations regarding our sustainability performance. This enables us to identify and prioritise material issues that matter most to our business and stakeholders, while allowing us to assess the effectiveness of our sustainability measures.

Stakeholder Engagement

Stakeholders play a crucial role in Hysan’s business operations. They comprise groups that are significantly impacted by our activities and those who have a vested interest in our success.

Our aim through this ongoing engagement is to enhance transparency, build trust and ensure that our sustainability efforts align with the needs and aspirations of our stakeholders.

Key Engagement Channels



Employees

- Intranet and internal newsletters/circulations
- Lunch and Learn/training sessions
- Task force/Committee meetings
- Staff engagement events
- Focus groups/interviews/surveys



Vendors (including contractors and suppliers)

- Tendering and procurement process
- Stakeholder engagement events with service providers
- Regular meetings
- Focus groups/interviews/surveys



Tenants

- Information kits
- Workshops/activities
- Tenant relationship personnel
- Mobile app
- Focus groups/interviews/surveys



Government and regulators

- Regular meetings/special meetings
- Signatories of government campaigns
- Conferences



Customers

- Public education activities
- Community engagement events
- Corporate website
- Mobile app
- Focus groups/interviews/surveys
- Lee Gardens Association



Local community and NGOs

- Community engagement events
- Lee Gardens Association
- Organisational memberships
- Memberships of Task Force and Committees
- Partnership at volunteering events
- Stakeholder tours
- Focus groups/interviews/surveys



Shareholders and investors

- Annual general meeting and results announcements
- Annual and interim reports
- Corporate website

Accordingly, the Group has established various communication channels. These allow us to maintain open, transparent, regular and timely communication with various groups of stakeholders to solicit their opinions and thus make better-informed business decisions. Our stakeholder groups include employees, tenants, customers and members of the local community, NGOs, shareholders and investors, suppliers and vendors, and government. The following table summarises our key stakeholder groups and how they were typically engaged.

In 2023, we engaged an independent consultant to identify stakeholders and conduct engagement exercises. These exercises were held to gain insights into stakeholders' perceptions and expectations regarding ESG

topics material to Hysan. This process allowed us to contextualise, identify and prioritise sustainability-related opportunities from stakeholders' perspectives, and better align our strategies with their needs and expectations.

We conducted focus group sessions, organised interviews and distributed individual questionnaires to gather insights on the importance of each issue, from both internal and external perspectives. A total of 388 stakeholders participated in the online survey, and 11 focus group sessions and interviews were held with various stakeholder groups.

In 2024, we reviewed the validity of the 2023 findings and decided to continue with the results, as they remain relevant and aligned with our sustainability goals.

Approach to Stakeholder Engagement in 2023



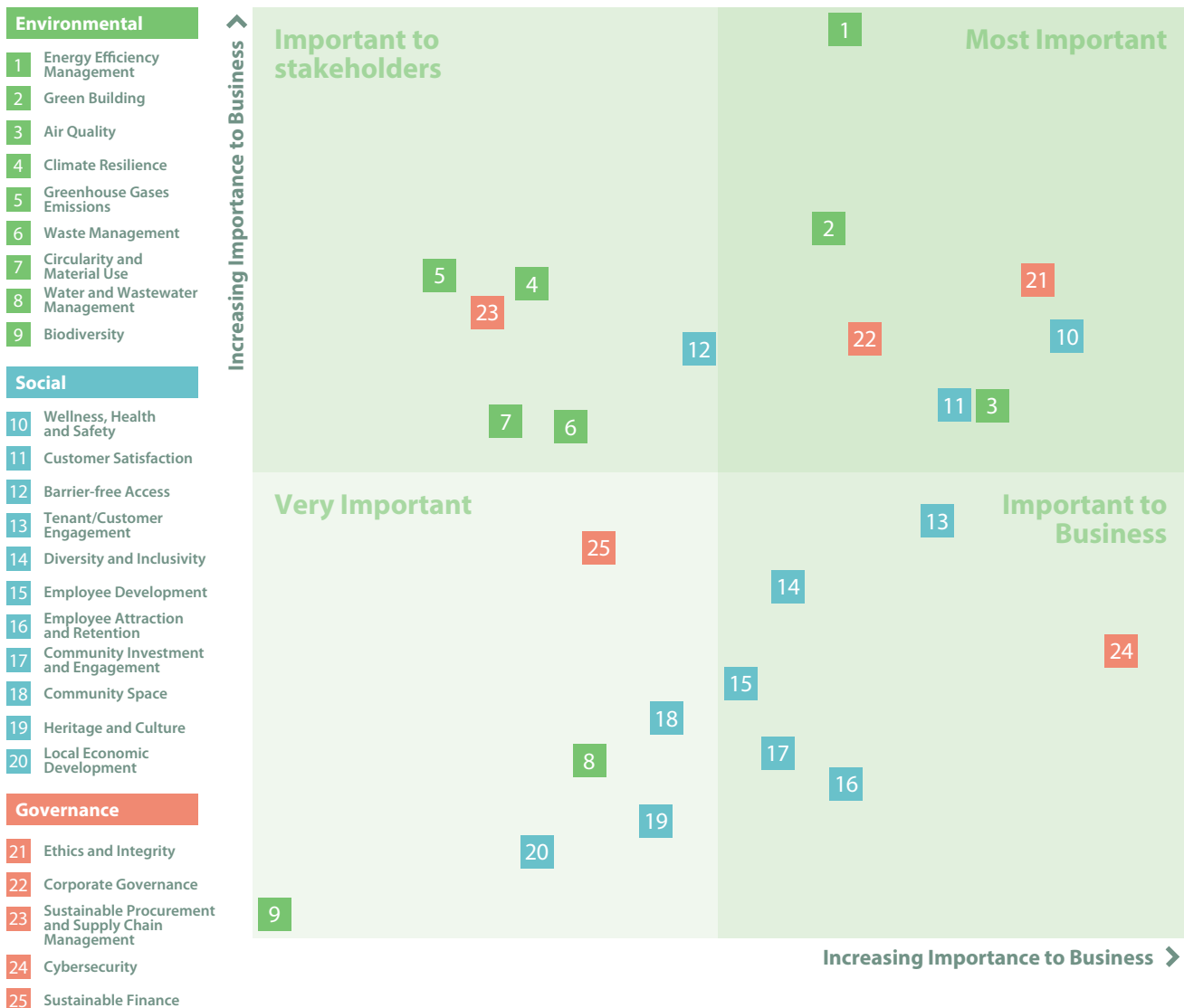
Engagement methodology	Frequency	Representatives of stakeholder groups engaged
Face-to-face Interviews	5	Board Chairman, C-suite, senior managements
Focus Group Discussions	6	Joint venture partners, contractor & suppliers
Online Survey	388	Investor, joint venture partners, tenants, customers, vendors (including contractors and suppliers), industry peers, NGOs, internal employees

Stakeholder Engagement and Materiality Assessment

Materiality

In the last materiality assessment, we reviewed global megatrends, industry peers, local regulations, and other pertinent factors. Our shortlist of 25 material ESG topics was informed by the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and the latest trends and industry best practices. Through focus group discussions, interviews and an online survey, we prioritised the material issues shown below.

The Materiality Matrix



Based on this assessment, we have highlighted the top identified material aspects: ethics and integrity, corporate governance, wellness, health and safety, customer satisfaction, energy efficiency management, green building and air quality, employee attraction and retention, and community investment and engagement. A summary of actions identified to address these issues is provided in descending order of importance in the table below. Details of the progress made are described throughout the respective sections of the Sustainability Report and Annual Report.

Aligning with our Community Business Model, the 25 ESG topics were arranged within a framework of four pillars and aligned with our foundation of corporate governance.

Summary of Material Issues

Community Business Model	Number	Materiality Topics	Importance of Impact		Key Actions to Address the Issues
			Internal	External	
Governance	21	Ethics and Integrity	✓	✓	<ul style="list-style-type: none"> Provide compliance policy training to employees Perform regular internal audits to ensure regulatory compliance
	22	Corporate Governance	✓	✓	<ul style="list-style-type: none"> Robust Board governance structure with 54.55% INEDs and 27.77% NEDs Board diversity to include a minimum of 33% female representation on the Board Annual Board effectiveness evaluation in line with listing rules best practices Regular training provided to the Board of Directors Board oversight on ESG and Climate Change issues
	23	Sustainable Procurement and Supply Chain Management	✓	✓	<ul style="list-style-type: none"> Sustainable Procurement Policy and Supplier Code of Conduct Proactive collaboration with suppliers and vendors on aligning sustainability goals in the procurement process Supply chain engagement exemplified in the high adoption of MiMEP at Lee Garden Eight project
	24	Cybersecurity	✓	✓	<ul style="list-style-type: none"> Maintain zero cybersecurity-related incidents Perform comprehensive risk assessments to identify vulnerabilities and potential threats to the IT systems Strategy to mitigate cyber threats e.g., implemented MDR and MDM solution Regular mandatory training to employees
Positive Economic Impacts	11	Customer Satisfaction	✓	✓	<ul style="list-style-type: none"> Customer hotlines Act on feedback by addressing customer concerns, making necessary improvements.
	13	Tenant/Customer Engagement	✓	✓	<ul style="list-style-type: none"> Engaging tenants on food waste and other waste collection programmes Wellness programme engagement: Running club for stakeholders
	25	Sustainable Finance	✓		<ul style="list-style-type: none"> 40% of debt financed by sustainable finance
	20	Local Economic Development		✓	<ul style="list-style-type: none"> Urban Jam Organised various marketing events to attract footfall to Lee Gardens neighbourhood Provided support to 30% of the stakeholders in the Lee Gardens neighbourhood
Social Wellbeing	10	Wellness, Health and Safety	✓	✓	<ul style="list-style-type: none"> Attained WELL HSR at all properties in the Lee Gardens portfolio Application of medical grade air filters in our MVAC system Provision of wellness programmes to stakeholders e.g., running club
	16	Employee Attraction and Retention	✓		<ul style="list-style-type: none"> Employee benefits provided for wellness and work life balance
	14	Diversity and Inclusivity	✓	✓	<ul style="list-style-type: none"> A signatory of the Racial Diversity and Inclusion Charter for Employers by the Equal Opportunities Commission Provision of nursing room in our head offices and in our portfolio D&I talk and training sessions for employees
	17	Community Investment and Engagement		✓	<ul style="list-style-type: none"> Lee Garden Eight to include 60,000 sq ft of green public open space Established a 1st covered skateboard park at Hysan Place
	15	Employee Development	✓		<ul style="list-style-type: none"> Hysan Academy and Lunch and Learn sessions Training, Education and Professional Membership sponsorship provided for employees
	19	Heritage and Culture		✓	<ul style="list-style-type: none"> Regular music busking and Urban Talks Series Promote urban culture, e.g. skateboarding

Stakeholder Engagement and Materiality Assessment

Summary of Material Issues (cont.)

Community Business Model	Number	Materiality Topics	Importance of Impact		Key Actions to Address the Issues
			Internal	External	
Liveability	12	Barrier-free access	✓		<ul style="list-style-type: none"> Lee Gardens Rejuvenation Barrier-free design at Lee Garden Eight project 24-hour weatherproof covered walkways
	18	Community Space	✓		<ul style="list-style-type: none"> Lee Gardens Rejuvenation Development of Lee Garden Eight project with 60,000 sq ft of green public open space
Environmental Stewardship	3	Air Quality	✓	✓	<ul style="list-style-type: none"> Reduce air pollution in construction by encouraging the use of electrified plants and equipment Maintained good and above rating of IAQ certification in our portfolio
	1	Energy Efficiency Management	✓	✓	<ul style="list-style-type: none"> Facilities improvements, e.g. energy audits and re-commissioning Whole-life cycle facilities management plan Application of smart Building Management System (BMS) Design target for “super-low carbon readied” for Lee Garden Eight project
	2	Green Building	✓	✓	<ul style="list-style-type: none"> >70% of buildings by GFA are certified as green buildings in Hong Kong portfolio A first to become HKGBC Zero Carbon Ready Building scheme for whole HK portfolio Pursue BEAM Plus/LEED certifications for existing buildings in the portfolio
	6	Waste Management	✓	✓	<ul style="list-style-type: none"> Provision of recycling facilities for tenants Engagement activities to educate stakeholders on waste management
	8	Water and Wastewater Management	✓	✓	<ul style="list-style-type: none"> Sky Wetland at Hysan for tertiary treatment of wastewater for educational demonstration Rainwater harvesting installation in our portfolio Attain WSD Quality Water Supply Scheme for Buildings
	4	Climate Resilience	✓	✓	<ul style="list-style-type: none"> Incorporated climate resilience design at Lee Garden Eight project Climate-related risks assessment being conducted Committed to SBTi
	7	Circularity and Material Use	✓	✓	<ul style="list-style-type: none"> Use of innovative solutions such as Food TranSmarter for handling food waste, enabling waste to energy Design to achieve zero landfill at Lee Garden Eight project
	5	Greenhouse Gases Emissions	✓	✓	<ul style="list-style-type: none"> Implemented measures to reduce electricity use in our portfolio, e.g. application of chiller plant and lighting replacement
	9	Biodiversity	✓	✓	<ul style="list-style-type: none"> Conducted ecological baseline survey Urban Farm for organic farming at Hysan Place Old and Valuable Trees (OVT) preservation at Lee Garden Eight project

Last reviewed and updated in 2024

Sustainable Finance

Over the years, Hysan's Sustainable Finance Framework (the "Framework") has evolved and successfully guided the launch of green and sustainable financial products. We instituted the Framework in 2019 and expanded its scope in 2021 to include social elements in eligible projects.

As directed by the Framework, financing from the sustainability bond provides funding for projects that meet the eligibility criteria in certain categories. These include green

buildings, energy efficiency, renewable energy, waste management and recycling, climate change adaptation, affordable basic infrastructure and social impacts, as well as expenditures to control outbreaks of disease and infections. The Framework received a second party opinion from *Sustainalytics*, confirming its alignment with the *Sustainability Bond Guidelines 2021*, *Green Bond Principles 2021*, *Social Bond Principles 2021* and *Green Loan Principles 2021*.

As of 31 December 2024, 40% of our financing was raised through sustainable finance.

Summary of Sustainable Finance raised since 2019

Type of Sustainable Finance	Year of Issue	Currency	Principal Amount	Coupon Rate	Maturity Date
Green Bonds ⁴	2019	HK\$	300,000,000	3.33%	25 Jan 2026
			500,000,000	3.64%	22 Mar 2034
			500,000,000	3.10%	4 Apr 2029
			250,000,000	3.05%	10 Jun 2029
Sustainable Bonds	2021	HK\$	400,000,000	1.50%	27 Jul 2026

Type of Sustainable Finance	Year of Issue	Currency	Facility Amount	Amount Drawn	Maturity Date
Sustainability-linked derivative hedging solution	2020	US\$	125,000,000	125,000,000	16 Jun 2035
Sustainability Linked-loan	2021	HK\$	965,000,000	–	26 Sep 2024 (Expired)
Green Loan ¹	2022	HK\$	12,951,000,000	8,812,000,000 (68%)	25 Jan 2027
Sustainability Linked-loan	2022	HK\$	500,000,000	–	17 Apr 2025
Sustainability Linked-loan	2022	HK\$	1,000,000,000	500,000,000	4 May 2025
Sustainability Linked-loan	2022	HK\$	1,000,000,000	400,000,000	24 Aug 2026

Use of Proceeds

Type of Sustainable Finance	Year of Issue	Status of Allocation (%)	Unallocated (%)	Category of Allocated Proceeds
Green Bonds	2019	100	–	• Green building (refinanced LG3 redevelopment)
Sustainable Bonds	2021	37	63	• Energy efficiency • Pandemic and infection-related • Waste management and recycling • Climate change adaptation
Green Loan	2022	68	32	• Green buildings (Lee Garden Eight project land premium and construction)

Data as of 31 Dec 2024

⁴ The Green Bond of HK\$1,550 million issued in 2019 referenced the Green Finance Framework established in 2018. The Green Loan of HK\$12,951 million issued in 2022 was HKQAA Green Finance pre-certified.

Environment



> 7 %

y-o-y reduction in carbon emissions (Scope 1 and 2)



> 7 %

reduction in electricity use from base year 2021

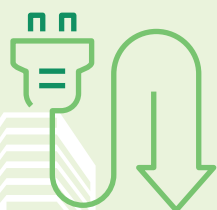


Committed to Science Based Target Initiative (SBTi)



40 %

of debt financed by sustainable finance



> 32,000 kWh

Renewable Energy generated

Environmental stewardship, as one of the pillars of our Community Business Model, is integral to our sustainable business approach. As a prominent player in Hong Kong's real estate market, we recognise that we have a pivotal role to play in promoting sustainable urban development in alignment with global climate goals and the local regulatory framework.

In this section, we outline our comprehensive approach to environmental sustainability, with an emphasis on mitigating climate change impacts, adhering to the Science Based Targets initiative, and integrating environmental considerations into our daily operations. Details of our initiatives and performance are discussed in more detail throughout this chapter.

Climate Considerations: Buildings in Hong Kong use 90% of the city's electricity and produce over 60% of its carbon emissions. In recognition of the urgent need to address this issue, we are taking action aligned with the Paris Agreement and creating value for our business and stakeholders in pursuit of a net-zero future. Our strategic actions are designed to reduce greenhouse gas emissions, enhance energy efficiency, and promote the use of renewable energy sources. In addition, our actions in climate resilience assessments are crucial for addressing both physical and transition risks, enabling our buildings to withstand and adapt to extreme weather events and regulatory changes. By conducting detailed asset-level assessments, we enhance our ability to manage climate-related challenges effectively.

Science Based Targets initiative (SBTi): We are committed to the SBTi and aim to make meaningful contributions to global efforts to limit temperature rise to 1.5°C above pre-industrial levels. We have set clear, measurable and ambitious targets to reduce our carbon footprint, balancing sustainable growth with efforts to minimise our carbon emissions in line with the latest climate science. We take advantage of advanced technologies and develop partnerships, including those within our value chain, to monitor and manage our environmental impacts effectively. This not only helps us determine our long-term sustainability goals but also improves transparency and accountability.

Environmental Considerations in Daily Operations: Sustainability is embedded in our day-to-day activities. From the design and construction of our buildings to their operation and maintenance, we prioritise eco-friendly practices. This means optimising our use of resources, minimising waste and adhering to green building standards. Our efforts extend to engaging stakeholders and promoting a culture of sustainability within our organisation and in the communities we serve.

Through these initiatives, we create positive environmental impacts that contribute to a more sustainable future for our community, Hong Kong and beyond.

Our Corporate Environmental Targets

Our new corporate environmental targets reflect our ongoing commitment to sustainability and strategic goals for reducing our environmental impacts.

Environment Targets	Base Year
Achieve 46% reduction in absolute Scope 1 and 2 carbon emissions by 2031	2021
Achieve 46% reduction in absolute Scope 3 carbon emissions by 2031	2023
Achieve 10% reduction in water consumption intensity by 2031	2021
Divert >50% waste from landfill by 2031	Annual
Maintain at least 40% of debt financed by sustainable finance	Annual

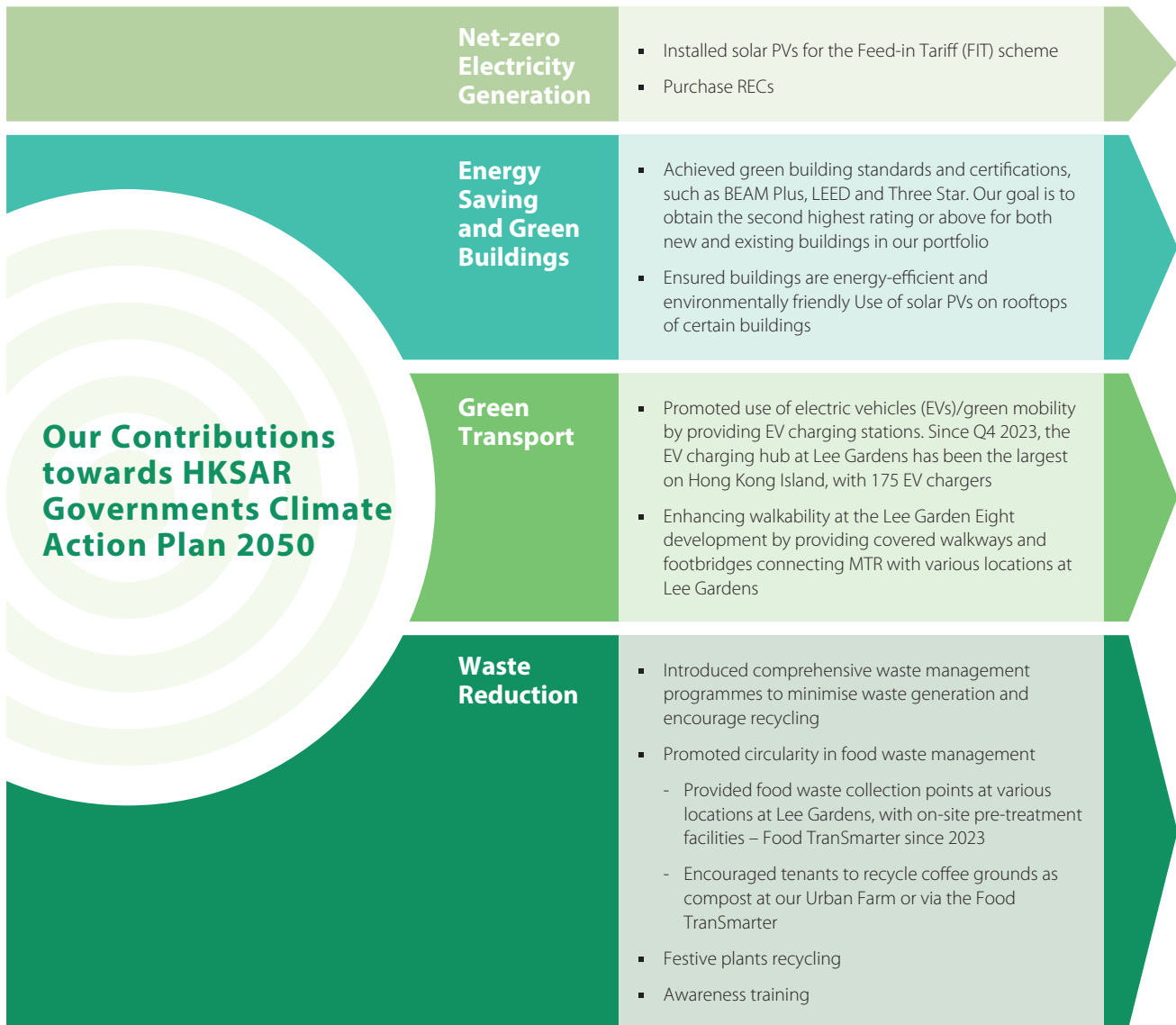
Climate Resilience and Adaptation

Hysan fully supports the Government’s Climate Action Plan 2050, released in 2021. As a key strategic partner in the Carbon Reduction Action, we recognise the pressing need to embrace decarbonisation in our strategies and daily operations. Hysan’s climate action plan is based on the recommendations of the TCFD and IFRS S2 Climate-related Disclosures by the ISSB, published in 2023. We are also committed to the Science-Based Targets (SBT) and are implementing measures to reduce our carbon footprint.

Our key contributions towards the HKSAR Government’s Climate Action Plan 2050 are being made through several targeted initiatives. These initiatives align mainly with major decarbonisation strategies: energy saving and green buildings, green transport and waste reduction.

To reduce our energy demand, we have adopted new technologies to improve energy efficiency and optimise resource use. While recognising that net-zero electricity generation has its challenges, we support the Feed-in Tariff (FiT) scheme by installing solar photovoltaic (PV) systems in our portfolio and purchasing Renewable Energy Certificates (RECs). Details are provided in the following sections.

Environment



Commitment to the Science-based Targets Initiative

In 2023, Hysan made a significant commitment by joining the Science Based Targets initiative (SBTi) as a crucial step towards achieving our climate goals. Although we are still awaiting validation, we have updated our corporate sustainability targets based on the decarbonisation pathway we submitted to SBTi. These targets include both near-term and long-term decarbonisation goals, with an aspiration to achieve net zero carbon emissions no later than 2050. Additionally, we are strategising our decarbonisation roadmap to ensure we have a comprehensive and effective approach towards reducing our carbon footprint.

By signing the SBTi pledge to combat climate change, we aim to set greenhouse gas (GHG) reduction targets in line with the Paris Agreement and limit global temperature rise to 1.5°C above pre-industrial levels.

Climate Actions



1 Assess our climate resilience
 Identify scenario-based climate-related risks, including both physical and transition risks, to evaluate their potential impacts on our business and assets. Assess our preparedness and develop resilience strategies to address these risks effectively.

▶ On-going

2 Engage suppliers on low-carbon alternatives
 Engage third-party service providers, including consultants, contractors and suppliers, to implement innovative low-carbon designs, practices and products.

▶ On-going

3 Collect data and disclose Scope 3 carbon emissions
 Enhance our Scope 3 carbon emissions disclosure in phases, including identifying material categories of our Scope 3 carbon emissions, devising data collection methods and working with our tenants and supply chains to collect our Scope 3 carbon emissions data.

▶ Scope 3 carbon emissions disclosure in 2024

4 Invest in renewable and alternative energy solutions and technologies
 Encourage the use of on-site renewables through green energy sources such as solar PVs, where practicable. Seek opportunities for renewable energy supply. Utilise advanced technologies to enhance energy efficiency across our operations.

▶ On-going, In 2024, total RE of 32,106 kWh generated and 38,492 kWh of REC purchased

5 Set science-based targets as references for establishing near- and long-term decarbonisation targets
 Set our GHG emission reduction targets in line with science-based criteria that will guide us towards a net zero future.

▶ New targets set aligning with SBTi pathways

6 Engage our tenants and community
 Work with our tenants and the community to build an eco-conscious community through our climate change initiatives and campaigns.

▶ On-going, green-lease ready documentation and equipment for Lee Garden Eight

Climate Risk Assessments

Climate risk assessments are crucial for addressing physical and transition risks, regulatory requirements, investor pressure and stakeholder expectations, as well as ensuring business continuity. Regulations such as the HKEX Listing Rules, ISSB and TCFD increasingly mandate companies to assess and disclose climate-related risks. In April 2024, the HKEX updated its ESG Reporting Code to incorporate enhanced climate-related disclosure requirements, effective 1 January 2025. Investors demand transparency and effective risk management, while other stakeholders expect organisations to address climate risks for environmental and business sustainability.

In accordance with the TCFD's guidelines, we have initiated a comprehensive climate-related risk assessment covering both physical and transition risks. This assessment is being carried out in phases by third-party consultants; the initial phase was completed in 2024. Deep dive assessments at the building level are being conducted, organised by clusters of buildings, encompassing more engineering assessments of buildings.

The initial phase of physical risk assessment involved computing climate hazards at asset locations across different timeframes, using proprietary datasets and the latest climate models with local meteorological data. The objective was to identify both chronic and acute risks associated with our portfolio in Hong Kong and Shanghai.

Simultaneously, we assessed transition risks and identified inherent risks within categories such as Policy and Legal, Technology, Market, and Reputation. These transition risks have been incorporated into our corporate risk management framework and are being managed as part of the enterprise risk system. As we phase in assessments of our climate-related risks and opportunities at the asset level across our portfolio, we do not anticipate any adjustments leading to significant changes.

Physical Risks

A physical climate risk assessment was conducted on our Hong Kong and Shanghai portfolio, using two climate scenarios from the Sixth Assessment Report (AR6) released by the Intergovernmental Panel on Climate Change (IPCC). We considered two Shared Socioeconomic Pathways (**SSP2-4.5 and SSP5-8.5**) and three different time horizons: **Baseline, 2030, and 2050**. These scenarios provide a balanced, science-based view of future outcomes, one being practical and one being the worst, allowing us to assess climate-related risks and opportunities that may affect our business operations and future strategic planning.

Most of the climate hazard risks we identified for our portfolio impact the entire region at the city level. Key acute perils include tropical cyclones, extreme heat, pluvial floods and landslides, with water stress identified as a significant chronic peril. Flood and landslide risks were specifically modelled for our assets, focus on the local context to understand potential impacts. In our forthcoming assessment phase, we will prioritise assets of business materiality, considering potential physical damage, financial implications and associated risks such as increased maintenance and staff health concerns.

HKEX updated its ESG Reporting Code to incorporate enhanced climate-related disclosure requirements, effective 1 January 2025.

⁵ Time horizons considered are developed based on 30-year averages: Baseline (2000) average 1985-2014; 2030 – average 2015-2044; 2050 – average 2035-2064.

Key Climate Hazards identified

Risk type	Key climate hazards	Relative implication of each climate hazard		Remarks
		Hong Kong	Shanghai	
Acute	Tropical Cyclone	*****	*****	Top peril contributing to climate risks in Hysan's portfolio, both in Hong Kong and Shanghai.
	Extreme Heat	****	****	Hong Kong has relatively higher combined heat index ⁶ risks than Shanghai.
	Flood	***	**	A pluvial (surface water) flood is identified as a risk to both our Hong Kong and Shanghai portfolio, with relatively higher risk observed in the Hong Kong portfolio.
	Landslide	***	**	The landslide risk assessment is based on geological analysis and precipitation conditions; it does not consider the local landslide prevention and mitigation measures implemented. A further deep dive was carried out to better understand the local context and the comprehensive measures put in place by the Hong Kong Government, which are considered to have substantially reduced the landslide risk.
Chronic	Water Stress	**	***	Shanghai has relatively higher water stress risks than Hong Kong.

Without accounting for any existing climate adaptation measures and following the “worst-case” scenario of SSP5-8.5, the assessment revealed that over 50% of our assets would be categorised as “high risk” by 2030, escalating to over 90% by 2050. These findings, which highlight the increasing vulnerability of our assets to climate risks over time, emphasise the need for robust adaptation strategies.

Starting in 2024, we began assessing our properties over the next two years in phases to ensure they are thoroughly evaluated. In particular, we will prioritise detailed asset-level assessments of properties with highest iso-risks⁷, evaluating their sensitivity and adaptive capacity to climate risks that have been identified.

Our detailed asset-level assessments will adopt a more engineering- and management-focused perspective, considering factors such as existing building infrastructure, systems in place and their susceptibility to extreme weather events. By conducting this in-depth evaluation, we will gain a more comprehensive understanding of the vulnerabilities and resilience of our assets, enabling us to enhance their ability to withstand and adapt to climate-related challenges.

At this stage, we anticipate that these climate-related assessments will have financial implications (e.g. consultant fees and mitigation measures), which we will reveal after completing the deep dive. The relative financial implications under transition risks are discussed in the section below.

⁶ Combined Heat Index considers both high temperature and high relative humidity.

⁷ Iso-risks include the risk of an asset exposition to perils as well as the associated financial exposure of the asset.
















Environment

Transition Risks

As the economy moves towards a low-carbon model, business-related risks may encompass policy and legal risks, technological risks, market risks and reputational risks. Our transition risk assessment used the Net Zero 2050 and Delayed 2-degree scenarios developed by the Network for Greening the Financing System (NGFS). Risks and opportunities were analysed based on their impact, including regional specifics and risk timeline.

Key Transition Risks and Opportunities

Key:  Risk  Opportunity

Category	Risk/ Opportunity	Description	Actions to date
Policy and regulations		Tightened mandates on, and regulation of, existing buildings.	<ul style="list-style-type: none"> Stayed abreast of the latest regulatory updates to ensure compliance. Engaged with professional institutions such as HKGBC and HKIE to stay updated on industry trends.
		Expanded adoption of low- and zero- carbon/carbon building	<ul style="list-style-type: none"> Adopted more aggressive sustainability objectives in design, going beyond regulatory requirements and industry norms. Attained Zero Carbon Ready Certification for the entire Hong Kong portfolio.
		Enhanced requirements for increasing electrification and higher utilisation of renewable energy (RE)	<ul style="list-style-type: none"> The Lee Garden Eight construction site is powered by electricity using electric-powered equipment as much as possible. Largest EV charging hub on Hong Kong Island, encompassing 175 EV chargers; will consider wider adoption of EV charging at Lee Gardens parking facility. Continuously reviewing RE installation to optimise its use.
		Increased pricing of GHG emissions	<ul style="list-style-type: none"> Monitored carbon scheme developments in Mainland China, the GBA and Hong Kong, as well as Shanghai (one of the pilot cities in the emission trading system (ETS)).
		Enhanced emissions-reporting obligations	<ul style="list-style-type: none"> Remain on track with disclosures (ISSB and TCFD aligned climate disclosures) by 2025.
		Increased exposure to litigation risks	<ul style="list-style-type: none"> On-going monitoring of policy changes. Enhanced internal awareness training to prevent greenwashing and ensure all departments understand the associated risks.
		Stronger policy and economic incentives supporting net zero transition	<ul style="list-style-type: none"> Form strategic partnerships with industry stakeholders and sustainability organisations to develop and implement initiatives supporting sustainable practices and technologies, e.g. embedded carbon initiatives among real estate peers. Foster an innovative culture at Hysan and support the adoption of new technologies through programmes such as the Community Lab. Adopt the latest Building Management System (BMS), integrated with IoT and AI technologies as we upgrade our building system.
Technology	 	Adoption of green and low carbon technologies	<ul style="list-style-type: none"> The Community Lab – incubating start-ups. Adoption of latest BMS system, including IoT and AI.
Market		Increased costs of raw materials	<ul style="list-style-type: none"> Engage with suppliers, particularly for green construction materials such as cement and steel, to stay updated on their availability.
Reputation	 	Growing tenant preference for green and climate resilient properties	<ul style="list-style-type: none"> Committed to SBTi. Designed Lee Garden Eight project with the objective of becoming a “super low carbon building” with climate resilient features.
	 	Growing tenant preference for green and climate resilient properties	<ul style="list-style-type: none"> Ensured these measures are well communicated in our marketing materials and training of agency personnel.
		Increased stakeholder concern or negative stakeholder feedback	<ul style="list-style-type: none"> Continue to monitor our climate actions and decarbonisation strategies. Provide awareness training to staff on our actions.


The identified inherent risks will be evaluated at the operational level through collaboration with various business departments. The residual risks identified will be incorporated into our corporate risk management framework, ensuring we have a proactive approach to addressing climate-related risks.

Climate Resilience Designs in Lee Garden Eight



The Lee Garden Eight project was designed to incorporate resilience measures that address extreme weather conditions due to climate change, including its exposure to flooding, wind, heat, and water stress. The design referenced Representative Concentration Pathway (RCP) scenarios over the building's lifetime. Additionally, the intensification of climate change in Hong Kong was considered, incorporating updated data on hourly rainfall records, hot nights, very hot days, cold days, and temperature trends.

Our building design includes several features to cater to these weather conditions:



Heat

MEP systems with a 38.5°C design temperature and landscape design for cooling

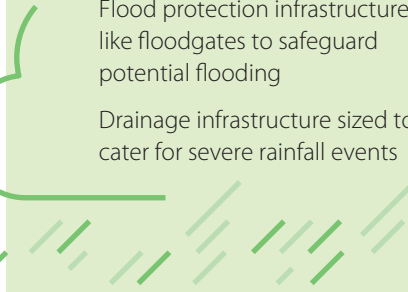
Extreme wind

Structural façade designed to resist strong winds





Rainfall

- Capable to withstand a 1-in-500 year rainfall event
- Flood protection infrastructure like floodgates to safeguard potential flooding
- Drainage infrastructure sized to cater for severe rainfall events



Water stress

rainwater recycling, a self-sustained landscape, seawater flushing, and water-efficient sanitary fittings







Pedestrian links

a weatherproof integrated pedestrian system of covered footbridges connecting different phases of Lee Gardens

Environment

Summary of climate actions as per TCFD recommendations

Recommendations of TCFD	Our actions and approach
<p>Governance</p> 	<ul style="list-style-type: none"> ▪ With oversight from the Board and Sustainability Committee, the Sustainability Executive Committee sets out a clear direction for developing an implementation plan for climate-related issues, which is executed by the Sustainability Task Force at various business units. ▪ Climate-related risks integrated into our corporate risk management and internal control framework are also overseen by the Board. ▪ The Sustainability Department is responsible for engaging all levels in our operations to advise on Hysan’s sustainability commitments, including climate-related actions. ▪ Sustainability/ESG performance, including progress made on climate-related issues, is regularly monitored by the Sustainability Department and reported to the Sustainability Committee and Board. <p>For further information on Governance on climate-related risks, please refer to the “Sustainability Governance” section of this report.</p>
<p>Strategy</p> 	<ul style="list-style-type: none"> ▪ The initial phase of a climate scenario analysis, including physical and transition risks, was carried out in 2023. ▪ Climate change, extreme weather events and energy efficiency are central issues, which will be specifically addressed as we continue our climate risks assessment. ▪ After committing to SBTi in 2023, we set corporate decarbonisation targets based on the SBTi decarbonisation pathways on near-term and long-term targets to achieve net-zero carbon emissions no later than 2050. Decarbonisation strategies will be set for our portfolio. ▪ We have adopted climate-related risks for our new property development – Lee Garden Eight – throughout the building lifecycle. ▪ We will continue to explore funding sources via sustainable financing. ▪ We will explore and adopt the use of innovative solutions and technologies to accelerate our progress towards a low carbon economy. ▪ We will continue implementing decarbonisation in our operations. ▪ Disclosure of our Scope 3 GHG emissions data began in 2023, which are more comprehensively disclosed in this report.
<p>Risk Management</p> 	<ul style="list-style-type: none"> ▪ Climate-related risks are integrated into our corporate risk management and internal control framework. The climate-related risks we have identified, both physical and transitional, will be adopted for assessing climate risks in our daily operations. ▪ The transitional risk study conducted in 2023 included policy and legal risks, technology risks, market risks and reputational risks. Some of the risks and opportunities identified include <ul style="list-style-type: none"> – changing perceptions and demands by our investors, tenants, shoppers and employees for a lower-carbon economy and living and working environments; – potential development of and price movements in a carbon trading market; – potential increase in insurance premiums; – potential exposure to litigation risks due to market and policy transition and green washing; – demand for technological improvement and innovation to improve energy efficiency; – potential financial impacts from property damage; and – increased cost of raw materials, especially construction materials with high embedded carbon such as concrete and steel. ▪ Adopted international management systems, such as ISO 14001 EMS and ISO 50001 EnMS, in our operations as part of our risk identification process.
<p>Metrics and Targets</p> 	<ul style="list-style-type: none"> ▪ Plan our decarbonisation strategies with the aim of achieving our long-term net-zero targets. ▪ Scope 1 and 2 carbon emissions reduction targets with continual monitoring. ▪ Scope 3 carbon emissions disclosure. ▪ Adopt climate parameters under extreme weather conditions into new development designs, e.g., design for 1-in-500-year rainfall event. ▪ Use green and sustainable finance to promote adoption of climate resilient initiatives.

GHG Emissions and Energy Use

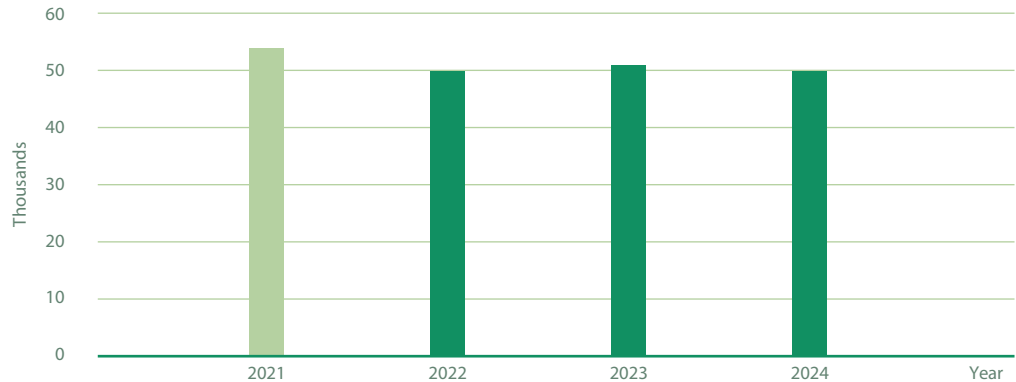
In 2024, we updated our Scope 1, 2 and 3 carbon emissions reduction targets to align them with the SBTi decarbonisation pathways. These reduction targets have been revised to 46% in absolute terms, with 2021 as the base year for Scope 1 and 2, and 2023 as the base year for Scope 3.

Over **95%** of our energy comes from electricity.

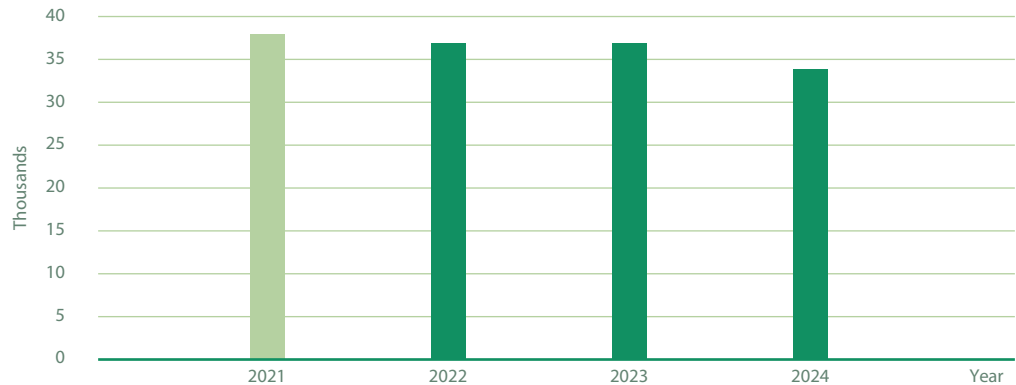
Throughout 2024, we enhanced energy management practices, leveraging technologies such as the Internet of Things (IoT) and Artificial Intelligence (AI) in our Building Management System (BMS). We also implemented a phased approach to control the chillers at various buildings in our portfolio, optimising their operation and reducing energy wastage. We remain committed to improving our building energy performance even further.

In 2024, electricity consumption reduced by 2.9% from 2023 and over 7% from base year of 2021. Scope 1 and 2 carbon emissions decreased year on year by over 7%, despite the reopening of our post-rejuvenation Lee Garden One (LG1). While the grid has continued to decarbonise, we have implemented energy reduction initiatives across various buildings in our portfolio, which we will illustrate in more detail in the following sections.

Total Electricity Consumption (MWh)



Total Scope 1&2 Carbon Emissions (Tonne CO₂e)



Scope 3: Indirect Greenhouse Gas Emissions from Value Chain Activities

Scope 3 carbon emissions are the indirect emissions that arise from value chain activities, including the procurement of goods and services, business travel and tenants' energy consumption.

As part of our commitment to transparency and responsible business practices, we recognise the importance of disclosing Scope 3 carbon emissions in the real estate industry. In 2023, we began reporting four categories of our Scope 3 carbon emissions. In 2024, we undertook a more comprehensive mapping of our Scope 3 carbon emissions in all fifteen categories, identified the respective data, and collected that data for a holistic inventory. We also asked our suppliers and partners to provide relevant information on their carbon emissions and environmental performance.

In assessing and quantifying our Scope 3 carbon emissions, we have adopted the GHG Protocol's supplement – Corporate Value Chain (Scope 3) Accounting and Reporting Standard. This has enabled us to identify significant emission sources and develop targeted strategies for carbon emissions reductions. Due to constraints in data availability, we adopted a hybrid approach to estimate Scope 3 carbon emissions, combining both spend-based and activity-based methods for a comprehensive and robust assessment.

Key Contributors to Scope 3 Carbon Emissions

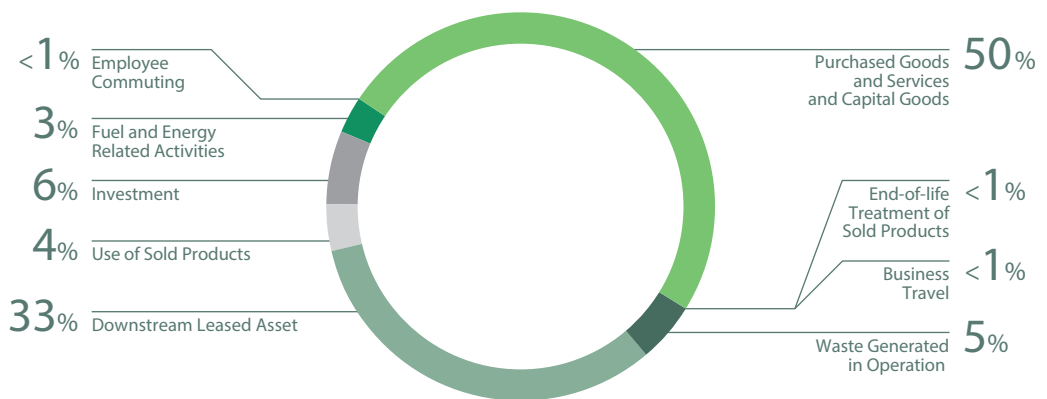
In 2024, 'Category 1 Purchased Goods' and 'Category 2 Capital Goods' combined, were the largest contributor to our Scope 3 carbon emissions, accounting for 50%. In these categories are resource inputs that support our operations, including procured services and maintenance, property management services, use of construction materials, utilities (freshwater use), and paper products.

For construction materials, we estimated carbon emissions using the GHG Protocol and lifecycle assessment approach, covering stages A1 to A5 of these materials' lifecycle. This assessment includes key construction materials such as concrete, rebar, timber formwork and steel.

The second largest contributor to our Scope 3 carbon emissions is Category 13 Downstream Leased Assets, accounting for about 33%. This category includes emissions from tenants' operational activities such as energy use in the leased area⁸.

Having accounted for Scope 3, the breakdown of our overall carbon emissions is approximately 1%, 17%, and 82% for Scope 1, 2, and 3, respectively. For a more detailed Scope 3 carbon emissions and its applicability across the 15 categories, please refer to Appendix 2.

2024 Scope 3 Carbon Emissions⁹



⁸ Emissions from tenants' operational activities are excluded in Hysan's in Scope 1 and 2 carbon emissions.

⁹ The scope 3 emission data presented is based on the best available information at the time of publication. We acknowledge that this data may be subject to change as we undergo the validation process with SBTi.

Enhancing Energy Management with CLPe Partnership

In 2024, we formed a partnership with CLPe to explore opportunities for innovative energy management solutions at Hysan’s core portfolio in the Lee Gardens area. We strive to leverage technology to improve efficiency and energy management while enhancing our resilience to climate change. By proactively exploring adaptive measures across our portfolio, we prepare our buildings for future environmental challenges. This includes exploring opportunities for a distributed district cooling systems and developing innovative one-stop electric vehicle charging infrastructure in Lee Gardens to facilitate green mobility development in the area.

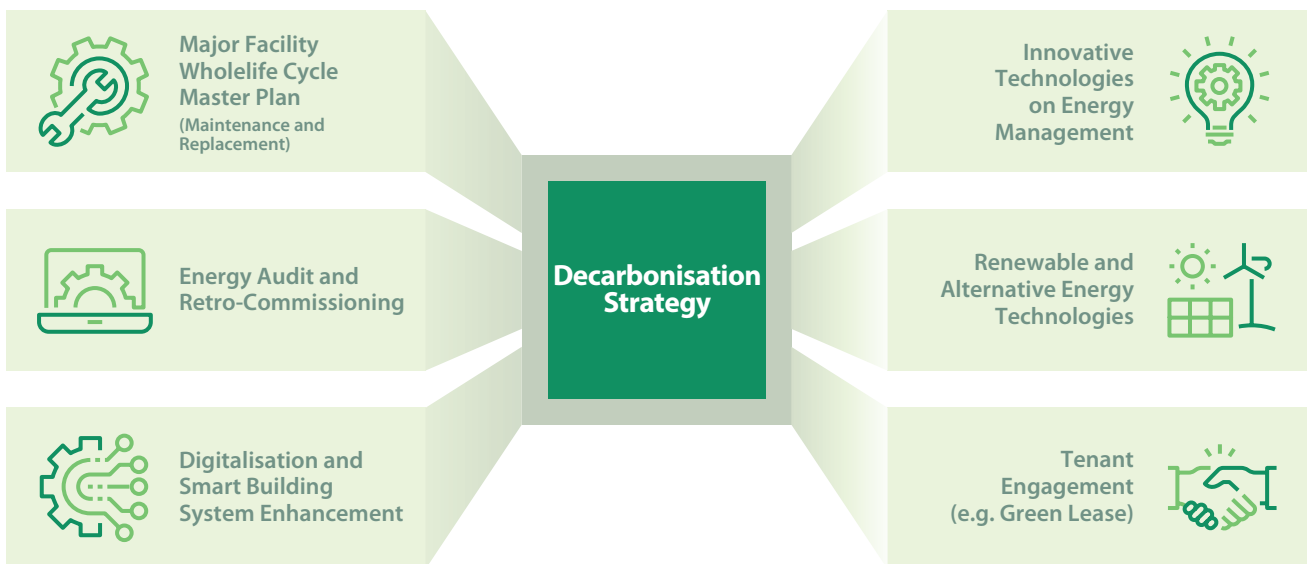


Decarbonisation Initiatives Throughout Our Buildings’ Lifecycle

Buildings account for approximately 90% of electricity consumption in Hong Kong. Recognising their long lifecycles, we make every effort to address sustainability at every stage – from design and construction to operation, maintenance and retrofitting.

As an environmentally conscious property owner, we play an important role in reducing electricity consumption and carbon emissions. It begins by optimising the design of our buildings and then collaborating closely with our contractors during the construction stage to minimise carbon emissions, particularly embedded carbon. Following a project’s completion, it continues during the operation stage by encouraging our tenants to adopt sustainable practices, such as sustainable fit-outs and waste reduction. These efforts exemplify Hysan’s comprehensive management approach, incorporating sustainability throughout a building’s lifetime.

Key actions of our Decarbonisation Approach



Environment

Green Building Design

We see green building design as the first step in achieving energy-efficient operations. In our Hong Kong portfolio, over 70% of Hysan's commercial properties have obtained green building certifications with ratings at the second highest level or above. These certifications include the Leadership in Energy and Environmental Design (LEED) by the U.S. Green Building Council, Building Environmental Assessment Method (BEAM) Plus by the Hong Kong Green Building Council, and China Green Building Label (CGBL) by the China Green Building (HK) Council.

Lee Gardens Shanghai has received certification for a LEED Gold rating, while our Lee Garden Eight project aims to achieve Platinum ratings in both green and WELL certifications. Furthermore, the Lee Garden Eight project is designed to meet the requirements of the "Super Low" rating in HKGBC's new Zero-Carbon Ready Building (ZCRB).

We strive to go beyond the local Building Energy Code requirements in our new developments and incorporate sustainability measures and improvements in our existing buildings. For new developments, this means adopting efficient designs that mitigate potential impacts on our buildings in a rapidly changing climate. For existing buildings, we focus on implementing sustainability upgrades and improvements. Surpassing the existing standards also means constructing buildings that are not only environmentally conscious but resilient against future challenges associated with climate change.

Operations and Maintenance

In our existing portfolio, we have completed energy audits of all Lee Garden buildings in our Hong Kong portfolio, some of which are already in their second cycle of energy audits. We have also a Whole Life-cycle Master Plan, which includes maintaining and replacing major facilities such as lighting, lifts and escalators, optimising chiller plants and pumps, and installing new air handling units (AHUs) and primary air handling units (PAUs) with electronically commutated (EC) plug fans.

What's more, we have been adding smart building features across our portfolio, including AI technology for optimising chiller plants. Upgrade projects were completed for six major buildings in 2024: Hysan Place, Lee Garden One, Lee Garden Two, Lee Garden Three, Lee Garden Five and Lee Theatre Plaza. We also retro-commissioned the associated chilled water distribution systems alongside these upgrades.

Adopting IoT of chiller management

Internet of Things (IoT) and Artificial Intelligence (AI) in our Building Management System (BMS), implementing a phased approach to control chillers at various buildings in our portfolio, optimising their operation and reducing energy wastage. We remain committed to improving our building energy performance.

Sustainable Construction

In addition to operational carbon, Hysan is working with value chain partners to lower upstream carbon emissions. This begins in the building design phase, continues through the construction stage (including on-site carbon emissions), and extends to the operational stage.

To reduce embodied carbon in the early project stages, we select green contractors and suppliers, as well as environmentally friendly materials and structural options where possible and practicable. We also optimise on-site energy use, minimise waste and use water resources

responsibly. Priority is given to materials with high recycled content that can be sourced regionally and transported over shorter distances, thereby causing lower emissions. For instance, we have adopted concrete with high recycled content such as pulverised fuel ash (PFA). We have also requested rebars with recycled material, although there may be constraints in maintaining a consistent supply of these materials. We continue to work with suppliers to improve consistency.

During the design and construction stages, our project team utilises advanced Building Information Modelling (BIM) technology to compare structural design options that minimise material use and reduce wastage due to reworks in construction.

To better manage on-site energy use, we use generators powered by electricity rather than diesel, whenever feasible, and optimise the design of on-site plant and equipment to avoid overcapacity. At our Lee Garden Eight project site, we used a temporary electricity supply from HK Electric during the foundation stage, which not only significantly reduced the use of diesel but also contributed to better energy management and air quality.



Maximise electrification on the construction site to minimise diesel use and enhance air quality

Enertainer



Electric excavator

Renewable Energy

As part of our decarbonisation strategy, we use renewable energy to the greatest extent possible. In 2024, the total renewable energy power capacity in our Hong Kong portfolio was 42.6kW. During the reporting year, over 32,000 kWh of renewable energy was generated, equivalent to the annual consumption of 9.7 domestic households in Hong Kong¹⁰. Of the renewable energy generated, 100% was fed into the grid of the local power company in support of Hong Kong's decarbonisation roadmap. In 2024, a total 38,492 kWh of REC was purchased.

¹⁰ Average monthly Electricity Consumption of household: 275 units Energy Label Net | 能源標籤網 (emsd.gov.hk)

Waste Management

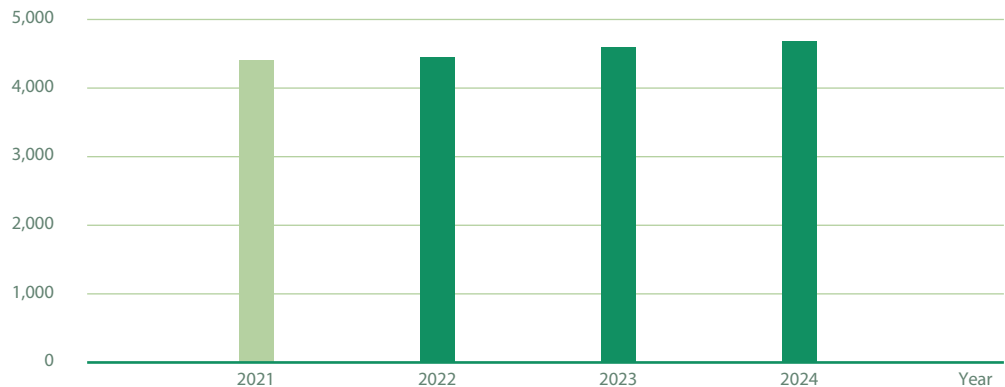
Hysan recognises the importance of waste management in our operations, both in the daily management of our properties and responsible handling of construction and demolition (“C&D”) waste at our building sites. Food waste constitutes a substantial portion, accounting for approximately 30% of Hong Kong’s overall waste. To address this issue and promote a waste reduction culture, we have implemented a range of initiatives, including hardware solutions and engagement activities.

In 2024, waste sent to landfills remained at a similar level as that of 2023 (4,688 tonnes). The amount of recyclables, excluding C&D waste, was 629 tonnes, having an approximately 4% increase compared with 2023. Paper remained the most recycled material. With the installation of two sets of Food Transmarter, the amount of food waste was observed to have increased year-on-year by 49%.

In the past two years, we undertook several initiatives to raise awareness of waste handling procedures among the public and our tenants. We also installed Reverse Vending Machines (“RVMs”) as well as two Smart Recycling Bins (“SRBs”) at Hysan Place for recycling paper and aluminium cans. The RVMs and SRBs were acquired to support the Environmental Protection Department Pilot Programme on Smart Recycling Systems launched in 2023. Using the SRBs also allows users to earn points for redeeming gifts in the Green\$ Electronic Participation Scheme.

At Lee Garden Eight, we repurposed unavoidably felled trees from the construction site for future on-site reuse and repurposed approximately 166 metres of masonry wall by integrating it into the project’s design. This not only reduced waste but also paid homage to the past.

Waste to Landfill (Tonne)



Construction and Demolition Waste

On our new development and renovation projects, we have taken a collaborative approach to managing construction waste. This involves collaborating with contractors during construction and engaging tenants during fit-out to ensure responsible waste practices. At our Lee Garden Eight construction site, for example, we repurposed 100% of the C&D materials from the original two-storey structure for backfill during foundation works.

Additionally, we have adopted the use of Material Management App (MMA), introduced by our main contractor, to enable C&D materials generated from our site can be promptly relocated for use in other sites.

In our new project design and development, we work closely with designers to encourage the preservation and integration of surrounding architectural features with conservation value. For the Lee Garden Eight project we preserved, repurposed and integrated the existing masonry walls and earthenware pipes from the original site into the new design. By retaining these features, we not only reduced waste but also honoured the past.

Innovative Prefabrication for Sustainable Waste Reduction

The MiMEP at Hysan’s Lee Garden Eight is a pioneering project that prioritises sustainability through innovative construction methods. A key aspect of this initiative is the use of prefabricated modules for the Mechanical, Electrical, and Plumbing (“MEP”) systems. By assembling these components off-site, the project significantly reduces on-site waste and minimises the environmental impact of construction activities. An estimated 70% of waste reduction from the MEP trades is anticipated compared with typical on-site assembly. This approach not only improves efficiency but also sets a new standard for sustainable building practices in urban developments.



An estimated **70%** reduction of waste generated comparing with typical construction sites.



Environment

Food Waste

At Hysan, we have been committed to reducing food waste at its source since 2017 as part of the Hong Kong Government's Food Wise Charter Signatory campaign. We divert food waste away from landfills and encourage our tenants, especially F&B tenants, to do the same through designated cleaning contractors. During the reporting period, a total of 64 tonnes of food waste was collected in our buildings.



Food Waste Circularity at Hysan

Coffee Grounds Recycling

We recycle coffee grounds from our tenants for composting and soil enhancement at our Urban Farm. This not only reduces waste but also enriches the soil for sustainable agriculture.

Food TranSmarter

At Hysan Place and Lee Garden One, we have installed a Food TranSmarter – an innovative system that liquefies food waste into slurry. The system is capable of converting up to 500 kg of food waste into slurry per day.

Tenant Engagement

We educate our tenants on handling waste responsibly and organise events such as the Lee Garden Coffee Fest, during which coffee grounds were upcycled into plant fertiliser.

In 2023, we installed the Food TranSmarter systems in Hysan Place and Lee Garden One to automatically liquefy food waste into slurry, which is then transported to the Organic Waste Treatment Facility or the Tai Po Wastewater Treatment Plant. After its arrival there, the slurry is used to generate energy or produce animal feed. In 2024, 52 tonnes of food waste were pre-treated in this way in Hysan Place and Lee Garden One.

Single-use and Disposable Plastic

A new government regulation was introduced in April 2024 to reduce disposable plastic tableware and other plastic products. Ahead of this new regulation, we introduced reusable cutlery at our Hysan Place food court and eliminated all plastic bottled drinks in the vending machine at our head office. In line with our commitment to drive behavioural change, we also set up an eco-friendly alternative to plastic umbrella bags at the entrances of our portfolio properties.

Since 2020, we have collaborated with our service provider, Cornerstone Smart Recycling, to install a reverse vending machine at Hysan Place, which collects plastic bottles from our shoppers and tenants. For every bottle recycled, a cash rebate is offered as an incentive. More than 7,000 plastic bottles were collected in this machine during 2024.

Water Management

Recognising that water is a valuable resource, Hysan makes every effort to preserve the quality and quantity of the water resources we use in our properties.

Water Quality

To provide a safe, high quality water supply, we regularly clean and maintain the water storage tanks in our buildings. We also ensure the quality of our last-mile drinking water by installing advanced treatment systems, such as reverse osmosis filters conforming to WELL HSR at our head office, and by conducting regular

water quality testing. As a result, our properties have attained Quality Water Supply Scheme for Buildings — Fresh Water (Management System) Certificates and Flushing Water Certificates every year since 2019.

Freshwater Use and Rainwater Collection

In 2024, freshwater use increased year on year by approximately 12%. Several factors contributed to this increase, primarily the resumption of normal operations of MVAC capacity after the renovations at Lee Garden One. Additionally, the occupancy rate at Lee Garden Two increased, shifting from traditional office use to semi-retail use, including medical and spa centres.

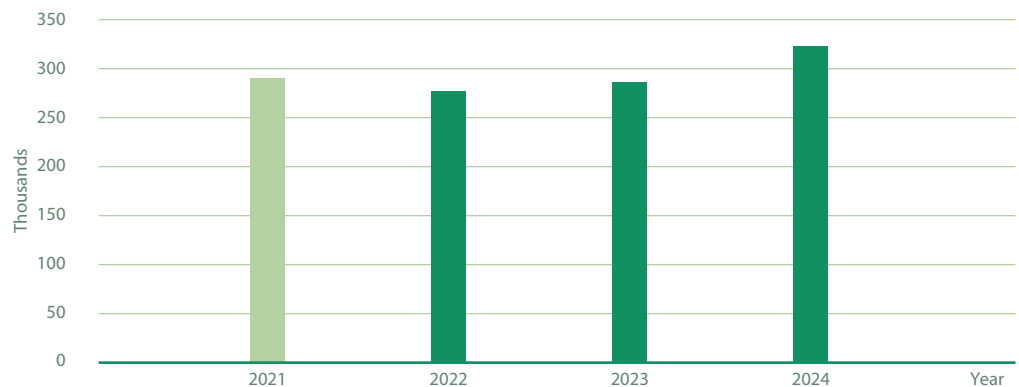
To conserve water, we have installed drip irrigation systems and water-saving fixtures and appliances in our renovation projects, as well as rainwater harvesting systems across our portfolio¹¹. In 2024, we collected a total of 2,603 m³¹² of rainwater. The collected rainwater is filtered and used for irrigation and general cleaning. At our Sky Wetland at Hysan Place, we have a system that cleans and filters grey water from the building's offices, which is then tertiary treated at the wetland. Additionally, we encourage water reuse in construction for washing wheels and suppressing dust.

Rainwater Collection

In 2024, over **2,600m³** of rainwater was collected for irrigation and cleansing purposes.



Municipal Water Use (m³)



¹¹ Rainwater collection facilities are available at Hysan Place, Lee Garden Three and Bamboo Grove.

¹² This amount is equivalent to the annual water consumption of more than 70 people, based on an average usage of 100 litres per person per day.

Air Quality

Ensuring optimal air quality throughout the entire lifecycle of a building plays a fundamental role in our environmental practices.

Ambient Air Quality

Lee Garden Eight, once completed, will be a green oasis in Causeway Bay featuring native plants, green terraces and 100% EV charging facilities for all 610 parking spaces. Extensive greening and landscaping will not only add to the aesthetic appeal of the project, it will also significantly improve air quality and provide, a natural cooling effect, benefiting the overall environment in Causeway Bay.

Construction Site Air Quality Management

At our project construction sites, we manage air quality using standard practices such as dust suppression and wheel washing. We also make use of technology, including sensors to measure and monitor air quality on-site and apply dust suppression. Additionally, we ensure that trucks leaving the site are properly covered. These measures enable us to address potential environmental non-compliance issues, minimise our impact on the surrounding environment and resolve air quality issues, even outside the construction site.

Indoor Air Quality

We are committed to maintaining good indoor environmental quality for the health of our shoppers and tenants. Our Air Handling Units (AHUs) are equipped with at least MERV 13 filters and ultraviolet-C disinfection devices to remove environmental contaminants. These, together with sensors to monitor indoor air quality (IAQ), ensure our buildings maintain high air quality standards without unacceptable levels of pollutants such as PM_{2.5} and TVOCs. As a result of these stringent control measures, our properties have received Indoor Air Quality Certifications at "Good" or above grade.

Sustainable Procurement

Hysan's Sustainable Procurement Policy applies to the supplies, building materials and services we procure for our property development projects and the day-to-day operation of the buildings in our portfolio.

Green procurement

We prioritise sustainable choices in our purchases, including Forest Stewardship Council (FSC) certified products for products ranging from building materials to office paper products.

Additionally, we prioritise electrical appliances with energy efficiency labels, water-efficient appliances and paints with no or low volatile organic compounds (VOCs). These choices contribute to energy conservation, water efficiency and healthier indoor environments. Green procurement is also included in our green leasing guide for tenants.

Contractor Engagement and Safety

When engaging contractors, we place the highest priority on safety and risk management. All contractors working for us must complete a safety briefing and sign a work safety and risk assessment agreement. For fitting-out, renovation and reinstatement works, we have standardised house rules and guidelines to ensure compliance with applicable statutes, codes, regulations and sustainable practices, as well as safe and fair working conditions.

E-Tendering for Resource Efficiency

We have introduced e-tendering to improve operational efficiency and avoid the use of paper in line with our approach to digitalisation. This streamlines the procurement process, reduces paper usage and minimises administrative overhead. We also encourage all contractors involved in Hysan's business operations to adopt e-tendering.

Urban Biodiversity

At Hysan, we are committed to biodiversity conservation and have integrated it into our business operations as much as possible. Although our impact on biodiversity is limited in an urban setting, we strive to enhance our impacts and educate our employees and stakeholders about the importance of biodiversity conservation.

In our built environment, we support biodiversity through measures such as green landscape design and tree protection during construction. We also organise events and programmes, including organic farming workshops and a farmers' market, to promote sustainable farming practices and community involvement.

Urban Farm and Sky Wetland

Hysan's Urban Farm provides an accessible green roof and sky garden for occupants. The green roof and sky garden reduce energy consumption and building temperatures to mitigate the urban heat island effect, while the 8,000 sq.ft. urban farm promotes organic farming. Workshops about the urban farm educate tenants and the community on food production and sustainable living.

Since 2012, we have been operating an artificial wetland — the Sky Wetland — at Hysan Place to support a range of plants and other living organisms in an urban environment. This wetland not only retains and treats precipitation on site but is also part of a water treatment system providing tertiary treatment of greywater generated from office floors.



Environment

Greening and Landscaping at Lee Gardens

At Lee Gardens, we have integrated extensive greening and landscaping initiatives to create a vibrant and sustainable urban environment. Our approach includes a variety of green features designed to enhance biodiversity, improve air quality, and provide aesthetic and environmental benefits.

Green Walls

Our green walls are a standout feature, designed with low-maintenance plant species that thrive in urban environments. These vertical gardens not only add a touch of nature to the urban landscape but also help improving air quality by absorbing pollutants.



Green Rooftops

Our green rooftops are designed to provide additional green spaces in the urban setting. These areas are planted with a mix of native and drought-resistant species, ensuring they require minimal maintenance while providing maximum environmental benefits. These green spaces help in reducing stormwater runoff, improving insulation, and creating a pleasant environment for building occupants and visitors.

Sustainable Landscaping Practices

We employ sustainable landscaping practices such as rainwater harvesting for irrigation, using organic fertilisers, and implementing integrated pest management to minimise the use of chemicals. These practices ensure that our green spaces are maintained in an environmentally friendly manner.



Butterfly Garden

The butterfly garden is a dedicated space that supports local biodiversity. By planting native flowering plants and shrubs, we strive to create a habitat that attracts and sustains various butterfly species.

Our Biodiversity Footprint

In 2023, we organised a biodiversity survey to gain a better understanding of the performance of the Urban Farm, Sky Wetland at Hysan Place and the Butterfly Garden at Lee Gardens Three after years of operation. The information gathered from this survey guides our targeted conservation efforts and will inform future developments.

To understand our biodiversity footprint, we formed a partnership with Outdoor Wildlife Learning Hong Kong to conduct ecological baseline surveys during the dry and wet seasons. These surveys assessed vegetation, fauna, pollinators and freshwater macroinvertebrates.

The insights obtained from the survey enable us to make more informed conservation efforts and enhance biodiversity in an urban environment. The biodiversity survey of the Lee Gardens area focused on four target taxa in the local ecosystem: vegetation, terrestrial fauna, pollinators and freshwater macroinvertebrates.

66 fauna species identified in the survey.

During the survey, several *Cacatua sulphurea*, or yellow-crested cockatoos, were observed. These birds, classified as critically endangered by the International Union for Conservation of Nature (IUCN), are typically found in wooded areas or forest margins. The fact that they were spotted in an urban setting indicates their adaptability to city environments

Yellow-crested Cockatoo



Oxyopes

Category	Number of Species
Vascular Plant Species (at Sky Wetland only)	48 (including 28 native)
Fauna	
Terrestrial Fauna	6
Pollinators	21
Freshwater macroinvertebrate	6
Others (found in opportunistic studies)	33
Total	66

People



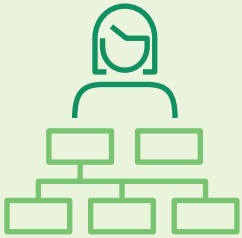
14%

increase in training hours



0

work-related fatalities



52%

of management positions¹³ held by female

At Hysan, we treat our people fairly, help them realise their full potential and strive to build a diverse and inclusive workforce. Our ultimate goal is to create a strong community of talented individuals in a positive work environment.

This sense of belonging motivates employees to take pride in their work, support their colleagues and be inspired by the Company's role in the community. We are particularly interested in developing our young staff by offering them learning opportunities and helping them acquire the leadership, business management and communication skills they will need to progress in their careers with us.

Our Workforce

As of 31 December 2024, our workforce at the Group level comprised 518 full-time employees, an increase of about 0.8% from 2023. The overall male-to-female ratio was approximately 1.7: 1. This can be attributed to factors such as gender and workforce availability, as well as the nature of property facilities management, which often involves night shifts and technical services. The turnover rate of the overall workforce dropped from 20% in 2023 to 15% in 2024.

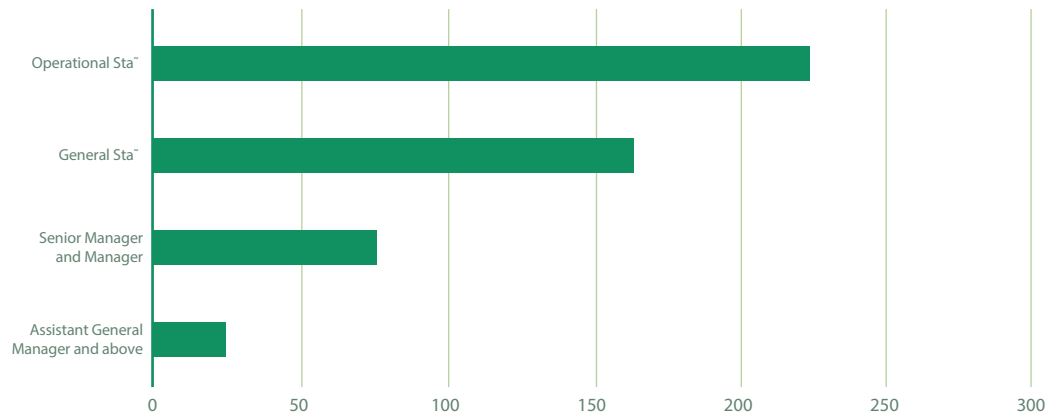
¹³ "Management positions" is Manager grade staff and above.

The distribution of employees by gender, age group and employee category is illustrated below:

2024 workforce breakdown by gender (left) and age group (right)



2024 workforce breakdown by employee category



Employee Rights

Hysan’s Human Rights Policy is aligned with the United Nations Guiding Principles on Business and Human Rights, the International Bill of Human Rights and the International Labor Organisation’s (ILO) Declaration on Fundamental Principles and Rights at Work. Our policy is designed to protect and enforce human rights within our operations.

This policy outlines our commitment to human rights throughout our business value chain. We are dedicated to providing equal opportunities and fostering inclusivity and diversity within our operations. As mandated by our Code of Ethics and Respect for People Policy, we do not tolerate discrimination based on gender, marital or family status, pregnancy, disability, age, sexual orientation, race, colour, descent, nationality, ethnic origin or religion. Any form of discrimination in recruitment, promotion/demotion, transfer, termination, pay rates or training is also strictly prohibited.

People

All employees must undergo anti-discrimination training on our mobile learning platform. Our Respect for People Policy details our grievance handling procedures, with a clearly established reporting structure and identification of responsible parties. All complaints are investigated thoroughly by relevant department heads and are handled with strict confidentiality. For security personnel in our property management teams, we have a Standard Operation Procedure (SOP) Manual and conduct regular drills to provide guidelines for executing their daily operations while upholding human rights. During the reporting year, there were no significant cases of non-compliance with relevant human rights laws and regulations affecting Hysan.

Our Employment and Staff Policy provides comprehensive details on recruitment, performance management, compensation, benefits such as overtime remuneration, statutory and special leaves (including birthday, study, volunteer, marriage, and paternity leave), medical coverage and retirement benefits. Our extensive medical coverage includes mental health support and additional wellness benefits, such as health check-ups, vaccinations, fitness classes, eye health coverage and psychological counselling. With a flexible medical budget, colleagues can select the wellness options that best suit their needs.

Diversity & Inclusion

Diversity and inclusion are fundamental principles in our approach to managing people and ensuring that all individuals are treated with fairness and respect. Our Diversity Policy also aims to achieve diversity within the Board and senior management team at Hysan. The Board is committed to identifying and implementing programmes that will foster a more diverse pool of skilled and experienced employees, thereby preparing them for senior management and/or Board positions. This approach enhances employee attraction and retention.

Recognising the value of diversity and inclusion to our corporate culture, we signed the Racial Diversity and Inclusion Charter for Employers by the Equal Opportunities Commission (EOC) at the end of 2023. The Charter provides guidelines for promoting racial diversity and inclusion in the workplace, with a focus on fair recruitment and promotion practices, and engagement with racial minorities from disadvantaged communities, as well as ensuring a safe and collaborative work environment for all employees. Examples of gender and family-friendly provisions at Hysan include nursing rooms and a work-from-home option to accommodate pregnant employees.

In 2024, we continued to recruit employees of different races and languages, such as frontline staff from Nepal and Thailand in 2024.



Mandatory Human Rights and Diversity Training

All operational staff members are required to complete human rights e-courses, with a strong emphasis on diversity and inclusion (D&I). These courses cover topics such as anti-discrimination, issues related to guide dogs, transgender matters, disabilities and more. All new employees must complete these e-courses within 90 days of joining the Company.

“Empathy in Action: Learning About Hearing Disabilities”

As part of our commitment to diversity and inclusion, we conducted a Lunch and Learn session during the year in collaboration with the Hong Kong Lutheran Social Service. The session focused on deepening our understanding of audibly impaired people and their unique experiences. During the session, participants had the opportunity to meet people with hearing impairments and learn about some of the common misconceptions associated with their disability.



Talent Development

Employee development is essential for our business to thrive and grow sustainably. The strong learning culture we have established at Hysan helps us to attract, nurture and retain talent. All staff are required to receive mandatory training and induction briefing when they on board regardless of gender and employment type, including cybersecurity and anti-corruption. They are also welcome to access other courses available on our mobile learning platform. Apart from that, we provide upskilling programmes for existing employees and apprenticeships and mentorship opportunities for young talent, recent graduates and management trainees, all of which give Hysan a distinct competitive advantage. This training system also allows us to strengthen employee management and development across all levels and to bridge skill gaps in our people.

To sustain the growth of our talented and vibrant workforce, we recruit professionals from the Admission Scheme for Mainland Talents and Professionals (ASMTP) and frontline operation staff from the Enhanced Supplementary Labour Scheme (ESLS). In 2024, we recruited one leasing professional through the ASMTP. The ESLS recruitment process is currently in progress, and we are expecting more new joiners in 2025.

Internal Communication

We encourage internal communication through the Hysan Forum, where we provide regular updates on the Company's business and offer discussion platforms for department heads to share their thoughts and the challenges they encounter in decision-making. We believe consistent communication within the Company is essential for developing our employees' sense of belonging and optimising their performance.

People

Empowering Mothers: The PM Reskill Training Programme

In October, we proudly launched the PM Reskill Training Programme, a transformative social wellness initiative aimed at empowering stay-home mothers seeking to reconnect with the workforce. Recognising the untapped potential of these women, we collaborated with three NGOs to identify suitable candidates. Out of over 100 applications we received, 24 participants were selected.

> 100
applications received



In partnership with the Vocational Training Council (VTC), we offered a comprehensive five-week property management course, providing both theoretical knowledge and a supportive environment in which participants received mentorship from industry professionals and peer support. They also had the opportunity to participate in one-on-one job shadowing as Tenant Service Associates, accumulating over 1,000 training hours. Successful participants also received reimbursement for their efforts.

In February 2025, we were excited to welcome three participants to our team and provide them with flexible work schedules to accommodate their roles as mothers. This mutually beneficial arrangement is not only empowering these women but also strengthening our organisation with their dedication and skills.

Apprenticeship Scheme

Prospective employees with relevant education or qualifications who wish to pursue a career in property management can take advantage of Hysan's apprenticeship scheme. This scheme provides comprehensive technical training in building management, including subjects such as air-conditioning, plumbing, electricity and fire prevention. Apprentices with satisfactory performance will be offered permanent employment at Hysan.

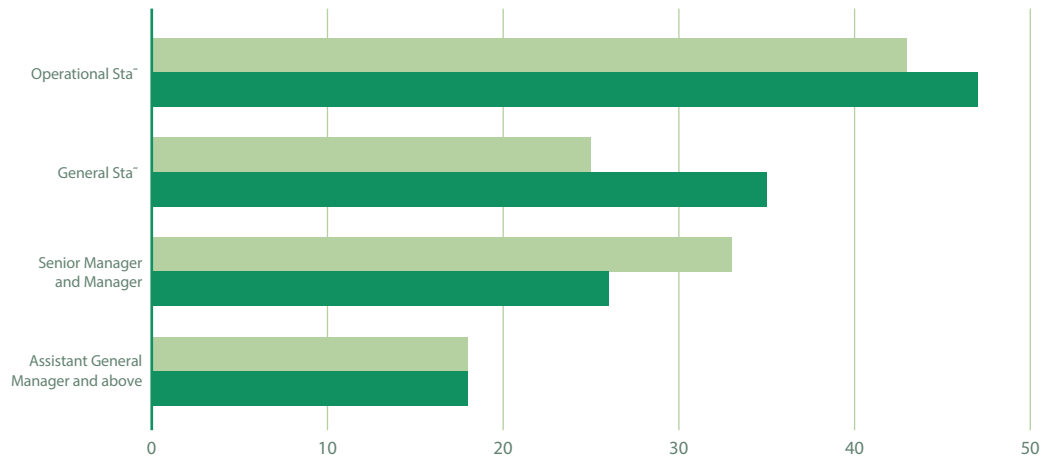
Youth Employment and Training Programme

We have also been supporting the Hong Kong Government's Youth Employment and Training Programme since 2014, through which we have hired a total of 11 youths. They typically start as building services mechanics and will be considered for promotion after completing the apprenticeship programme. We also provide job opportunities to applicants from disadvantaged and ethnic minority backgrounds.

Internship Opportunities for University Students

Our aim with these internships is to provide students with meaningful and challenging experiences that raise their awareness of social issues, while equipping them with the professional workplace skills needed for their future careers.

Average training hours per employee by employment category



Mobile Learning Platform

Hysan’s online Mobile Learning Platform boasts a variety of learning modules and resources for staff, including live videos. Professional industry knowledge is conveyed in areas ranging from compliance and occupational safety and health to soft skills in leadership, personal capabilities, and physical and mental health. The platform also provides comprehensive property management lessons to familiarise entry-level employees with the day-to-day operations of our Company.

External Training and Professional Memberships

In addition to internal training, we encourage our employees to take job-related training courses from external institutions and to apply for professional memberships sponsored by the Company. We also recognise their achievements with quarterly rewards and provide financial subsidies for any training and/or membership fees they might incur. What’s more, we grant two days of paid study leave and three days of paid examination leave to help employees prepare for examinations.

People

Diverse Learning Opportunities

Besides job-related training, we offer diverse learning opportunities on general topics to raise morale and employees' sense of belonging. The Lunch and Learn programme, for example, periodically holds lunchtime talks by internal and external experts who share their insights and knowledge in different fields, including physical and mental health, family communication and biodiversity, among other topics.

Performance Management

Performance management is an important tool for ensuring our employees' business activities are aligned with Hysan's business objectives. It is a continuous process in which management regularly shares the Company's vision with employees and invites ongoing feedback through open communication. In addition to helping employees perform their jobs to the best of their ability, a robust performance management system can

- Highlight training needs and improve accountability and efficiency,
- Promote employee retention and reduce attrition,
- Support workforce planning and proper and fair utilisation,
- Help our management identify employees for promotion or additional support and guidance, and
- Define career paths and boost morale.

Department heads carry out reviews and analyse their employees' performance to help them unleash their full potential. For employees with development potential, we offer more senior positions, incentives with promotion opportunities, and salary reviews. To ensure our salary packages are competitive enough to attract talented individuals, peer benchmarking exercises are held regularly.



Quality Service Recognition Award Programme

The Quality Service Recognition Award Programme recognises property management staff for their exceptional service to shoppers and tenants. The awards also enhance morale and ensure high-quality customer experiences based on staff performance and customer compliments.

Gifts are presented quarterly to staff who receive customer compliments.

Year-end winners – staff who have received the most compliments in different positions during the year – are awarded by senior management for their outstanding service. In 2024, a total of 293 employees won quarterly awards, and 9 won final year-end awards.



Talent Engagement and Wellbeing

Employee and Workplace Wellness

Hysan is dedicated to creating a comfortable and safe workplace for employees. Our office at Lee Garden Two and our headquarters at Lee Garden One are both WELL v2 platinum rated, as featured in a virtual education tour.

Throughout the year, we continued to enhance indoor air quality and control thermal ventilation and lighting for the comfort of our employees. We also offered 17 wellness programmes in 2024, including medical briefings, one-on-one health assessments and wellness-related sharing sessions during lunchtime, healthy eating and other mental wellness briefings, totalling over 820 hours.



Corporate Sports Carnival at Lee Garden Three



People

Learning and Wellness Reward Scheme

Hysan's wellness programme, known as the Hysan Learning & Wellness Reward Scheme, encourages continuous learning and promotes overall well-being among employees. The programme offers incentives for staff to participate in external learning activities, health-related events and wellness challenges. Employees can earn credits that can be redeemed for scholarships and course fees. The scheme covers a range of activities, such as the Hysan Walker challenge, health check-ups, vaccinations, dental and fitness benefits, and more. This initiative creates a supportive environment for personal and professional growth, ensuring that all Hysan employees can thrive both in and out of the workplace.

We have been running the Employee Assistance Programme since 2009 with an external NGO to help employees and their family members manage stress, anxiety and work-life balance issues.

Corporate Culture Survey

We conduct periodic group-wide corporate culture satisfaction surveys so that employees can share their views on the Company's culture, values, organisational structure, innovations and reputation.

In our last survey in 2021, we received a strong response rate of over 90%. That survey covered topics such as leadership, organisational structure and inter-unit dynamics, team identity, creativity, talent management, business strategy, governance, moral values, and rewards and recognition. The survey results were reviewed by senior management and board members for developing initiatives and programmes that enrich our working environment and fuel Hysan's ongoing growth.



Corporate Sports Carnival, one of our wellness program



Health & Safety

Providing a safe and healthy work environment for all stakeholders is one of Hysan's highest priorities, as specified in our corporate Health & Safety Policy. We also have an *Accident, Incident and Emergency Manual* covering emergency procedures, safety instructions for contractors, safety precautions related to our daily operations, and assistance to customers and tenants. During the reporting year, Hysan conducted 6,966 hours of health and safety ("H&S") training, including essential H&S knowledge for our frontline employees and the latest government regulations on workplace safety, as well as handling special equipment.

Although we recorded no work-related fatalities among our employees in 2024, we did see an increased injury rate of 2.90 injuries per 100 employees, up from 1.75 injuries per 100 employees in 2023. Injuries included 10 incidents among our operational staff with injury leaves in 2024, compared with 5 cases in 2023. Upon review, the increased number of injuries was primarily attributed to Bamboo Grove, our residential premises where we assumed direct property management responsibilities in October 2023 and ceased subcontracted services beginning in 2024. Although most cases were minor, such as slight sprains caused by negligence and distraction of the staff rather than environmental factors, our management is aware of this matter.

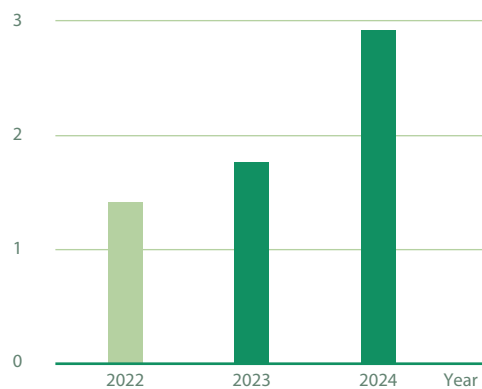
When an injury occurs, we ensure prompt medical attention is provided and consistently follow up on the case to offer comprehensive support for a fast and full recovery. We also organize regular "toolbox" safety training to enhance safety awareness, especially for new joiners. In 2024, we introduced a mandatory safety and health supervisor training course for all middle management of the property management team. Additionally, we implemented a network doctors scheme for work injury cases to provide prompt medical attention, consistent follow-up, faster recovery, and comprehensive support.

Tenants Wellness

Our entire Lee Gardens portfolio has been WELL Health-Safety Rated ("HSR") by the International WELL Building Institute since 2021. By following the WELL HSR guidelines, we are better prepared for dealing with health and safety-related challenges, as well as developing operational policies, maintenance protocols and emergency plans. We regularly test indoor air quality, drinking water quality and lighting conditions, and conduct employee surveys to gather feedback on the effectiveness of the wellness initiatives.

Furthermore, we have been supporting wellness programmes at Lee Gardens, particularly those that promote physical well-being, arts and culture. In 2024, we continued some of our signature initiatives, including our running club, music busking, urban talks and art exhibitions. Through these activities, we are helping to promote physical well-being and providing opportunities for artistic and cultural engagement in the community.

Injury rate (Injuries per 100 employees)



During the reporting period,

Over **19,000** hours of health and safety training

was provided at our construction site.



Site Safety and Wellness

As a responsible property developer, we are committed to safeguarding the health and safety of our employees, as well as staff of the companies with which we do business and the communities in which we operate. We also communicate the standards and requirements of our Health & Safety Policy to contractors through our tender documents and method statements.

At our ongoing projects, all workers entering the sites are required to register and attend site induction training and daily morning safety briefings, which include information on emergency responses and preparedness. To accurately reflect the latest site conditions, our project teams conduct regular site walks, review construction safety plans with contractors, and discuss suitable risk avoidance and mitigation measures. This proactive approach ensures that we maintain a safe and healthy working environment for everyone involved.

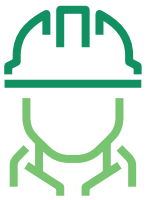
Innovative Crane Technology Enhances Safety and Wellness at Lee Garden Eight

The Distant Tower Crane Command System at Lee Garden Eight integrates MiC, AI, and IoT technologies to enhance safety and working conditions. Operators can control cranes remotely from a ground cabin, reducing risks of working at heights and in confined spaces. This innovation improves safety, comfort, and aims to attract new talent to the construction industry.



“Proud of you, back home safely”

Hysan is deeply committed to ensuring the health and safety of our construction workers and their families. To highlight this commitment, we organised an event in 2024 designed to raise workplace safety and health awareness among our employees and their loved ones. Held at the covered running track on the 15th floor of Lee Garden Three, the event included a variety of fun and interactive educational activities on safety practices. The event also featured smart technologies used in construction, personal protection equipment displays, safety awareness demonstrations, and family-friendly game booths.

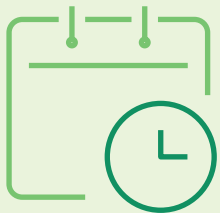


Over **300** participants attended the event, including representatives from Hysan and Hip Hing.

This initiative underscored our dedication to a safe and healthy work environment and the importance of safety in construction for both companies.



The Community



Curated
>2,000,000
Happy Hours



Engaged
>3,000,000
participants through
>200 events



Maintained traditional
trade and modern
urban culture shops
>25:75 ratio



Provided support to
>30%
to the Lee Gardens
neighbourhood

At Hysan, we place a strong emphasis on connecting with the community as the foundation of our approach to sustainable development. Our core aspiration is to promote sustainability and resilience, while creating a vibrant community in which residents, businesses and stakeholders can experience shared prosperity and harmony. In line with our Community Business Model, we consider the impact of our development projects and work collaboratively with our partners to build a more dynamic and inclusive society.

Our community-focused actions are designed to enhance social wellbeing and produce positive economic impacts. To promote social good, we offer opportunities for personal and community growth through various programmes and initiatives. Through our community initiatives, we curate memorable moments that make art and culture more accessible and promote mental and physical wellness. We also provide platforms for organisations to connect with the Lee Gardens community and advocate respectful and inclusive talent development.

We also support entrepreneurs, with the objective of making the local community more attractive to businesses and encourage them to provide facilities and services that meet community needs. Through The Community Lab, we incubate smart city tech startups and organise promotions and events that reinforce the area's tech-friendly branding and position Lee Gardens as the preferred place to work, live and visit.

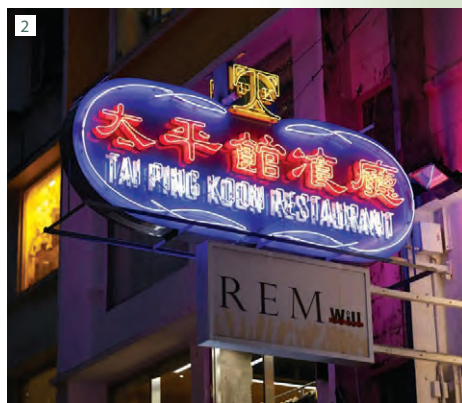
In 2024, we successfully achieved our targets with initiatives centred on art and culture, health and wellness, family and children, and environmental sustainability. This section highlights some of the key initiatives we undertook during the year, including signature events and long-standing programmes.

In 2024, we established new targets to better demonstrate our contributions to the community:

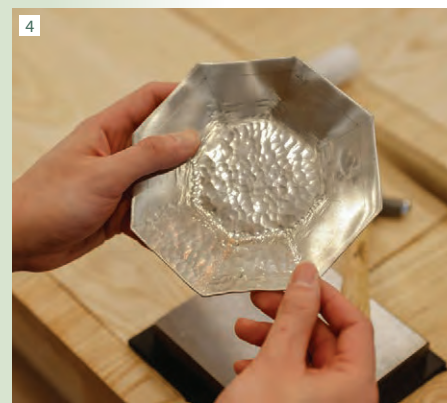
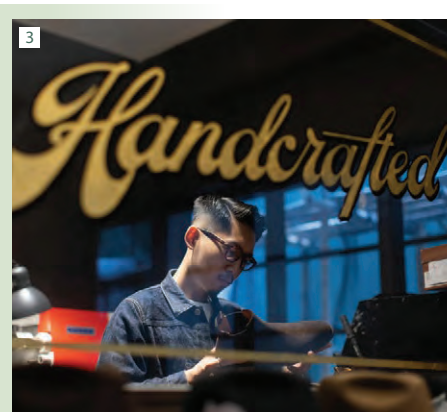
Meeting our Community Targets

- Engage >500,000 participants by hosting no fewer than 100 events covering arts & culture, wellness, sustainability and family
- Curate 2 million Happy Hours
- Maintain Lee Gardens neighbourhood co-existence ratio of traditional trade and modern urban culture shops at 25:75
- Provide support to 30% of the stakeholders in the Lee Gardens neighbourhood to help sustain their businesses

Traditional trade meets Modern Urban Culture



1 Ambassador Barber Parlour
2 Tai Ping Koon Restaurant



3 Leather Healer
4 Sunsmith

Supporting Local Stakeholders in Lee Gardens

Hysan's Urban Talks series is a key platform that provides our local partners with public exposure and the chance to promote their brands and vision. We support local businesses by creating engaging storytelling angles and social media content to increase their brand visibility. Additionally, we offer collaboration opportunities on Hysan-organized events. We will continue to explore more opportunities in the future to support our neighbours to thrive together in Lee Gardens.

Urban Talk series featured a collaboration with Oscary Art — the Vegetable Bouquet Workshop, during which participants created festive arrangements using seasonal produce.



Lee Gardens as a Community Lab



The Lee Gardens community stands out for its unique combination of a diverse audience and portfolio, adaptable spaces and strong operational synergy. This makes it the ideal location for incubating startups with innovative technological solutions.

To advance Hysan's sustainability journey and contribute to Hong Kong's smart city future, we developed the Community Lab in partnership with Hong Kong Science and Technology Park (HKSTP) — a leading innovation and technology hub dedicated to supporting new tech ventures. Through this business accelerator/technology incubator, startups are able to test their innovative solutions in a real-world setting through the Last-Mile Testing Programme (LMTP).

The Community Lab exemplifies the power of collaboration in driving innovation and sustainability. By capitalising on Hysan's concentrated real estate and retail assets in the vibrant Lee Gardens Area, HKSTP's tech ventures can take advantage of an ideal living lab to test their proof-of-concepts (PoCs) in real-life scenarios.

Since the collaboration began in 2021, we have completed a total of 15 trials and 9 adoption cases at Lee Gardens, as well as 186 events at the Community Lab. These range from pitching sessions to TechTalks, technology-related training and STEM workshops as well as trials beyond the LMTP. By helping startups launch their innovations in the community, we are making a significant contribution towards Hong Kong's Smart City Blueprint.



The Community Lab enabled



2 cohorts of Last-mile Testing Programme (7 startups)



15 trials and **9 adoption cases** at Lee Gardens Area



186 events happened at The Community Lab

The Community Lab: Partnerships in Sustainability

Beyond the Last-Mile Testing Programme (LMTP), the Community Lab supports various partnerships and initiatives.

One example is M-Concept's Flatcool system. Installed at two units of Lee Garden Six, it uses natural ventilation and specially designed cooling panels to replace traditional air conditioning systems. The Flatcool system

improves energy efficiency, provides more unobstructed headroom with thinner panels and 100% fresh air flow, and reduces energy consumption and operating costs. A trial in July, one of the hottest months of the year, demonstrated enhanced energy efficiency and comfort. It also showed significant potential for environments such as nursing homes and clinics due to better temperature regulation and reduced cross-contamination.

To showcase the advantages of the Flatcool system, we held a sharing session with HKSTP Corporate Partners for property developers, healthcare centres and hotels. By engaging with industry stakeholders and demonstrating successful adoption cases such as this new air conditioning system, we hope to build a robust network that supports innovations that benefit the wider community.



Supporting Local Businesses, Fueling Economic Growth



As a major stakeholder in the Lee Gardens Area, we support local businesses and achieve positive economic outcomes. In 2024, we helped to promote the Hong Kong SAR's vision of advancing the economy with transformative events such as Urban Jam. These events celebrated the urban spirit, stimulated economic activity and showcased the collective efforts of Hysan and other stakeholders to promote local businesses.

Urban Jam

Urban Jam, one of Hysan's Community Enrichment and Empowerment initiatives in 2024, was held over two weekends in May. Supported by the HKSAR Government, the festival contributed to the local economy and vibrancy of Hong Kong. The festival attracted over 600,000 visitors and featured over 40 groups of urban artists and local restaurants. It also provided a platform for local artists and performers to showcase their talents and for pop-up stores to highlight Hong Kong's rich urban culture. Urban Jam also generated an estimated 1,200,000 Happy Hours, promoting community wellbeing.

Over 600,000 visitors

> 1,200,000 Happy Hours

Engaged >40 participation groups



Key to the festival's success were strong public-private partnerships with organisations such as the Wan Chai District Office and Council, the Lee Gardens Association, Hong Kong China Rugby, Hong Kong Ballet, UNICEF, Hong Kong Youth Arts Foundation, and HKWALLS. These partnerships combined strengths and resources to create a vibrant, inclusive community event.

The festival transformed Kai Chiu Road, Pak Sha Road and Yun Ping Road into pedestrian-friendly spaces with food stalls and cultural experiences, including traditional Hong Kong snacks, local farm produce, craft beer and a pop-up whisky bar. Unique attractions included a tattoo space, live art from graffiti artist The Plumber King, and a mix of contemporary and traditional barbershops. The festive atmosphere was enhanced by piano and street band performances on Pak Sha Road, while the main stage outside Hysan Place showcased various acts. For the thousands of people who attended, the festival embodied the spirit of cultural exchange and heightened awareness of Hong Kong's rich urban sub-cultures.



"I hope this event will attract more people from other districts to Causeway Bay and draw in more tourists to experience Hong Kong's unique culture and activities. Events like this should become key in helping Hong Kong attract more tourists in the future," said **Mr. Chui, owner of Tai Ping Koon Restaurant in Causeway Bay.**

Art and Culture

Hysan values the role that art and culture plays in sustaining our community. We support local and international artists and celebrate creative expression that preserves our unique heritage. By partnering with arts organisations, we are able to create inspiring experiences that unite and promote social inclusiveness in the community.



Urban Talks — Exploring New Perspectives

For Hysan’s ongoing Urban Talks programme in 2024, nine events in total were organised, covering tea ceremony, public space design, incense cone and evolutionary history of dogs topics. Activities ranged from urban sketching to public space design and food art.

The Playscape Design Workshop, a family co-learning session, was especially popular, sparking creative ideas in playground placemaking. Other sessions included The Evolutionary History of Dogs and the Tea Ceremony Experience Workshop, both of which attracted strong participation. Through our Urban Talks, we created meaningful interactions and deeper connections among those who attended, encouraging them to discover hidden cultural corners in urban spaces and appreciate often-overlooked scenes of daily life.



A total of **9 Urban Talks** attracted over **180 participants**

Cultural Tours and City Walks — Celebrating Heritage

Hysan partnered with different organisations to host a series of enriching cultural events, including the “Art TOO” Festival and the inaugural edition of Open House Hong Kong at our Urban Farm in Hysan Place. The aim of these events was to promote the culture and history of the Lee Gardens neighbourhood. “Art TOO” Festival featured eight tours led by HKWALLS, a non-profit arts organisation that enables local and international artists to showcase their talents.



“Art TOO” Festival Guided 8 Tours with a total of **160 participants**

The tours highlighted the vibrant history of Lee Gardens alongside the art installations and murals created during the festival. Open House Hong Kong tours gave participants insights into Hysan Place, the first LEED Platinum certified mixed-use project in Greater China and a prime example of sustainability and community engagement.

gLEEFul Music Busking Programme — Nurturing Talent



In 2024, Hysan once again hosted the gLEEFul Music Busking programme, following the success of last year’s event. This year’s programme spotlighted a vibrant group of talented musicians, delighting audiences with lively music performed at Urban Sky, 9/F Hysan Place, and continued to Urbanhood, B2/F Hysan Place.

Engaged **36 local individual artists**



Hysan has enriched public spaces by fostering creativity and supporting art and music. In 2024, Hysan started a rising star recruitment programme to identify and develop emerging singers and musicians. The programme hosted 16 sessions in a venue provided by Hysan, attracted over 5,000 shoppers and office workers enjoyed the performances of these artists.

Community Health and Wellness



Hysan continued its commitment to community health, wellness and engagement during the year. Sports and wellness programmes were a key part of our efforts to build a vibrant, healthy and inclusive community. These included rugby, physical activities for families and community wellness initiatives. Our aim was not only to improve physical fitness but also to strengthen the bonds within the local community and instil values of teamwork, resilience and community spirit.



Hysan Youth Sevens Tournament — Youth Rugby

In partnership with the Hong Kong China Rugby (HKCR), Hysan has been actively promoting rugby among the youth through various initiatives. These programs aim to enhance the accessibility of rugby, promote physical health, and make the sport more inclusive for a broader audience. To highlight a couple:

The **Hysan Youth Rugby Championship** engages over 2,000 participants, 100+ teams, and 60+ schools annually. It focuses on youth development in rugby by providing opportunities for young players to participate in competitions. Building on the success of last year's inaugural event, top players from the program went on to feature in high-profile events such as the Hong Kong Sevens.

The **Primary School Touch Rugby Series** aims to make rugby more accessible to primary students, particularly students from local schools in Hong Kong. The series has hosted nine competitions across Hong Kong Island, Kowloon, and the New Territories, reflecting the growing interest in the sport at local schools. For this year, 64 local primary schools with nearly 1,100 students have participated in the series.



"Promoting rugby in local schools faces challenges due to limited resources and insufficient competition opportunities. Hysan's sponsorship and support are vital for promoting rugby in local communities. It has enabled participation in additional tournaments across the year, allowing students to compete within and across different districts."

— Rocky Chow, Executive Director —
Community and Participation, Hong Kong China Rugby

Hysan Running Club: Advancing Community Wellness

In 2024, the Hysan Running Club strengthened its commitment to health and wellness within the community. This year, we experienced a surge in participation, with over 300 attendees from seven recent events — a new record. Our partnerships with sports and wellness tenants have enhanced wellness, increased awareness and increased foot traffic.

43 sessions
Generated over 1,900
Happy Hours
1,275 participations



Mini Touch Rugby — For Families and Children



Our Wellness Programme in the Lee Gardens Area was developed in partnership with Gai Wu Rugby Football Club for children aged 3 to 8. In 2024, we launched outdoor sessions beyond our covered playground at Lee Garden Three, providing a lively setting for game-based rugby training. Recently, young athletes excelled during a friendly match with Hong Kong East Rugby Football Club, showcasing their teamwork and sportsmanship. These sessions have evolved into family gatherings, promoting a sense of community as parents and siblings join in the fun.



44 sessions
Nearly 2,500 training hours
>260 participants

Environmental Sustainability Awareness



To raise environmental awareness, we organise green initiatives such as our Urban Farm and Farmer's Market, where members of the public can learn about the importance of minimising our ecological footprint and living sustainably.

Urban Farm — Enriching Lives Through Agriculture

At Hysan, our commitment to sustainability extends beyond environmental stewardship to social wellbeing. The Hysan Urban Farm, spanning 8,000 square feet on our Hysan Place rooftop, exemplifies this commitment. Initially launched to raise environmental awareness about organic farming, the Urban Farm evolved into a wellness support centre during the Covid-19 pandemic and continues to thrive today.

Impact of Collaboration

With the collaboration with RUN, we help participants to build new skills that can be life-changing, offering opportunities for personal growth and future employment. Hysan is glad the Urban Farm has helped cultivate resilience and self-reliance among the most vulnerable in our community, serving as a platform for social engagement where sustainability and community well-being grow hand in hand.



"I have learned various planting techniques through this project. It's an experience I don't want to forget in my life. Utilising what I've learned here, I want to become a coach and teach others how to plant in the future," said Esther (Pseudonym).

About RUN

RUN is a non-governmental organisation supporting vulnerable refugees (particularly women), is a key part of this evolution. Founded in 2015, RUN has helped over 190 refugees from 22 countries rebuild their lives through its holistic and trauma-centred approach. With programme pillars based on Health and Essential Services, Sport, Education, and Pathways, RUN helps refugees create a future filled with hope and dignity.

The RUN Urban Farm Project, part of their Education Programme, equips adult participants with skills for productive employment when resettling abroad. Four RUN participants have been involved in the Hysan Urban Farm for over three years, gaining experience in organic farming. This involvement provides hard skills in sustainable agriculture and helps them acquire soft skills such as teamwork, leadership, and organisational abilities.



Raising Awareness of Biodiversity — Protecting Our Coastal Environments

Hysan held two activities during the year, with the objective of improving awareness of biodiversity and the importance of protecting our coastal environment. The first activity was a Lunch and Learn session on biodiversity and the critical threats faced by the marine life in Hong Kong's coastal waters. The second activity, a coastal exploration and shore cleaning event, gave participants a better understanding of the threats posed by marine debris and the need for waste reduction. Both activities inspired participants to become advocates for ocean conservation and the need to build a community committed to protecting biodiversity for future generations to enjoy.

Building on this knowledge, the second activity involved a coastal exploration and shore cleaning event, during which participants explored local wildlife with their families. This hands-on experience allowed them to understand the threats posed by marine debris as well as waste reduction at the source. As participants combed the shores, they discovered diverse ecosystems and gained a firsthand appreciation of their natural beauty and the pressing need for their conservation.

Together, these activities encouraged participants to become advocates for ocean conservation, committed to protecting biodiversity and ensuring a cleaner, healthier environment.



Urban Farmers' Market — Promoting Sustainable Living



In partnership with the Sustainable Ecological Ethical Development Foundation (SEED), Hysan established the Lee Gardens Urban Farmers' Market to promote organic produce and brands from across Hong Kong. The monthly Farmers Market creates a vibrant space where the community can connect and learn from local farmers. By choosing local and organic products, consumers can enjoy fresher, healthier options with lower carbon footprints due to reduced transportation distances and fewer synthetic fertilisers.

Volunteering



Social Wellbeing



Environmental Stewardship



11 SUSTAINABLE CITIES AND COMMUNITIES



17 PARTNERSHIPS FOR THE GOALS

We work with stakeholders and mobilise our resources to support the underserved to achieve long-term positive community impacts. In 2024, we partnered with Time Auction, enabling our employees to join volunteering activities other than Hysan's through its online platform.

Healing Hearts, One Paw at A Time

In August, we organised a volunteer event with Rise Wise, a learning centre that supports children and adolescents with a wide range of individual needs. Twenty colleagues joined the activity, during which they forged meaningful connections with therapy dogs and individuals with special educational needs (SEN) through animal-assisted interventions.



Waste Not, Hunger Not Volunteer Event

During the year, we partnered with a local NGO that retrieves surplus edible food from different sectors of the food industry, which would otherwise be disposed of. Two volunteer events were organised in June and September with this NGO, with more than 20 participations recorded. Volunteers devoted their time to prepare a total of more than 3,000 hot meals and food packs from surplus food at Food Angel's Chai Wan Kitchen. These food packs were subsequently distributed to individuals in the community in need of food assistance.

Over **3,000** hot meals and food packs for people in need

Appendix 1

Three-Year ESG Performance and Impact Data

Environmental

	Unit of Measure ¹	2022	2023	2024	Y-o-y % change
Air Emissions					
Nitrogen oxide (NO _x)	kg	2.13	2.30	3.25	
Sulphur oxide (SO _x)	kg	0.07	1.89	0.09	
Particulate matters (PM ₁₀)	kg	0.12	0.14	0.21	
Energy Consumption					
Towngas	Unit	2,382	2,146	2,056	
	GJ	114	103	99	
Petrol	Litres	4,009	4,285	5,948	
	GJ	140	149	207	
Diesel ²	Litres	5,456	4,389	4,103	
	GJ	211	170	159	
Purchased Electricity	MWh	50,375	51,232	49,767	-2.9%
	GJ	181,350	184,398	179,161	
Purchased Electricity Intensity	MWh/sq ft	0.011	0.011	0.011	
Total Energy Consumption	MWh	50,504	51,349	49,896	-2.9%
	GJ	181,668	184,709	179,625	
Total Energy Consumption Intensity	MWh/sq ft	0.011	0.011	0.011	-2.3%
	GJ/sq ft	0.040	0.041	0.040	
On-site Renewable Energy generation ³	kWh	24,700	34,062	32,106	
Renewable Energy Certificate (REC) Purchased ⁴	kWh	19,701	29,503	38,492	
Refrigerants					
Refrigerant refilled	Tonne	0.54	1.12	0.66	
GHG Emissions from refrigerants	Tonne CO ₂ e	758	1,724	1,018	
Greenhouse Gas ("GHG") Emission^{5,6}					
Scope 1 ⁷	Tonne CO ₂ e	789	1,754	1,051	
Scope 2 ⁸	Tonne CO ₂ e	35,767	34,839	32,847	
Total GHG Emission (Scope 1 & 2)	Tonne CO ₂ e	36,557	36,593	33,898	-7.4%
Total GHG Emission (Scope 1 & 2) Intensity	Tonne CO ₂ e/sq ft	0.0080	0.0080	0.0075	-6.8%
Water Consumption					
Municipal water use	m ³	281,790	291,295 ⁹	328,851	+12.9%
Water use Intensity	m ³ /sq ft	0.062	0.064 ⁹	0.073	+13.6%
Wastewater Generation ¹⁰	m ³	225,432	235,855 ⁹	263,081	
Waste¹¹					
Hazardous waste disposed					
Chemical waste (solid)	kg	325	465	621	
Non-hazardous waste disposed					
General waste disposed to landfill	Tonnes	4,459	4,620 ⁹	4,688	
Materials Recycled					
Paper	Tonnes	949	555	558	
Aluminium Cans	Tonnes	5	1	2	
Glass	Tonnes	2	4	3	
Plastic Bottles	Tonnes	27	1	2	
Food waste	Tonnes	34	43	64	
Total materials diverted from landfill	Tonnes	1,017	602	629	

¹ Majority of figures are rounded to whole number unless otherwise presented with decimals as appropriate. Intensity figures are normalised using gross floor area (GFA).

² Diesel was used for routine maintenance and checking of emergency generators only.

³ All RE generated comes exclusively from the solar PVs installed at our commercial properties. The RE generated in commercial buildings (HP, LG1, LG3) is fed into the grid of Hongkong Electric Company Limited. However, the RE generation in Bamboo Grove is not metred and, therefore, not included in the overall RE calculation.

⁴ RECs purchased was not used to offset any of Hysan's GHG emissions.

⁵ Greenhouse Gas (GHG) emissions were calculated based on the Department for Environment Food and Rural Affairs (DEFRA) Conversion Factors 2024, (IPCC) Intergovernmental Panel on Climate Change — GWP 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 and the Electrical and Mechanical Services Department, which includes carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), HFCs and CFCs.

⁶ Emission factor (EF) adopted for purchased electricity is 0.66kg CO₂e/kWh as provided by HK Electric Investments Sustainability Report 2023. The EF for Towngas is 0.549 kg CO₂e/unit as provided by The Hong Kong and China Gas Company Limited ESG Report 2023.

⁷ Scope 1 carbon emissions included direct emissions from Towngas, diesel, petrol and refrigerants.

⁸ Scope 2 carbon emissions included in emissions from purchased electricity and Towngas.

⁹ Data is restated in 2024.

¹⁰ Quantity of sewage is estimated to be 80% of total municipal water consumed.

¹¹ Refer to waste collected from head office, tenants, and common areas, unless otherwise specified.

Appendix 1 Three-Year ESG Performance and Impact Data

Social

		Unit of Measure	2022	2023	2024
Workforce ¹²(as of 31 December 2024)					
Total Number of Employees			497	514	518
by Gender	Male	No. of employee	304	316	325
	Female	No. of employee	193	198	193
	Male in Management Position ¹³	%	53	56	48
	Female in Management Position ¹³	%	47	44	52
by Employment Type	Full-time	No. of employee	497	514	518
	Part-time	No. of employee	0	0	0
by Employment Grades	Assistant General Manager and Above	No. of employee	27	25	24
	Senior Manager and Manager	No. of employee	69	70	75
	General Staff	No. of employee	162	166	164
	Operation Staff	No. of employee	239	253	255
by Employment Contract	Permanent	No. of employee	460	456	455
	Temporary	No. of employee	37	58	63
by Age Group	≤ Aged 29	No. of employee	71	78	62
	Aged 30–49	No. of employee	297	285	283
	Aged ≥ 50	No. of employee	129	151	173
by Geographical Region	Hong Kong	No. of employee	484	501	505
	Mainland China	No. of employee	13	13	13
Number of employee entitled paternal leave	Male	No. of employee	304	316	325
	Female	No. of employee	193	198	193
Number of employee applied paternal leave	Male	No. of employee	6	2	5
	Female	No. of employee	5	6	3
Number of employee return to work	Male	No. of employee	6	2	5
	Female	No. of employee	5	6	3
Return to work rate	Male	%	100	100	100
	Female	%	100	100	100

		Unit of Measure	2022	2023	2024
Training					
Total Training Hours		No. of hours	15,565	17,676	20,102
by Type of Training	Anti-corruption	No. of hours	227	119	828
	Cybersecurity	No. of hours	1,290	1,020	2,180
	Environmental	No. of hours	136	93	168
	Health & Safety Related Topics	No. of hours	8,808	7,014	6,966
	Professional Training	No. of hours	4,497	9,061	7,367
	Diversity & Inclusivity	No. of hours	NA	NA	296
	Wellness	No. of hours	NA	NA	885
	Others	No. of hours	607	368	1,414
Average Training Hours per Employee		No. of hours	31	34	39
by Gender	Male	No. of hours	35	32	44
	Female	No. of hours	26	38	30
by Employment Grades	Assistant General Manager and Above	No. of hours	19	18	18
	Senior Manager and Manager	No. of hours	19	33	26
	General Staff	No. of hours	26	25	35
	Operation Staff	No. of hours	40	43	47
New Hires					
New Hires Rate¹⁴		%	29	28	20
by Age Group	≤ Aged 29	%	61	45	29
	Aged 30–49	%	28	25	19
	Aged ≥ 50	%	7	23	19
Gender Breakdown	Male	%	23	27	19
	Female	%	37	29	23
by Geographical Region	Hong Kong	%	27	28	21
	Mainland China	%	100	23	8
Turnover					
Total Number of Leavers¹⁵		No. of employee	95	104	78
Turnover Rate¹⁶		%	19	20	15
by Employment Grade	Assistant General Manager and Above	%	4	12	13
	Senior Manager and Manager	%	22	19	19
	General Staff	%	25	22	19
	Operation Staff	%	16	20	12
by Gender	Male	%	14	20	11
	Female	%	27	21	22
by Age Group	≤ Aged 29	%	34	26	39
	Aged 30–49	%	21	25	14
	Aged ≥ 50	%	8	9	8
by Geographical Region	Hong Kong	%	20	21	15
	Mainland China	%	0	8	0

¹² Workforce-related figures included all Hysan's employees, excluding Chairman, Executive Director & Chief Operating Officer and the Board of Directors.

¹³ Manager grade staff and above.

¹⁴ New hires rate is calculated as the total number of new hires divided by total number of employees. New hires rate for specific categories is calculated by dividing the total number of new hires in that category by total number of employees in that category.

¹⁵ Total number of leavers includes voluntary leavers as of 31 Dec of the respective year.

¹⁶ Turnover rate is calculated as the total number of leavers divided by total number of employees. Turnover rate for specific categories is calculated by dividing the total number of leavers in that category by total number of employees in that category.

Appendix 1 Three-Year ESG Performance and Impact Data

	Unit of Measure	2022	2023	2024	
Health and Safety					
Total number of workdays	No. of days	132,494	137,212	142,800	
Total number of workhours	No. of hours	1,035,799	1,072,720	1,117,399	
Total number of lost days due to work-related injuries	No. of days	24	158	67	
Total number of work injuries	No. of cases	7	9 ¹⁷	15	
Total number of lost time incidents	No. of cases	6	5	11	
Injury Rate ¹⁸	General injuries per 100 employees	1.41	1.75 ¹⁷	2.90	
Lost Day Rate ¹⁹	Lost days per 100 employees	4.63	29.46	11.90	
Lost Time Incident Rate (LTIR) ²⁰	Lost time incident per 100 employees	1.16	0.93	1.97	
Total number of Fatality	No. of cases	0	0	0	
Work-related Fatality Rate ²¹	%	0	0	0	
Supplier²²					
by Geographical Region	Hong Kong	No. of supplier	1,527	1,534	1,563
	Mainland China	No. of supplier	2	4	4
	Others	No. of supplier	16	15	17

NA: Data not available or not collected

¹⁷ Data is restated in 2024.

¹⁸ Injury rate is calculated by the total number of work injuries divided by total number of employees and then multiplied by 100 employees.

¹⁹ Lost day rate is calculated by the total number of lost days due to work-related injuries divided by total number of workhours and then multiplied by 200,000. The factor 200,000 is the annual hours worked by 100 employees, based on 40 hours per week for 50 weeks a year.

²⁰ Lost time incident rate is calculated by the total number of lost time incidents divided by total number of workhours and then multiplied by 200,000.

²¹ Work-related fatality rate is calculated as the total number of work-related fatalities divided by the total number of employees.

²² The number of suppliers is the number of "active service providers" in the reporting period. "Active" is defined as the service providers used or with an active contract in the past 3 years.

Appendix 2

Scope 3 Carbon Emissions Mapping

Value Chain	Category No.	Scope 3 Category	% of Total Scope 3 Carbon Emissions	Notes ^{23,25}
Upstream	1&2	Purchased goods and services Capital Goods	50%	Emissions from utility like use of fresh water, use of paper products, purchased services and maintenance (spend-based) and property management services (spend-based). Emissions from physical assets used in the production process were considered. Per GHG Protocol and lifecycle assessment, stages A1 to A5 of these goods' lifecycle were included, covering key construction materials like concrete, rebar, timber formwork, and steel. ^{24,26}
	3	Fuel and Energy Related Activities	3%	Upstream emissions from fuel use due to consumption of electricity, diesel and Towngas.
	4	Upstream Transportation and Distribution	0%	Emissions from transportation and distribution of products purchased between suppliers. Transportation of construction materials is covered in Category 2, while other administrative purchases are local and not material, and thus not estimated.
	5	Waste Generated in Operations	5%	Emissions from disposal and treatment of waste generated in our operations.
	6	Business Travel	<1%	Emissions from transportation of employees for business-related activities. Flights and taxi rides are covered.
	7	Employee commuting	<1%	Emissions from transportation of employees between their homes and office.
	8	Upstream leased Assets	0%	Emissions from operation of assets leased by Hysan which is not applicable as we own our offices.
	Downstream	9	Downstream transportation and distribution	0%
10		Processing of sold products	0%	Emission from downstream manufacturing, which is irrelevant to Hysan.
11		Use of Sold Product	4%	Emissions from end use of goods and services sold, of which refers to residential units sold by Hysan.
12		End-of-life treatment of sold products	<1%	Emissions from waste disposal and treatment of products sold, which is insignificant to Hysan.
13		Downstream leased assets	33%	Emissions from operational emissions from tenants that is not included in Scope 1 & 2. (e.g., energy use)
14		Franchises	0%	Emissions from operation of franchises, which is irrelevant to Hysan.
15		Investments	6%	Emissions from real estate related and health services related investments. (refer to Annual Reports for more details related to our investments.)
Total Scope 3 carbon emissions (kgCO ₂ e)			159,166,500	

²³ Due to constraints in data availability, we adopted a hybrid approach to estimate Scope 3 carbon emissions, combining both spend-based and activity-based methods for comprehensive and robust accounting.

²⁴ Emission factors of our raw material emissions were referenced from HK CIC Carbon Assessment Tool.

²⁵ Emission factor (EF) adopted for purchased electricity is 0.66kg CO₂e/kWh as provided by HK Electric Investments Sustainability Report 2023. The EF for Towngas is 0.549 kg CO₂e/unit as provided by The Hong Kong and China Gas Company Limited ESG Report 2023. The EF for Water Consumption and Sewage discharge, which being categorised into Scope 3 carbon emissions are 0.437 kg CO₂e/m³ and 0.21 kg CO₂e/m³ as provided by Water Supplies Department Annual Report 2022/23 and Drainage Services Department Sustainability Report 2022–23 respectively.

²⁶ The SBTi Building Sector Guidance was also referenced.

Appendix 3

Charters and Membership, Awards and Recognitions

Charter and Memberships

ULI – Corporate Member

Urban Land Institute

HKGBC patron member – Gold Member

Hong Kong Green Building Council

BEC Council Member

Climate Change Business Forum Advisory Group

Circular Economy (CE) Advisory Group

Net-zero Carbon Charter

Business Environment Council

HKCSS Caring Company

The Hong Kong Council of Social Service

The Racial Diversity & Inclusion Charter for Employers

Equal Opportunities Commission

Good Employer Charter 2024

Hong Kong Labour Department

Energy Saving Charter 2024

Environmental Protection Department

Green Event Pledge

Environmental Protection Department

Sustainable Procurement Charter

Green Council

Bring Your Own Containers (BYOC) Eateries Scheme

Environmental Protection Department and Environmental Campaign Committee

Glass Container Recycling Charter of EPD

Environmental Protection Department

Awards and Recognition

Best Corporate Governance and ESG Awards 2024

Most Sustainable Companies/Organisations Awards (Non-Hang Seng Index Medium Market Capitalisation Category) – Gold Award

Hong Kong Institute of Certified Public Accountants

Hong Kong Sustainability Award 2024

Distinction Award (Large Organisations)

The Hong Kong Management Association

Zero-Carbon-Ready Building Certification Scheme — Existing Building — EUI Pathway

Hong Kong portfolio including Hysan Place, Lee Garden One, Lee Garden Two, Lee Garden Three, Lee Garden Five, Lee Garden Six, Lee Theatre Plaza, Leighton Centre and One Hysan Avenue

Hong Kong Green Building Council

Best Annual Reports Awards 2024

Citation for Design

Excellence Award in Environmental, Social and Governance Reporting

The Hong Kong Management Association

The Hong Kong openBIM/openGIS Awards 2024

The Grand Award — Construction for Building Project (Lee Garden Eight)

The Hong Kong Alliance of Built Asset & Environment Information Management Associations (HKABAEIMA) and The Hong Kong Chapter of buildingSMART International

CIC Construction Digitalisation Award 2024

Project — OpenBIM (Lee Garden Eight)

Construction Industry Council

HKIS QS Awards 2024

Merit — QS Awards on Projects (Sustainability) (Lee Garden Eight)

The Hong Kong Institute of Surveyors

HKIA Annual Awards 2024

Finalist — Urban Design & Master Planning (Lee Garden Eight)

The Hong Kong Institute of Architects

LEED Certification – Platinum and Gold

US Green Building Council

BEAM Plus Certification (NB, EB)

The Hong Kong Green Building Council

Well Certification – Platinum

The International WELL Building Institute

Well Health Safety Rating Certificate

The International WELL Building Institute

WiredScore Certification

WiredScore

China Green Building Label

China Green Building (Hong Kong) Council

Hong Kong Green Organisation Certificate

Environmental Campaign Committee

Breastfeeding friendly premise and workplace – Gold

Hong Kong Committee for UNICEF

Indoor Air Quality Certificate Awards – Excellent and Good Class

Environmental Protection Department

IAQwi\$e Certificate – Excellent and Good Class

Environmental Campaign Committee

Quality Water Supply Scheme for Buildings – Flushing Water

Water Supplies Department

Quality Water Supply Scheme for buildings – Fresh Water (Management System) Certificate

Water Supplies Department

Wastewi\$e Certification – Excellence and Good Level

Environmental Campaign Committee

Mooncake Boxes Recycling Program 2024 – Certificate of Appreciation

Greeners Action

Appendix 4

HKEX ESG Reporting Guide Index

Hysan continues to comply fully with the requirements of the provisions contained in the Environmental, Social and Governance Reporting Guide (“ESG Guide”), Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Aspect & Key Performance Indicator	General Disclosure and Key Performance Indicators (KPIs)	Section/Remarks
General structure	A statement from the board containing the following elements: <ol style="list-style-type: none"> a disclosure of the board’s oversight of ESG issues 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 how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses. 	<ul style="list-style-type: none"> Sustainability Governance
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: <ol style="list-style-type: none"> Materiality Quantitative Balance Consistency 	<ul style="list-style-type: none"> About This Report
Reporting Boundary	Reporting boundaries of the ESG report and process of setting them	<ul style="list-style-type: none"> About This Report

A. Environmental

A1 Emissions		
General disclosure	Information on: <ol style="list-style-type: none"> the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 	<ul style="list-style-type: none"> Environment Corporate website – Group Policies and Governance <p>In 2024, there was no non-compliance with relevant laws and regulations that had a significant impact on Hysan.</p>
KPI A1.1 The types of emissions and respective emissions data	The types of emissions and respective emissions data.	<ul style="list-style-type: none"> Environment Appendix 1: Three-year ESG Performance and Impact Data – Environmental
KPI A1.2 Direct (Scope 1) and energy indirect (Scope 2) GHG emissions and intensity	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
KPI A1.3 Total hazardous waste produced and intensity	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
KPI A1.4 Total non-hazardous waste produced and intensity	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
KPI A1.5 Description of emission target(s) set and steps taken to achieve them	Description of measures to mitigate emissions and results achieved.	<ul style="list-style-type: none"> Sustainability at Hysan Environment
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	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	<ul style="list-style-type: none"> Environment <p>Hazardous waste is not material to our operations. We manage it according to the local regulatory requirements, from storage to disposal, where the use of a qualified third-party contractor is mandatory.</p>

Aspect & Key Performance Indicator	General Disclosure and Key Performance Indicators (KPIs)	Section/Remarks
A2 Use of resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	<ul style="list-style-type: none"> Environment
KPI A2.1 Direct and/or indirect energy consumption by type in total and intensity	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).	<ul style="list-style-type: none"> Appendix 1: Three-year ESG Performance and Impact Data – Environmental
KPI A2.2 Water consumption in total and intensity	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	<ul style="list-style-type: none"> Appendix 1: Three-year ESG Performance and Impact Data – Environmental
KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them	Description of energy use efficiency initiatives and results achieved.	<ul style="list-style-type: none"> Sustainability at Hysan Environment
KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set taken to achieve them	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	<ul style="list-style-type: none"> Environment <p>There were no problems in sourcing water encountered in our operations.</p> <p>Freshwater is municipally sourced which is considered adequate and fit for use and thus not anticipating any material impact on the Group, yet we strive to conserve water consumption.</p>
KPI A2.5 Total packaging material used for finished products	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Data not tracked. The use of packaging material is not material to the Group.
A3 The environment and natural resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	<ul style="list-style-type: none"> Environment
KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	
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.	<ul style="list-style-type: none"> Sustainability Governance – Risk Management Environment
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	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 Change Policy is established to demonstrate our commitment in addressing climate-related risks.

B. Social

Employment and Labour Practices		
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.	<ul style="list-style-type: none"> People Corporate website – Group Policies and Governance <p>There were no reported cases of non-compliance related to employment that had a significant impact on the Group in 2024.</p> <p>There is no collective bargaining legislation in Hong Kong, yet we do respect the right of association of our employees as stated in our Human Rights Policy.</p>
KPI B1.1 Total workforce by gender, employment type, age group and geographical region	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	<ul style="list-style-type: none"> Appendix 1: Three-year Performance and Impact Data – Social
KPI B1.2 Employee turnover rate by gender, age group and geographical region	Employee turnover rate by gender, age group and geographical region.	
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.	<ul style="list-style-type: none"> People Corporate website – Group Policies and Governance <p>There were no reported cases of non-compliance related to health and safety that had a significant impact on the Group in 2024.</p>
KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	Number and rate of work-related fatalities.	<ul style="list-style-type: none"> People Appendix 1: Three-year Performance and Impact Data – Social
KPI B2.2 Lost days due to work injury	Lost days due to work injury.	
KPI B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored	Description of occupational health and safety measures adopted, how they are implemented and monitored.	<ul style="list-style-type: none"> People
B3 Development and training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	<ul style="list-style-type: none"> People
KPI B3.1 The percentage of employees trained by gender and employee category	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	All staff receive corporate training and subject to the job nature, specific training is further provided and thus training percentage to our employees is 100%. More relevant data including the average training hours completed per employee by gender and employee category, and total training hours by training topics completed is available.
KPI B3.2 Average training hours completed per employee by gender and employee category	The average training hours completed per employee by gender and employee category.	<ul style="list-style-type: none"> People Appendix 1: Three-year Performance and Impact Data – Social

Employment and Labour Practices

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.	<ul style="list-style-type: none"> People Corporate website – Group Policies and Governance <p>There were no reported cases of non-compliance related to child and forced labour in 2024.</p>
KPI B4.1 Description of measures to review employment practices to avoid child and forced labour	Description of measures to review employment practices to avoid child and forced labour.	While child and forced labour is illegal and absolutely forbidden, any identified or suspected incidents can be reported and will be followed-through as per our Whistleblowing Policy.
KPI B4.2 Description of steps taken to eliminate such practices when discovered	Description of steps taken to eliminate such practices when discovered.	

Operating Practices

B5 Supply chain management

General Disclosure	Policies on managing environmental and social risks of the supply chain.	<ul style="list-style-type: none"> Sustainability Governance Environment Corporate website – Group Policies and Governance
KPI B5.1 Number of suppliers by geographical region	Number of suppliers by geographical region.	<ul style="list-style-type: none"> Appendix 1: Three-year Performance and Impact Data – Social
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	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	<ul style="list-style-type: none"> Sustainability Governance Environment People
KPI B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	
KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	

Appendix 4

HKEX ESG Reporting Guide Index

Operating Practices		
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.	<ul style="list-style-type: none"> ■ Sustainability Governance <p>In 2024, there was no non-compliance with relevant laws and regulations that had a significant impact on Hysan.</p> <p>We are committed to ensuring that our marketing and communications materials comply with relevant government regulations and industry guidelines, including the Residential Properties (First-hand Sales) Ordinance in Hong Kong and the Consent Scheme of the Lands Department, HKSAR.</p>
KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Recalls of product sold is immaterial to our business operations.
KPI B6.2 Number of products and service related complaints received and how they are dealt with	Number of products and service related complaints received and how they are dealt with.	<p>In order to effectively handle complaints and requests from tenants and customers, Hysan has an automated case management system with electronic standard operating procedures ("SOPs") to ensure efficient resolution of cases through real time updates and quick access to information. We also have a standardised customer complaint handling procedure to ensure written requests or complaints shall be answered in a timely manner.</p> <p>In 2024, there were no substantiated complaints received relating to products and services provided that had a significant impact on Hysan.</p>
KPI B6.3 Description of practices relating to observing and protecting intellectual property rights	Description of practices relating to observing and protecting intellectual property rights.	<ul style="list-style-type: none"> ■ Sustainability Governance <p>We respect property rights, including intellectual property rights, and require our employees to comply with applicable legal requirements relating to the collection, holding, processing, disclosure, and use of personal data, and respect the privacy of others and the confidentiality of information received through our operations.</p>
KPI B6.4 Description of quality assurance process and recall procedures	Description of quality assurance process and recall procedures.	<ul style="list-style-type: none"> ■ Sustainability Governance ■ People <p>Hysan has always placed the highest priority on safety and quality in our property development projects. We do not consider recall procedures to be material to our operations.</p>
KPI B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	<ul style="list-style-type: none"> ■ Sustainability Governance <p>We respect personal data privacy and are committed to fully implementing and complying with the data protection principles under the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) (the "Ordinance"). Employees are required to comply with the Ordinance and the Group's privacy compliance policies and procedures. Please refer to our Privacy Policy Statement for further details.</p>

Operating Practices

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.	<ul style="list-style-type: none"> ■ Sustainability Governance <p>In 2024, there was no non-compliance with relevant laws and regulations that have a significant impact on Hysan.</p>
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	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.	In 2024, there were no concluded legal cases regarding corrupt practices brought against Hysan or its employees.
KPI B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	<ul style="list-style-type: none"> ■ Sustainability Governance
KPI B7.3 Description of anti-corruption training provided to directors and staff	Description of anti-corruption training provided to directors and staff.	<p>Anti-corruption training is provided to Directors and all employees. specifically, training materials for Directors are embedded in a comprehensive memorandum on Directors' Duties and Responsibilities and are available at a separate portal for Directors to access anytime and anywhere.</p> <p>Senior management are reminded of their relevant duties on a half-yearly basis with training materials accessible on our Intranet.</p> <p>All employees are required to complete anti-corruption training courses within the first three months of their employment. Training materials are available on Hysan's Mobile Learning Platform, which features with live videos and interactive features to support employee learning at any time, any pace and any place.</p>

Community

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.	<ul style="list-style-type: none"> ■ Community
KPI B8.1 Focus areas of contribution	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	
KPI B8.2 Resources contributed	Resources contributed (e.g. money or time) to the focus area.	

Appendix 5

GRI Content Index

Statement of use	Hysan Development Company Limited has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	NA

GRI Indicator	Description	Section/Remarks
GRI 2: General Disclosures 2021		
The Organisation and its reporting practices		
2-1	Organisational details	<ul style="list-style-type: none"> About this Report Sustainability at Hysan
2-2	Entities included in the organisation's sustainability reporting	<ul style="list-style-type: none"> About this Report
2-3	Reporting period, frequency and contact point	<ul style="list-style-type: none"> About this Report
2-4	Restatements of information	<ul style="list-style-type: none"> Appendix 1: Three-Year ESG Performance and Impact Data
2-5	External assurance	<ul style="list-style-type: none"> Appendix 6: Verification Statement
Activities and Workers		
2-6	Activities, value chain and other business relationships	<ul style="list-style-type: none"> Sustainability at Hysan Stakeholder Engagement and Materiality Assessment Corporate website – Business <p>There is no significant change in the sector of our operation and thus the value chain and business relationships.</p>
2-7	Employees	<ul style="list-style-type: none"> People Appendix 1: Three-Year ESG Performance and Impact Data
2-8	Workers who are not employees	<ul style="list-style-type: none"> Sustainability Governance Stakeholder Engagement and Materiality Assessment Environment People <p>Examples of the most common types of workers who are not Hysan's employees include consultants, construction contractors, and service providers who support our business operations.</p>
Governance		
2-9	Governance structure and composition	<ul style="list-style-type: none"> Sustainability Governance Annual Report 2024 – Corporate Governance Report
2-10	Nomination and selection of the highest governance body	<ul style="list-style-type: none"> Annual Report 2024 – Corporate Governance Report Corporate Website- Group Policies and Governance
2-11	Chair of the highest governance body	<ul style="list-style-type: none"> Sustainability Governance
2-12	Role of the highest governance body in overseeing the management of impacts	<ul style="list-style-type: none"> Annual Report 2024 – Corporate Governance Report
2-13	Delegation of responsibility for managing impacts	
2-14	Role of the highest governance body in sustainability reporting	
2-15	Conflicts of interest	
2-16	Communication of critical concerns	
2-17	Collective knowledge of the highest governance body	
2-18	Evaluation of the performance of the highest governance body	
2-19	Remuneration policies	
2-20	Process to determine remuneration	
2-21	Annual total compensation ratio	<ul style="list-style-type: none"> Annual Report 2024 – Financial Statements, Valuation and Other Information

GRI Indicator	Description	Section/Remarks
Strategy, Policies and Practices		
2-22	Statement on sustainable development strategy	<ul style="list-style-type: none"> Message from the Executive Director and Chief Operating Officer
2-23	Policy commitments	<ul style="list-style-type: none"> Sustainability Governance
2-24	Embedding policy commitments	<ul style="list-style-type: none"> Corporate website – Group Policies and Governance
2-25	Processes to remediate negative impacts	<ul style="list-style-type: none"> Sustainability Governance
2-26	Mechanisms for seeking advice and raising concerns	<ul style="list-style-type: none"> People Corporate website – Group Policies and Governance
2-27	Compliance with laws and regulations	<ul style="list-style-type: none"> Sustainability Governance <p>In 2024, there was no non-compliance with laws and regulations that had a significant impact on Hysan.</p>
2-28	Membership associations	<ul style="list-style-type: none"> Appendix 3: Charters and Membership, Awards and Recognitions
Stakeholder engagement		
2-29	Approach to stakeholder engagement	<ul style="list-style-type: none"> Stakeholder Engagement and Materiality
2-30	Collective bargaining agreements	There are no formal collective bargaining agreements in place within the Group. Yet, we do respect the right of association of our as stated in our Human Right Policy
GRI 3: Material Topics 2021		
Disclosure on Material Topics		
3-1	Process to determine material topics	<ul style="list-style-type: none"> Stakeholder Engagement and Materiality
3-2	List of material topics	
Economic		
GRI 201: Economic Performance 2016		
3-3	Management of material topics	<ul style="list-style-type: none"> Annual Report 2024 – Business Performance
201-1	Direct economic value generated and distributed	<ul style="list-style-type: none"> Annual Report 2024 – Financial Statements, Valuation and Other Information
201-2	Financial implications and other risks and opportunities due to climate change	<ul style="list-style-type: none"> Stakeholder Engagement and Materiality
201-3	Defined benefit plan obligations and other retirement plans	<ul style="list-style-type: none"> Annual Report 2024 – Financial Statements, Valuation and Other Information
GRI 203: Indirect Economic Impacts 2016		
3-3	Management of material topics	<ul style="list-style-type: none"> Sustainability at Hysan Sustainability Governance
203-1	Infrastructure investments and services supported	<ul style="list-style-type: none"> Stakeholder Engagement and Materiality The Community
203-2	Significant indirect economic impacts	
GRI 205: Anti-corruption 2016		
3-3	Management of material topics	<ul style="list-style-type: none"> Sustainability Governance
205-1	Operations assessed for risks related to corruption	<ul style="list-style-type: none"> Annual Report 2024 – Corporate Governance
205-2	Communication and training about anti-corruption policies and procedures	
205-3	Confirmed incidents of corruption and actions taken	In 2024, there was no confirmed incident of corruption brought against Hysan.

Appendix 5

GRI Content Index

GRI Indicator	Description	Section/Remarks
Environmental		
GRI 301: Materials 2016		
3-3	Management of material topics	<ul style="list-style-type: none"> Environment
GRI 101: Biodiversity 2024		
101-2	Management of biodiversity impacts	<ul style="list-style-type: none"> Environment <p>None of our properties are located near protected areas or areas of high biodiversity value outside protected areas.</p>
GRI 302: Energy 2016		
3-3	Management of material topics	<ul style="list-style-type: none"> Environment
302-1	Energy consumption within the organisation	<ul style="list-style-type: none"> Appendix 1: Three-year Performance and Impact Data
302-3	Energy intensity	<ul style="list-style-type: none"> Appendix 1: Three-year Performance and Impact Data
302-4	Reduction of energy consumption	<ul style="list-style-type: none"> Environment
GRI 303: Water and Effluents 2018		
3-3	Management of material topics	<ul style="list-style-type: none"> Environment
303-1	Interactions with water as a shared resource	<ul style="list-style-type: none"> Environment <p>Municipal water is the only source for our properties in Hong Kong and Shanghai.</p>
303-2	Management of water discharge-related impacts	<ul style="list-style-type: none"> Environment <p>All wastewater from our operations is discharged to the municipal wastewater system for treatment.</p>
303-5	Water consumption	<ul style="list-style-type: none"> Appendix 1: Three-year Performance and Impact Data
GRI 305: Emissions 2016		
3-3	Management of material topics	<ul style="list-style-type: none"> Environment
305-1	Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> Environment
305-2	Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> Appendix 1: Three-year Performance and Impact Data
305-3	Other indirect (Scope 3) GHG emissions	
305-4	GHG emissions intensity	
305-5	Reduction of GHG emissions	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	<ul style="list-style-type: none"> Appendix 1: Three-year Performance and Impact Data
GRI 306: Waste 2020		
3-3	Management of material topics	<ul style="list-style-type: none"> Environment
306-3	Waste generated	<ul style="list-style-type: none"> Appendix 1: Three-year Performance and Impact Data
306-4	Waste diverted from disposal	
306-5	Waste directed to disposal	
GRI 308: Supplier Environmental Assessment 2016		
3-3	Management of material topics	<ul style="list-style-type: none"> Sustainability Governance Environment People

GRI Indicator	Description	Section/Remarks
Social		
GRI 401: Employment 2016		
3-3	Management of material topics	<ul style="list-style-type: none"> People
401-3	Parental leave	<ul style="list-style-type: none"> People Appendix 1: Three-year Performance and Impact Data
GRI 403: Occupational Health and Safety 2018		
3-3	Management of material topics	<ul style="list-style-type: none"> People
403-2	Hazard identification, risk assessment, and incident investigation	
403-9	Work-related injuries	<ul style="list-style-type: none"> Appendix 1: Three-year Performance and Impact Data
GRI 404: Training and Education 2016		
3-3	Management of material topics	<ul style="list-style-type: none"> People
404-1	Average hours of training per year per employee	<ul style="list-style-type: none"> People Appendix 1: Three-year Performance and Impact Data
GRI 405: Diversity and Equal Opportunity 2016		
3-3	Management of material topics	<ul style="list-style-type: none"> People
405-1	Diversity of governance bodies and employees	<ul style="list-style-type: none"> People Appendix 1: Three-year Performance and Impact Data Annual Report 2024 – Corporate Governance
GRI 406: Non-discrimination 2016		
3-3	Management of material topics	<ul style="list-style-type: none"> People
406-1	Incidents of discrimination and corrective actions taken	In 2024, there is no confirmed incident of discrimination at Hysan.
GRI 410: Security Practices 2016		
3-3	Management of material topics	<ul style="list-style-type: none"> People
410-1	Security personnel trained in human rights policies or procedures	In 2024, 100% of security personnel have received formal training in our SOP Manual.
GRI 413: Local Communities 2016		
3-3	Management of material topics	<ul style="list-style-type: none"> Community
GRI 414: Supplier Social Assessment 2016		
3-3	Management of material topics	<ul style="list-style-type: none"> Sustainability Governance Environment People
GRI 416: Customer Health and Safety 2016		
3-3	Management of material topics	<ul style="list-style-type: none"> Stakeholder Engagement and Materiality People
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	In 2024, there are no incidents of non-compliance concerning the health and safety impacts of services at Hysan.
GRI 418: Customer Privacy 2016		
3-3	Management of material topics	<ul style="list-style-type: none"> Sustainability Governance
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2024, Hysan has not received complaints concerning breaches of customer privacy and losses of customer data.

Verification Statement



Verification Statement

Scope and Objective

Hong Kong Quality Assurance Agency (“HKQAA”) was commissioned by Hysan Development Company Limited (“Hysan”) to conduct an independent verification for its sustainability disclosures stated in its Sustainability Report 2024 (“the Report”). The sustainability disclosures covered the sustainability performance of Hysan in the period from 1st January 2024 to 31st December 2024. The verification covered the contents of the Report but not limited to:

- Corporate KPIs and their status for 2024 (refer to the section of “Sustainability at Hysan - Our Targets”), and
- Appendix 1 Three-year ESG performance and impact data

The objective of this verification is to provide an independent opinion with a reasonable level of assurance on whether the sustainability disclosures are prepared in accordance with the following reporting criteria:

- The Environmental, Social and Governance Reporting Guide (“ESG Guide”) set out in Appendix C2 of the Listing Rules of The Stock Exchange of Hong Kong Limited (version effective from 31st December 2023, which remains applicable to annual reports for financial years commencing before 1st January 2025).

The verification team also review the disclosures in the Report by making reference to the following disclosure frameworks, as the Report has been prepared with references to:

- Global Reporting Initiative Sustainability Reporting Standards (“GRI Standards”) 2021
- Task Force on Climate-related Financial Disclosures (“TCFD”) Recommendations

Level of Assurance and Methodology

HKQAA’s verification procedure has been conducted with reference to the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (“ISAE 3000”) issued by the International Auditing and Assurance Standards Board. The evidence gathering process was designed to obtain a reasonable level of assurance as set out in the ISAE 3000 by using a risk-based approach.

Our verification procedure included, but not limited to:

- Sampling the sustainability information stated in the Report, e.g. claims and performance data for detail verification;
- Verifying the raw data and supporting information of the selected samples of the sustainability information;
- Interviewing responsible personnel; and
- Checking the internal control mechanism

Roles and Responsibilities

Hysan is responsible for the organization’s information system, the development and maintenance of records and reporting procedures in accordance with the system, including the calculation and determination of sustainability information and performance. HKQAA verification team is responsible for providing an independent verification opinion on the sustainability disclosures provided by Hysan for the reporting period. The verification was based on the verification scope, objectives and criteria as agreed between Hysan and HKQAA.

Independence

HKQAA did not involve in collecting and calculating data or compiling the reporting contents. Our verification activities were entirely independent and there was no relationship between HKQAA and Hysan that would affect the impartiality of the verification.

Limitation and Exclusion

The following limitations and exclusions were applied to this verification due to the service scope, nature of verification criteria, and characteristics of the verification methodology.

- I. Our verification scope is limited to examining the raw data or information for the sustainability disclosures, e.g., Claims and Performance Data stated in the Report. The identified sustainability information may be subject to inherent uncertainty because of incomplete scientific and technical knowledge.
- II. Evaluating the quality of execution and implementation effectiveness of the ESG practices, the appropriateness of the assumptions made, and the estimation techniques applied are outside the scope of our verification.
- III. The verification of raw data or information is based on the use of a sampling approach and reliance on the client's representation. As a result, errors or irregularities may occur and remain undetected.
- IV. Any information outside the established verification period has been excluded.

Conclusion

Based on the evidence obtained and the results of the verification process, it is the opinion of the verification team that, with a reasonable level of assurance, the report has been prepared, in all material respects, in accordance with the ESG Guide set out in Appendix C2 of the Listing Rules of The Stock Exchange of Hong Kong Limited (version effective from 31st December 2023, which remains applicable to annual reports for financial years commencing before 1st January 2025).

In addition, the verification team considered that the Report has been prepared by making references to the contents or parts of the contents of the GRI Standards 2021 and TCFD recommendations.

Signed on behalf of Hong Kong Quality Assurance Agency



Connie Sham
Head of Audit
March 2025
Ref: 14948686-VER

Appendix 7

Glossary of Key Terms

Abbreviation	Full form
AHU	Air Handling Units
AI	Artificial Intelligence
AR6	The Sixth Assessment Report
BEAM	Building Environmental Assessment Method
BIM	Building Informational Modelling
BMS	Building Management System
C&D	Construction and Demolition
CBM	Community Business Model
CGBL	China Green Building Label
CO ₂ e	Carbon Dioxide Equivalent Emission
COSO	Committee of Sponsoring Organisations of the Treadway Commission
DPMG	Data Privacy Management Group
EC	Electronically Commutated
EF	Emission Factor
EOC	Equal Opportunities Commission
EPD	Environmental Protection Department
ESG	Environmental, Social and Governance
ETS	Emission Trading System
F&B	Food and Beverage
FSC	Forest Stewardship Council
GHG	Greenhouse Gas
GJ	Gigajoule
GRI	Global Reporting Initiative
GWP	Global Warming Potential
H&S	Health and Safety
HFC	Hydroflurocarbon
HFO	Hydrofluoroolefin
IAQ	Indoor Air Quality
ILO	International Labour Organization
IoT	Internet of Things
IPCC	Intergovernmental Panel on Climate Change
ISAE	International Standard on Assurance Engagement
ISSB	International Sustainability Standards Board

Abbreviation	Full form
IUCN	International Union for Conservation of Nature
IWBI	International WELL Building Institute
kWh	Kilowatt Hour
LEED	Leadership in Energy and Environment Design
LMTP	Last-Mile Testing Programme
MDM	Mobile Device Management
MDR	Managed Detection and Response
MWh	Megawatt Hour
NGFS	Network for Greening the Financing System
NGO	Non-government Organisation
NO	Nitrogen Oxide
OTV	Old and Valuable Tree
PAU	Primary Air Handling Units
PM ₁₀	Particulate Matter (10 micrometres or less in diameter)
PM _{2.5}	Particulate Matter (2.5 micrometres or less in diameter)
PoCs	Proof-of-concepts
RE	Renewable Energy
REC	Renewable Energy Certificate
SASB	Sustainability Accounting Standards Board
SBTi	Science Based Targets initiative
SDG	Sustainable Development Goal
SO	Sulphur Oxide
SOP	Standard Operation Procedure
SRB	Smart Recycling Bin
SSP	Shared Socioeconomic Pathways
TCFD	Task Force on Climate-related Financial Disclosures
UNGC	United Nations Global Compact
VOCs	Volatile Organic Compounds
ZCRB	Zero-Carbon Ready Building

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