



Contents

4	About this Report
5	About Hang Lung Properties
6	Message from the Chair
8	Message from the Chief Executive Officer
10	2024 Highlights
15	Our Approach to Sustainability
39	Climate Resilience
67	Resource Management
87	Wellbeing
109	Sustainable Transactions
138	Appendix 1 - Key Sustainability Trends
146	Appendix 2 - Memberships, Charters and External Recognitions
154	Appendix 3 – Sustainability Goals, Targets and ESG KPIs
161	Appendix 4 – List of Sustainable Building Certificate
165	Appendix 5 – Performance Tables
185	Appendix 6 – Independent Assurance Opinion Statement
187	Appendix 7 – Independent Practitioner’s Assurance Report for Green Bonds and Green Loans
191	Appendix 8 – Content Indices for Reporting Guidelines

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If there is any discrepancy or inconsistency between the English and the Chinese versions, the English version shall prevail.



INTRODUCTION

ABOUT THIS REPORT

This is the 13th sustainability report (the “Report”) for Hang Lung Properties Limited (“the Company” or “Hang Lung Properties,” stock code: 00101) and its subsidiaries (collectively known as “Hang Lung” or “the Group”). As the property arm of Hang Lung Group Limited (“Hang Lung Group,” stock code: 00010), the Group produced and issued this Report to disclose information transparently to our stakeholders regarding the Group’s material sustainability issues from January 1, 2024 to December 31, 2024, unless otherwise specified. This Report follows our *Sustainability Report 2023*, which was published online in March 2024.

Scope of this Report

This Report focuses primarily on the Group’s management approach to material sustainability issues. The scope of our economic key performance indicators (KPIs) disclosures aligns with the Group’s financial reporting and the social KPIs reported across our material topics cover our entire operations. The properties covered by the reported environmental KPIs include:

- 25 properties in Hong Kong, as well as ten in mainland China, and
- three projects under development in Hong Kong and five in mainland China.

In comparison with the Sustainability Report 2023, the reporting scope of this Report has expanded to include 228 Electric Road in Hong Kong, which commenced operations in July 2023. For the full list of properties, please refer to [Appendix 5](#).

In this Report, we also set forth our progress towards our sustainability targets and KPIs. In selecting base years for such targets, several factors, including data availability, timeliness, and representativeness, were considered.

Reporting Standards and Assurance

This Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards with content defined based on the principles of

accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability. It also complies with Appendix C2 Environmental, Social and Governance Reporting Code in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKEX”). In addition, we have disclosed sustainability-related risks and opportunities with reference to International Financial Reporting Standards (IFRS) S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures published by the International Sustainability Standards Board (ISSB Standards), and made our best effort to report against metrics required by the Sustainability Accounting Standards Board (SASB) for the real estate sector in [Appendix 8](#). We also disclose for the first time in 2024 our nature-related risks and opportunities with reference to the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD).

The adoption of these reporting standards ensures that the content presented is accurate, balanced, clear, comparable, reliable and disclosed in a timely manner. We have identified material ESG topics through ongoing stakeholder engagement and our annual materiality assessment. Quantitative data are reported consistently and presented in a manner that allows for meaningful comparisons over time, while the methodologies used for calculations are described in the Performance Tables in [Appendix 5](#) to facilitate public review. A list of properties included in the reporting boundary is also provided in [Appendix 5](#) to allow for year-on-year scope comparison. The Report also reflects both positive and negative aspects of our performance to enable an unbiased and reasoned assessment. The Group has provided fair presentation of all material sustainability-related risks and opportunities that could reasonably be expected to affect the company’s prospects. Information in this Report has been independently verified by SGS Hong Kong in accordance with the GRI Standards, the HKEX ESG Reporting Code, and fundamental reporting principles, as detailed in the Independent Assurance Opinion Statement in [Appendix 6](#).

ABOUT HANG LUNG PROPERTIES

Hang Lung Properties Limited, the property arm of Hang Lung Group Limited, strives to create compelling spaces that enrich people's lives.

We are a well-established, top-tier property developer with customer-centricity at the heart of our operations. Our diversified portfolio comprises numerous properties in Hong Kong and in nine Mainland cities of Shanghai, Shenyang, Jinan, Wuxi, Tianjin, Dalian, Kunming, Wuhan and Hangzhou (listed by opening year). Through its luxury positioning under the "66" brand, our Mainland portfolio has established a leading position as the "Pulse of the City."

For details of our business performance and outlook, please refer to our [2024 Annual Report](#).

Our Vision

We create compelling spaces that enrich lives

Our Mission

We pursue sustainable growth by connecting our customers and communities

Our Values

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

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

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

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

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

MESSAGE FROM THE CHAIR



Adriel Chan
Chair and Chair of the Sustainability Steering Committee

In April 2024 I took over as Chair of Hang Lung Group and Hang Lung Properties, so the publication of this report also marks the approach of my first anniversary in that role. The Year of the Snake is associated with renewal and resilience – two concepts that capture well the spirit of this moment for Hang Lung. While the world faces much uncertainty, and change is occurring with unprecedented speed, I want to take this opportunity to reflect on the four core values that will serve as anchors for Hang Lung in these turbulent times.

Integrity. Integrity is the cornerstone of our business. Long before the concept of environmental, social, and governance (“ESG”) became fashionable, we have worked to instill and uphold integrity at all levels and throughout the business.

Sustainability. We approach sustainability both in terms of the value we create for our stakeholders and the impact we are having on our communities. We embed sustainability by pursuing our four priorities of climate resilience, resource management, wellbeing, and sustainable transactions (as discussed later in this report). I am especially proud of our pioneering achievements in procuring renewable energy, in our tenant sustainability partnerships, and in sourcing low carbon building materials.

Excellence. While working to advance sustainability, we also maintain our business discipline and focus and manage our projects and operations to high standards. The two dimensions complement one another. In January 2025, the Company secured a five-year HK\$10 billion loan facility with a consortium of more than 10 banks. At a challenging time, this transaction highlights the confidence the market has in the Company’s future development; a sign of trust in our ability to execute to excellent standards.

Openness. We foster openness to new ideas and new modes of collaboration. We believe that by working with like-minded stakeholders, we can speed progress on issues of common concern. At LVMH's "Life 360 in Stores Awards" celebration in Paris in December 2024, I emphasized that "we look forward to joining forces with our peers ... Sustainability is a race that can only be run if we all run it together." Together with this report, we are publishing "[Our Journey to Net Zero](#)", a transparent and honest discussion of the challenges and opportunities on our path to achieving net zero greenhouse gas emissions across our value chain by 2050. We hope the paper will be of benefit to the community, and that we will be able to learn from the stakeholder feedback that comes from it.

In short, while our business will need to remain agile and adapt to fast-changing developments, we will do so with reference to core principles that will help us continue to flourish in the years ahead.

Adriel Chan

*Chair and Chair of the Sustainability Steering
Committee (SSC)*

March 2025

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



Weber Lo
Chief Executive Officer

I'm proud to unveil our 2024 Sustainability Report, celebrating the 13th edition of our annual update. This year, we have made remarkable strides across various ESG facets of our business. The eight achievements below highlight how we collaborate with like-minded partners to amplify our sustainability impact.

1. Renewable Energy

With the addition of three additional properties, half of our operating properties in the Mainland are now powered by renewable energy through power purchase agreements (PPAs). This milestone goes well beyond our 2025 sustainability target of 25% renewable energy for our mainland China portfolio.

2. Low Carbon Emissions Steel

In November 2024, we announced a pioneering transaction: the first use in China of nearly 100% low carbon emissions steel for all above ground structural plates and reinforcing bars in our Plaza 66 Pavilion Extension project in Shanghai. This groundbreaking achievement, in collaboration with Baoshan Iron & Steel Co., Ltd, is expected to deliver a 35% reduction in embodied carbon emissions compared to conventional steel alternatives.

3. Tenant Sustainability Partnerships

Our Changemakers Program, open to all tenants in Hong Kong and mainland China, launched in December 2023. We also made progress in our sustainability partnership with the LVMH Group, with our second Common Charter – a shared progress report – released in October 2024. Altogether, as of December 2024, we have engaged 49 sustainability tenants across 17 properties, comprising a total leased area of more than 210,000 square meters. We are working with our tenants to reduce carbon emissions and waste, advance circularity, and enhance community wellbeing.

4. Real Estate & Decarbonization Summit

We organized a Real Estate & Decarbonization Summit at Yale Center Beijing on September 20, 2024. The Summit brought together over a hundred experts, practitioners and thought leaders to accelerate progress in reducing carbon emissions across the real estate value chain.

5. Office Rejuvenation Completed

Hang Lung recently completed a major rejuvenation project for our Hong Kong offices. We aim to create workplaces that promote wellness, engagement, and collaboration while striving to minimize our environmental impacts. We implemented a holistic resource utilization scheme for the project, with more than 4,400 office resources being reused, redistributed, or recycled, including items that staff members took home, and items donated to 33 NGOs.

6. Community Investment

The annual Hang Lung Nationwide Volunteer Day concluded successfully in September 2024. Now in its fifth consecutive year, the event focused on empowering young people with the theme "Working with Youth." Over 1,400 Hang Lung As One volunteers from Hong Kong and the Mainland, along with youth volunteers, collaborated with local government departments, NGOs, tenants and community partners to curate a range of activities that benefited over 10,000 people from vulnerable groups.

7. Sustainable Finance

As of December 31, 2024, green bonds, green loans, and sustainability-linked loan facilities accounted for 60% of our total debts and available facilities. The green bonds and green loans are used for qualifying green projects, as defined by our Sustainable Finance Framework, while the sustainability-linked loan facilities are for supporting various corporate initiatives and general corporate financing.

8. Economic Performance

In 2024 our overall revenue, including property sales, increased by 9% relative to 2023, while our overall operating profit dropped by 13%, and revenue and operating profit from property leasing decreased by 6% and 9% respectively. We are pursuing key initiatives to stay ahead, by enhancing our relevance to shoppers and tenants, leveraging hotel synergies within our integrated complexes, and attracting cross-city consumers to broaden our reach and strengthen our market presence. Additionally, we are implementing defensive strategies to maintain our robust financial position, ensuring resilience in uncertain times.

At Hang Lung, we continue to explore innovative solutions to drive our sustainability journey forward. As ever, we are open to your ideas.

Weber Lo

Chief Executive Officer

March 2025

2024 HIGHLIGHTS

Key Achievements and Initiatives

51% reduction in Scope 1 and 2 GHG emissions intensity compared to 2018 baseline



46% reduction in Scope 3 absolute GHG emissions compared to 2023



5 out of 10 Mainland operating properties are now powered by **renewable energy**



Plaza 66 Pavilion Extension project is the first Mainland project using nearly **100%** low carbon emissions steel in its building structure



宝钢股份BeyondECO低碳螺纹钢新品首发暨恒隆地产首例应用项目启动仪式

Increased employee engagement performance in the **Gallup Overall Database** from 74th percentile to **79th percentile**



Partnered with **49** tenants representing **11%** of our total leasable area on sustainability initiatives

Fully implemented a holistic resource utilization scheme for **Hong Kong Office Rejuvenation Project** which **diverted nearly 181,000 kg of municipal waste from landfill**





60% of total debts and available facilities comprise ESG-related elements



82% of existing properties and projects under development with green building certifications



The Hang Lung As One volunteer team contributed more than **68,900** volunteering hours, benefiting over 30,800 people in Hong Kong and mainland China



Sustainability Awards and Accolades

Awards and Recognition

<p>ESG Award – Hang Seng Index Category 2024 Best Corporate Governance and ESG Awards, Hong Kong Institute of Certified Public Accountants (HKICPA)</p> 	<p>ESG Communication Award MI x HSU ESG Award 2024</p> 	<p>ESG Annual Clean Energy and Technology Innovation Pioneer Green Development Annual Tribute Award 2024</p> 
<p>ESG 50 Most to Watch List in China – Leading Champion Bloomberg Green in China</p> 	<p>Excellence in Leadership Development Special Award HKMA Award for Excellence in Training and Development 2024</p> 	<p>2024 Sustainable Development Contribution Enterprises Social Responsibility Conference</p> 
<p>Gold Awards – Peak Galleria, 228 Electric Road Universal Design Award Scheme 2024/25, Equal Opportunities Commission</p> 	<p>2nd China Corporate Carbon Neutral Performance Ranking – Energy Saving and Carbon Reduction Award Yicai</p> 	<p>“Platinum Tier” under the Cyber Security Staff Awareness Recognition Scheme 2024/25 Hong Kong Internet Registration Corporation Limited (HKIRA) and Information Systems Audit and Control Association (ISACA) China Hong Kong Chapter</p> 

- Hang Lung obtained more than 45 ESG awards in 2024.
- For further information on awards and recognition given to the Group, please visit [our corporate website](#).

Participation and Performance in Key Benchmarks and Indices



MSCI ESG Rating
"AA" rating



CDP
Climate: A
Water Security: A-



GRESB
4-star performance rating for Standing Investment



Constituent of FTSE4Good Index Series
ESG score: 3.7



Sustainalytics
"Low" ESG risk rating



Hang Seng Corporate Sustainability Index Series Member 2024-2025
Hang Seng Corporate Sustainability Index
"AA" rating

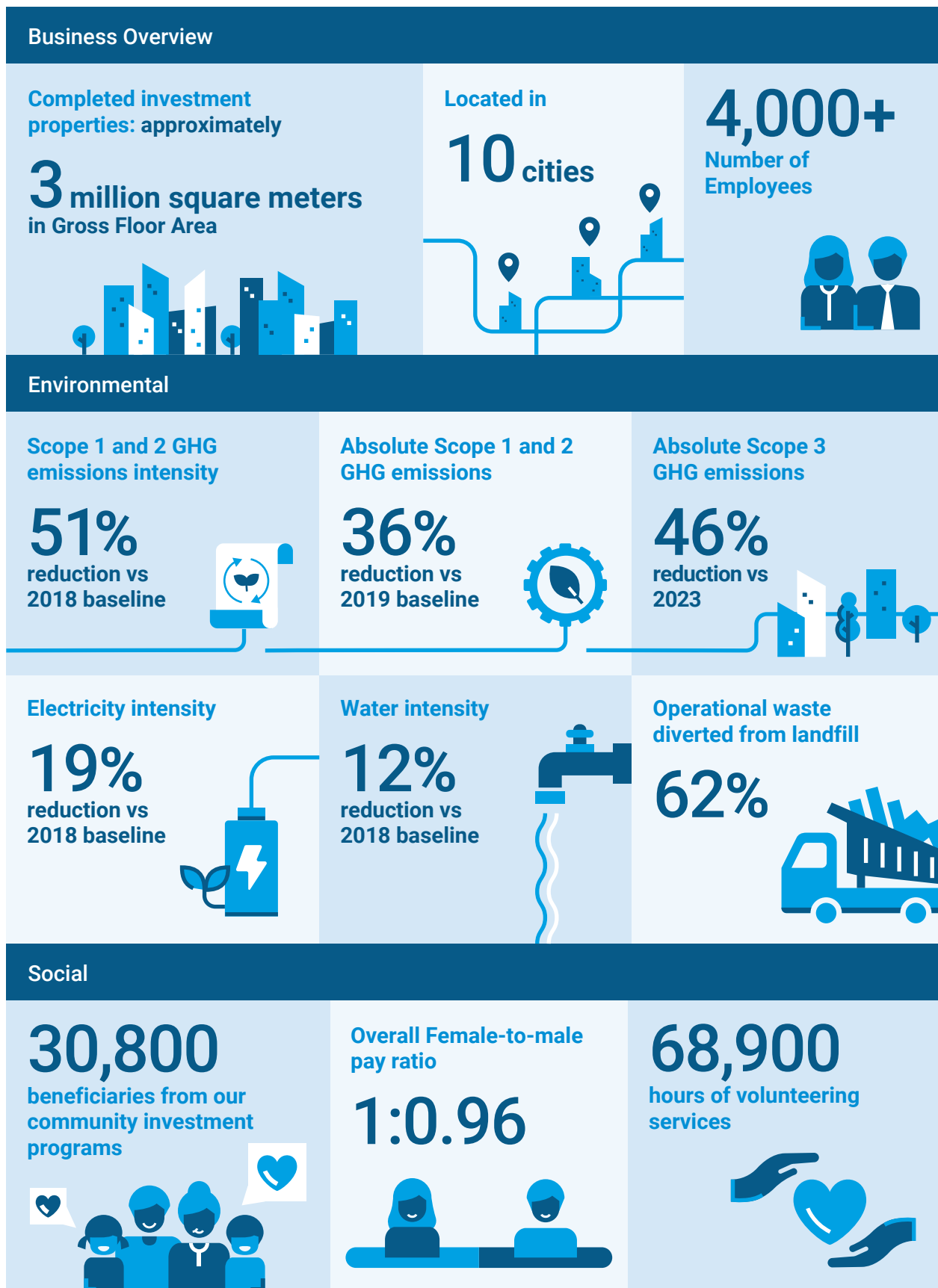


S&P Global Sustainability Yearbook 2025 member



Institute of Public & Environmental Affairs (IPE)
Green Supply Chain Corporate Information Transparency Index (CITI) score: 28.8
Corporate Climate Action Transparency Index (CATI) score: 56.9

Key Figures



OUR SUSTAINABILITY STRATEGY





OUR APPROACH TO SUSTAINABILITY

Overview

Hang Lung is committed to sustainable growth, and considers sustainability to be one of our core values. This commitment involves connecting with customers and communities while integrating sustainability into every aspect of our operations. Our Sustainability Framework, which comprises three foundations and four priorities, offers a clear roadmap for Hang Lung to build a resilient business. It enables us to address material issues alongside our stakeholders and guides us toward our goal of becoming one of the world's most sustainable real estate companies.

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

Weber Lo, CEO



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

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

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

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

Sustainability is an extensive and multidisciplinary concept that impacts every facet of our business. At Hang Lung, we take a holistic approach that merges top-down commitments with bottom-up engagement, empowering employees and stakeholders to lead in sustainability. In this report, we will provide a detailed explanation of our strategy, summarized as follows:

- **Top-level commitment:** We have obtained the endorsement of the Board and top management for policies and frameworks that establish a clear agenda and guiding principles for Hang Lung's sustainability actions.
- **Defined roles and responsibilities:** Every department and cross-functional committee has clearly defined roles and responsibilities related to sustainability to ensure adequate resources and accountability for effective implementation.

- **Integration of sustainability into KPIs and expenditure reviews:** Sustainability actions and considerations are embedded into the Group's annual Key Performance Indicators (KPIs) and annual expenditure reviews to integrate sustainability across the business, and to motivate and reward sustainability progress.
- **Employee empowerment:** We empower our employees to participate in our sustainability journey through various capacity building and outreach opportunities.
- **Setting time-bound sustainability commitments:** We establish long-term and mid-term Sustainability Commitments, Goals and Targets to establish key aspirations, drive measurable progress and inspire innovation and action.
- **Aligning with international standards:** We adhere to internationally recognized standards and best practices, such as the Science Based Targets initiative's Corporate Net-Zero Standard and sustainable building certification standards.
- **Continual improvement and benchmarking:** We continually seek improvement and learn from best practice by participating in various ESG benchmarks, indices and awards competitions.
- **Advancing sustainability across the value chain:** Our sustainability efforts extend beyond those aspects of our business operations and development projects that are within our direct control; we aim to achieve positive sustainability impacts across our value chain.
- **Enhancing transparency and communication:** We continually improve our transparency through annual sustainability reporting and various media channels, sharing know-how, lessons learned, and progress with stakeholders.
- **Thought leadership and industry engagement:** We enhance thought leadership by sharing our insights and experiences, engaging with industry peers at speaking events, and supporting associations to promote positive change in the sector.

Materiality Assessment

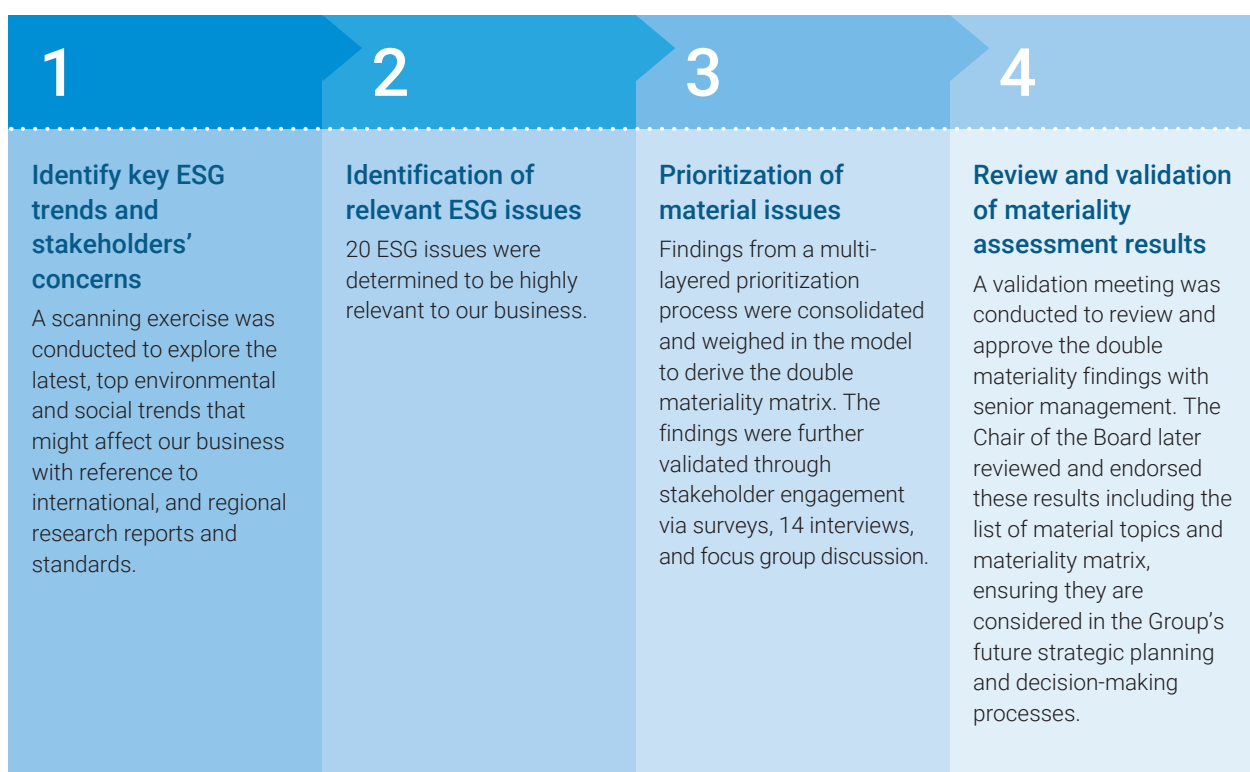
The Group has a robust approach to engaging stakeholders, analyzing trends, and prioritizing key ESG issues. We review ESG issues pertinent to our business and engage in dialogue with stakeholders at least annually to understand how effectively our sustainability performance meets their expectations. We first identify, analyze, and refine our insights on various dynamic ESG issues that could impact on our business and stakeholders, and then prioritize selected topics that guide our business strategy, targets, and reporting. Each

year, we engage a third party to review and update our assessment.

2024 Materiality Assessment

Approach

In 2024, we engaged an independent consultant to conduct a double materiality assessment with reference to the methodology recommended by the European Sustainability Reporting Standards. Double materiality refers to a framework that assesses material issues from both financial and impact perspectives.



Issues that Matter: Key Sustainability Trends

We update our trend analysis annually to refresh our understanding of the rapidly evolving sustainability landscape and associated risks and opportunities for our business. In 2024, we identified nine global and regional sustainability trends that could impact us. For more information, please see [Appendix 1](#).

Identification of Relevant ESG issues

In 2024, we identified 20 ESG issues relevant to our business. Based on our trend analysis, sustainability frameworks and peer review results, we merged and renamed several topics, removed "Water, Land and Air Contamination" and "Social Integration and Accessibility" from the list, and introduced a new topic: "Placemaking."

Prioritization of Material Issues

We assessed the material ESG issues in two ways: on the one hand, by determining their relative impact on the Group's financial materiality; and on the other hand, by determining the impact of the Group's activities on issues affecting broader societal and environmental sustainable development. Our assessment also identified the impacts, risk and opportunities in the short-, medium- and long-term. We considered and weighed multiple inputs, including surveys from external and internal stakeholders, research into key ESG trends, enterprise risk assessment, and sustainability and financial reporting standards.

The matrix highlights the relative importance of individual issues in terms of their financial impact on Hang Lung and Hang Lung's impact on society and the environment in respect of these issues. Topics rated as essential for business, or for society and the environment, or both, were considered as material.

Review and Validation of Materiality Assessment Results

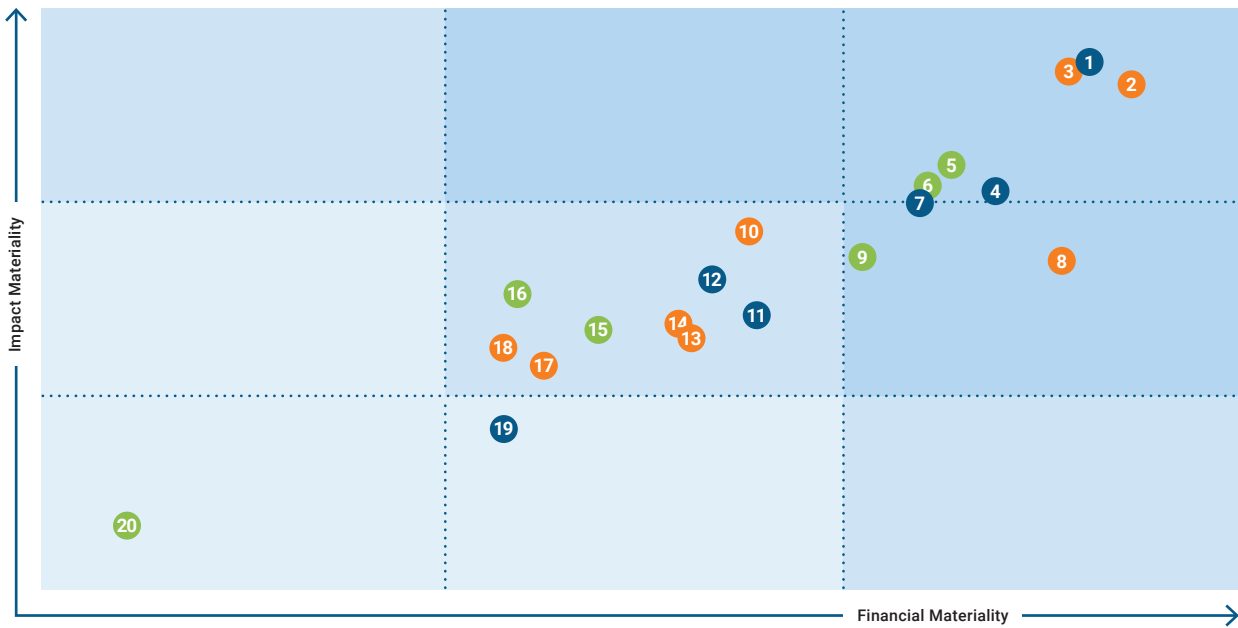
We convened a validation meeting among the sustainability team, including our Deputy Director – Sustainability, to review the preliminary results of the materiality assessment and confirm the importance levels of key topics.

In 2024, the prioritization exercise elevated the importance of "Risk and Crisis Management," "Green Building Design, Construction, and Operations," and "Cybersecurity and Information Privacy," reflecting the evolving external environment and shifting stakeholder expectations. We confirmed these adjustments in our validation meeting.

In the meeting, we also made adjustments to our assessment of "Resources and Circularity" and "Talent Development and Attraction." These were among our most material topics last year, and we resolved that they should remain so this year, even though they had not ranked as highly through our earlier prioritization exercise. These adjustments reflect consideration of our Group's sustainability priorities and additional feedback from key stakeholders.

The Chair of the Board has reviewed and endorsed the materiality assessment results and stakeholder engagement findings. The finalized materiality matrix is presented below, reflecting these adjustments.

Materiality Matrix



Topic Materiality

- Moderately material
- Highly material
- Most material

ESG Topics

- Environmental
- Social
- Governance

Material Topics

- 1 Ethics and integrity
- 2 Employee Wellbeing, Health and Safety
- 3 Customer Wellbeing, Health and Safety
- 4 Risk and Crisis Management
- 5 Energy Management and Decarbonisation
- 6 Green Building Design, Construction, and Operations
- 7 Cybersecurity and Information Privacy
- 8 Talent Development and Attraction
- 9 Resources and Circularity
- 10 Human Rights and Labour Practices
- 11 Responsible Supply Chain Management
- 12 Technology and Innovation
- 13 Customer Engagement and Collaboration
- 14 Diversity and Equal Opportunities
- 15 Climate Adaptation and Resilience
- 16 Water Management
- 17 Placemaking
- 18 Community Engagement and Investment
- 19 Sustainable Finance
- 20 Nature and Biodiversity

Change in Importance

- No change
- Increased
- Decreased
- New topic

Material ESG Issues

Material ESG Issues	Stakeholders Impacted								GRI Standards	Aligned SDGs	Addressed in this Report
	Employees	Tenants and Customers	Suppliers & Contractors	Investors & Shareholders	Communities	NGO Partners, Academia, & Industry Associations	Governments & Regulators	Media			
1 Ethics and Integrity*	•	•	•	•	•	•	•	•	GRI 205 GRI 206		Our Sustainability Strategy
2 Employee Wellbeing, Health and Safety*	•		•						GRI 403		Wellbeing
3 Customer Wellbeing, Health and Safety*		•							GRI 416	-	Sustainable Transactions
4 Risk and Crisis Management	•	•	•	•			•		GRI 201	-	Our Sustainability Strategy
5 Energy Management and Decarbonization*	•	•	•	•	•	•	•	•	GRI 302 GRI 305		Climate Resilience Resource Management
6 Green Building Design, Construction, and Operations		•	•	•	•	•	•	•	-		Sustainable Transactions
7 Cybersecurity and Information Privacy	•	•	•	•	•	•	•	•	GRI 418	-	Our Sustainability Strategy
8 Talent Development and Attraction*	•								GRI 401 GRI 404 GRI 405 GRI 406		Wellbeing
9 Resources and Circularity*	•	•	•	•	•	•	•	•	GRI 306		Resource Management


* Material issues in 2023

In this Report, we detail the concerns and ideas raised by our stakeholders, along with our responses, to the nine material issues identified as “Most Material” in our Materiality Matrix. In addition, the Report outlines our management approach and performance regarding the remaining topics.

Stakeholder Engagement

Our stakeholder engagement strategy fosters a clear comprehension of the perspectives and expectations that shape our sustainability strategies both now and in the future. We actively engage with stakeholder groups that directly interact with our operations, including employees, investors, customers, tenants, suppliers, and contractors. We also work closely with different external organizations and experts to gain insights into our focus areas, including local communities, NGO partners, government agencies, academic institutions, media, and industry associations that share similar interests with our business. We also make key sustainability publications available to multiple stakeholders at the same time through our corporate website.


In 2024, we maintained regular communication with key stakeholder groups, detailed in the table below, to convey our sustainability progress relevant to their concerns. Insights gained from these stakeholder engagements also played a vital role in the development of this Report.

Form of Engagement	
 <p>Employees</p>	<ul style="list-style-type: none"> • Biannual two-way performance check-in and review • Regular drinks sessions with management • Annual dinner • Quarterly corporate newsletter and monthly articles • Annual sustainability-focused interviews, surveys and focus groups • Sustainability Champions initiative with designated sustainability representatives from each department • Annual employee engagement survey and follow-up engagement plans for each department • Emerald Award, CEO Award, Long Service Award • Annual conference (management conference, functional conference) • Ongoing digital platform communication through intranet, WeChat • Regular staff activities • Exit interviews • Regular eDMs to share sustainability updates with employee
 <p>Communities</p>	<ul style="list-style-type: none"> • Regular two-way communication with international and local communities at the Board level • Ongoing community programs • Monthly community events • Quarterly corporate newsletter and monthly articles • Occasional one-on-one interviews by independent consultants
 <p>Tenants and Customers</p>	<ul style="list-style-type: none"> • Regular customer engagement surveys • Annual tenant satisfaction surveys and interviews • Tenant and customer surveys with sustainability focus • Ongoing social media communication through various media • Quarterly corporate newsletter and monthly articles • Quarterly sustainability newsletter for tenants (and other interested readers)
 <p>Investors and Shareholders</p>	 <p>NGO Partners, Academia and Industry Associations</p> <ul style="list-style-type: none"> • Regular collaboration on sustainability and community investment initiatives • Regular participation in conferences, seminars, and networking events • Occasional one-on-one interviews by independent consultants
 <p>Media</p>	 <p>Suppliers and Contractors</p> <ul style="list-style-type: none"> • Regular project meetings • Screening and performance evaluation • Focus group discussions
 <p>Governments and Regulators</p>	<ul style="list-style-type: none"> • Biannual results announcements and press conferences • Media briefings, interviews and luncheons • Regular meetings • Occasional site visits by government officials • Government consultations

Sustainability Risk Management

ESG risk management is fully integrated into our enterprise risk management and internal control framework, reflecting our commitment to addressing sustainability-related risks as part of our overall business strategy. Our enterprise-level risks, which encompass environmental, social, and governance risks, are identified through our corporate risk management process, referencing the annual materiality assessment. We have identified the following most significant sustainability-related risks and opportunities, and associated implications.

Risk Description	Risk Trend	Associated Opportunities	Our Responses
<p>Ethics and Integrity</p> <p>Fraud and corruption activities could result in significant financial losses and/or impact the reputation of the business.</p> <p><u>Potential financial implications:</u></p> <ul style="list-style-type: none"> Reduced revenue due to loss of business opportunities. Fines and legal penalties. Increased operating costs from investigations and lawsuits. Reputational damage and loss of trust from investors, customers and business partners, resulting in financial losses and reduced market capitalization. 	<p>Neutral</p> 	<ul style="list-style-type: none"> By proactively strengthening ethical standards, we can enhance stakeholder trust, attract socially responsible investors, and differentiate ourselves as a leader in corporate governance. <p><u>Potential financial implications:</u></p> <ul style="list-style-type: none"> Increased revenue through new business opportunities. Increased market capitalization from enhanced investor confidence. 	<ul style="list-style-type: none"> Strengthen and reinforce the Company's commitment to the highest standards of integrity and accountability. Provide ongoing mandatory training and reinforce communication with staff on integrity, impartiality, and honesty. Operate an effective whistleblowing mechanism with a refined whistleblowing policy and formalize investigation mechanism. Formalize anti-corruption policy that benchmarks industry best practices. Periodically review and update the Staff Handbook and "Code of Conduct" to refine practices in upholding zero tolerance for unethical behavior.
<p>Employee Wellbeing, Health and Safety</p> <p>Workplace accidents or health issues related to employee physical and mental wellbeing can result in reduced employee trust, increased absenteeism, decreased productivity, and lower employee retention.</p> <p><u>Potential financial implications:</u></p> <ul style="list-style-type: none"> Higher insurance premiums and claims. Higher operating costs and reduced revenue due to operational disruptions and reduced efficiency. Increased costs for temporary replacements and hiring due to absenteeism and lower employee retention. 	<p>Neutral</p> 	<ul style="list-style-type: none"> Investing in employee safety and wellbeing enhances workforce productivity, reduces turnover, and fosters a positive workplace culture, which can improve employee retention and attract top talent. <p><u>Potential financial implications:</u></p> <ul style="list-style-type: none"> Lower operating costs from reduced absenteeism and turnover. Higher revenue from increased productivity and retention of top talent. 	<ul style="list-style-type: none"> Maintain good governance, KPIs and targets in support of fostering continual improvement in employee wellbeing, health and safety. Maintain a proactive approach to workplace safety through regular required health and safety training for all employees, and implement and periodic updates to a safety management system across our entire portfolio. Maintain a Group-level Health and Safety Subcommittee and a departmental-level safety committee for the property management function for regular review of the Group's safety performance. Host a Safety Production Month annually to promote a culture of work safety in operations and construction. Enhance the working environment and its wellbeing features by rejuvenating our corporate offices in Hong Kong and

Risk Description	Risk Trend	Associated Opportunities	Our Responses
<ul style="list-style-type: none"> Fines and penalties due to failure to comply with health and safety regulations. 			<ul style="list-style-type: none"> Shanghai; leverage lessons learned for our other offices. Launch of Wellness@HL initiative to support employees' mental and physical wellbeing.
<p>Climate Adaptation and Resilience</p> <p>The increase in physical climate change risks and/or risks in the transition to a low-carbon economy might pose a threat to our operations or assets, the safety of stakeholders and the reputation of the Group.</p> <p><u>Potential financial implications:</u></p> <ul style="list-style-type: none"> Increased operating costs to comply with new environmental regulations, e.g., investing in more resilient building design, implementing sustainable practices, and obtaining green certifications. Increased insurance premiums for properties. Depreciation in the value of property assets located in areas susceptible to climate-related risks. Increased repair and maintenance costs, business interruption costs and damage costs for properties. 	<p>Increasing</p> 	<ul style="list-style-type: none"> Climate adaptation and climate change mitigation efforts present opportunities to increase the value of our green-certified properties, establish market leadership in sustainable real estate, and access sustainability-linked financing. <p><u>Potential financial implications:</u></p> <ul style="list-style-type: none"> Reduced operating costs and higher net income from more efficient buildings. Reduced insurance costs and avoided business interruption and damages due to lower vulnerability to climate risks. Increased property value of green-certified properties. Attract high quality tenants. Lower cost of capital tied to sustainable finance. 	<ul style="list-style-type: none"> Establish and regularly report our progress against KPIs and targets for key business functions related to climate mitigation and adaptation. Closely monitor and proactively respond to climate resilience-related regulatory developments and stakeholder risks. Evaluate long-term scenarios and sensitivities for both emissions reduction (e.g., detailed modelling in "Our Journey to Net Zero: Our Scenarios and Actions to Reduce Greenhouse Gas Emissions to 2050,") and physical risks (e.g., analysis of Representative Concentration Pathways). Conduct climate hazard and vulnerability assessment as well as develop and implement adaptation measures and mitigation action plans for climate risks across our properties. Partner with external stakeholders and strengthen internal sustainability engagement on climate change initiatives. Procure 100% renewable energy at five Mainland properties, surpassing our 2025 renewable energy target. Procured nearly 100% of low carbon emissions steel in the building structure of our Plaza 66 Pavilion Extension project. Started internal carbon pricing pilot for selected expenditures. Obtain green building certifications (e.g., BEAM Plus, LEED) for new developments and integrate low carbon emissions technologies where possible.

Emerging Risks in 2024

We acknowledge that emerging risks can have a significant impact on our business. As part of our comprehensive risk management framework, we actively monitor, evaluate, and address emerging risks and consider their potential long-term impacts to ensure resilience and adaptability. Our approach focuses on identifying potential challenges early and developing proactive mitigation strategies to minimize adverse impacts.

Emerging Risk and Description	Potential Impact	Mitigation
<p>Counter-Movement Against ESG in Business</p> <p>Initiatives related to sustainability and environmental, social and governance (“ESG”) have gained considerable momentum in the business community over the last 10 years. But in the past year or so – particularly in the United States and to a limited extent in other parts of the world – a vocal counter-movement has emerged that is highly skeptical of some of the core ideas of sustainability, including the science of climate change, or the very idea that businesses can manage risks and opportunities more effectively and unlock value by taking ESG considerations into account.</p>	<p>Influenced by this counter-movement, some investors or other stakeholders skeptical of ESG efforts could ask more questions of our commitments, our disclosures and our actions in support of sustainability progress, potentially leading to changes in investor behavior and/or potential reputational consequences.</p>	<p>First, we actively engage with our key stakeholders to understand their perspectives and concerns. We conduct regular interviews, meetings, roadshows, and conferences with investors to understand their sustainability priorities and obtain feedback on our initiatives.</p> <p>Second, we look for opportunities to align our long-term views, commitments and interests with like-minded stakeholders, including tenants and investors from all parts of the world who share our commitments to sustainability and good governance. Our participation in industry coalitions, like the Urban Land Institute and local networks such as the Business Environment Council in Hong Kong, fosters collaboration and keeps us informed about regulatory trends and related developments.</p> <p>Third, we guard against disinformation and misinformation related to ESG by ensuring that our corporate targets and KPIs are informed by science, and by focusing on clear and effective communication (for more on misinformation and disinformation, please see Appendix 1).</p> <p>Lastly, we are disciplined about our ESG-related decisions and initiatives. While perceptions may vary across regions and communities in the short term, we believe that business planning informed by scientific research and risk management can yield competitive advantage in the medium to long-term. We will continue to focus on long-term value creation for our business, guided by scientific principles and aligned with relevant sustainability policies in Hong Kong and mainland China.</p>

Emerging Risk and Description	Potential Impact	Mitigation
<p>Management of Nature and Biodiversity Issues</p> <p>The global economy cannot function without nature and biodiversity. According to a World Wild Fund for Nature (WWF) report, USD \$58 trillion in economic value generation – more than half of the world’s economic output – is moderately or highly dependent on nature. But several decades of biodiversity loss and habitat loss, along with an improved scientific understanding of tolerable limits to the impacts of human activities on ecosystems, have led to enhanced scrutiny of business practices, as well as important new disclosure requirements and regulations. For example, in England, legislation requires developers to demonstrate a “Biodiversity Net Gain” of at least 10%, meaning that natural habitats must have a measurably positive impact of at least 10% on biodiversity, compared to what was there before development. Also, the Task Force on Nature Related Disclosures (TNFD) encourages businesses to assess, report and act on their nature-related dependencies, impacts, risks and opportunities.</p>	<p>The real estate sector has significant nature-related impacts and dependencies in several areas including terrestrial ecosystem use, ground and surface water use, GHG emissions, and overall contributions to the drivers of biodiversity loss. Stakeholders will therefore increasingly expect real estate companies to identify, assess, prioritize and monitor nature-related dependencies, impacts, risks and opportunities. TNFD reporting (and/or similar nature-related disclosure requirements under the International Sustainability Standards Board) may become mandatory in Hong Kong and mainland China in the coming years. In April 2024, TNFD held its first official launch event in Hong Kong to “promote the TNFD Recommendations to the local jurisdiction and market.” Beyond the issue of managing disclosure requirements, financial flows may increasingly shift away from nature-negative outcomes, and investors, employees and communities will expect companies like Hang Lung to demonstrate their contributions to nature-positive outcomes.</p>	<p>Recognizing the significance of these dependencies and impacts for our long-term business, we are taking a proactive approach to managing and mitigating nature- and biodiversity-related risks. First, in this report, we are offering our first voluntary disclosure of our nature-related risks and opportunities with reference to the TNFD recommendations. Second, we are voluntarily piloting our first biodiversity net gain assessments to gain experience with the methodology and develop insights towards nature-positive outcomes. Third, we are continually improving our approaches to resource management as one of our key sustainability priorities, which includes multiple initiatives related to nature, biodiversity, water management, waste reduction, recycling and circularity, and prevention of bird collisions, as disclosed in this report. Through all these initiatives, we aim to demonstrate that we are moving in a nature-positive direction, and that we are positioning the Group to capitalize on growing opportunities and to reduce growing risks in the nature-positive transition.</p>

Emerging Risk and Description	Potential Impact	Mitigation
<p>Confidential Information Exposure in AI Systems</p> <p>The rapid development of AI technologies, accelerating through global open-source models like DeepSeek, is transforming the cybersecurity landscape, presenting significant opportunities and challenges. With growing market adoption of AI, the Group is exploring the expansion of its use of AI technologies in various ways. While expanded AI use is likely to enhance our operational efficiency, it also presents risks, including potential exposure of confidential information.</p> <p>This risk arises from the incorporation of sensitive data into AI systems, which may be vulnerable to breaches arising from inadequate security measures and controls in the use of such systems.</p>	<p>Inadequate controls can lead to misuse of private personal information and confidential information that is sensitive for our business. The exposure of such information in AI systems could lead to severe consequences, including significant legal penalties for violating data protection regulations, and reputational damage impairing customer trust and loyalty, with implications for the company's long-term success.</p>	<p>For adoption of AI technology, we have a dedicated AI Taskforce responsible for overseeing strategic implementation, organising capability-building workshops, and adjusting the Group's AI strategy as appropriate. The AI Taskforce ensures that we have strict access controls and authentication measures in place to ensure that while we benefit from use of AI, we also balance exposure and minimise this emerging risk. In addition, we maintain comprehensive staff training on data protection and wise use of AI practices to foster a secure organizational culture. Lastly, we have established a protocol to ensure that any AI tools involving stakeholders outside the Group are in full compliance with regulatory requirements, including adopting only authority-certified AI models, applying prompt and training data guardrails, submitting AI algorithm regulatory filings, and labelling AI-generated content in accordance with the "Measures for Labelling Content in Generative Artificial Intelligence Services" that will be in effect from September 2025. We remain committed to continually monitoring the evolving AI landscape and adjusting our strategies accordingly to enhance our security and protect confidential information.</p>

Our Sustainability Goals, Targets and KPIs

Sustainability Goals and Targets



The Group recognizes that strong sustainability governance requires a well-integrated framework of short, medium, and long-term goals, targets, and KPIs, backed by an effective monitoring mechanism, as these provide measurable benchmarks that guide our progress and ensure accountability. In December 2020, following almost a year of internal and external consultations, the Group announced a set of sustainability goals and targets for 2030. Organized around the four priorities of our Sustainability Framework, the goals establish broad principles that guide our efforts, while the targets specify intended outcomes for each goal. This 2030 agenda reaffirms the Group's commitment to creating sustainable value and reflects our ambition to become one of the world's most sustainable real estate companies.

In December 2021, the Group advanced its commitment by setting targets to reach by the end of 2025, known as the "25 x 25 Sustainability Targets" or "25 x 25." These targets focus on the four priorities established in the Group's Sustainability Framework, featuring specific and measurable actions to address sustainability issues and guiding employees toward the end of 2025. Annually, we review, assess, and report our progress on the 25 x 25 Targets during meetings of the Sustainability Steering Committee (SSC), the Board, and in our Sustainability Report.

Climate Resilience

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

Resource Management

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

Wellbeing

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

Sustainable Transactions

Targets related to supplier ESG performance, marketing events, leases, sustainable finance, and asset acquisitions

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

Climate Resilience

2030 Goal	2030 Targets	2025 Targets	
<p>Reduce carbon footprint in line with climate science</p>	<ul style="list-style-type: none"> 1 Build a nearly net-zero carbon building 2 Demonstrate best efforts to achieve a 70% reduction in Scopes 1 and 2 greenhouse gas emissions intensity (per m²), compared to the 2018 baseline 	<p>GHG Intensity 40% cumulative reduction in GHG intensity (kgCO₂e/m²) relative to 2018</p> <p>Electricity Intensity 18% cumulative reduction in electricity intensity (kWh/m²) relative to 2018</p> <p>Renewable Energy 25% of our mainland China portfolio electricity demand met by renewable energy</p> <p>Electric Vehicle (EV) Charging Wherever feasible exceed local regulations for the provision of parking spaces installed with EV charging facilities across our portfolio</p>	<p>Embodied Carbon Intensity Demonstrate best efforts to achieve at least 10% reduction in embodied carbon intensity (kgCO₂e/m²) for new development project that begin in 2022 or later, compared to typical practice in an equivalent building</p> <p>GHG Intensity (Tenants) 15% reduction in GHG intensity (kgCO₂e/m²) from tenants' electricity consumption for our properties in mainland China, relative to 2018</p> <p>Climate Adaptation Complete technical analysis for climate adaptation measures for all properties</p>

Resource Management

2030 Goal	2030 Targets	2025 Targets	
<p>Accelerate the transition to a circular economy by minimizing resource consumption and maximizing recycling</p>	<ul style="list-style-type: none"> 3 Incorporate circular building principles in new properties 4 Implement water management program in all properties 5 Divert 90% of operational waste from landfill 	<p>Construction Waste 60% of construction waste diverted from landfill for new projects starting in 2022 with maximized recycling</p> <p>Construction Material Use Demonstrate best efforts to maximize the use of recycled, reused and bio-based materials in all new projects</p>	<p>Operational Water Use 10% reduction in water intensity (m³/m²/year) relative to 2018</p> <p>Operational Waste 70% of operational waste diverted from landfill</p>

Wellbeing

2030 Goal	2030 Targets	2025 Targets	
<p>Ensure employees, customers and communities enjoy an unrivalled environment that promotes their health and wellbeing</p>	<ul style="list-style-type: none"> 6 Assess wellbeing for all employees and key customers 7 Meet or exceed wellbeing standards for new properties 8 Work with youth on sustainability solutions in all cities where we have assets 	<p>Achieve an employee engagement rating greater than or equal to the 75th percentile</p> <p>Obtain local or international health and wellness certification for all our existing Mainland properties</p> <p>Maintain a Lost Time Injury Rate of 1.5 or below for employees</p> <p>Maintain Female-to-Male pay ratio of 1:1</p> <p>Obtain WELL Gold certificate or equivalent for at least one new property in Hong Kong and mainland China</p>	<p>Maintain zero work-related fatalities for employees and contractors</p> <p>Conduct an audit of all our properties and corporate practices on how to enhance wellbeing and opportunities for persons with disabilities</p> <p>Deliver priority ESG training targeted to all departments and seniority levels</p> <p>Work with youth on wellbeing community initiatives at all properties by 2025</p>

Sustainable Transactions

2030 Goal	2030 Targets	2025 Targets	
<p>Collaborate with all suppliers and customers to advance our sustainability priorities</p>	<ul style="list-style-type: none"> 9 Implement supplier evaluation and ranking system 10 Engage all tenants on emissions reduction, resource management, and wellbeing enhancement 	<p>Embrace technology to build a robust digital platform for assessing suppliers' ESG performance</p> <p>100% of marketing events evaluated for their sustainability impacts</p>	<p>100% of leases incorporate sustainability provisions</p> <p>50% of total debts and available facilities from sustainable finance</p> <p>100% of potential asset acquisitions include ESG due diligence</p>

Annual ESG KPIs

Establishing annual Strategic ESG KPIs is crucial for upholding our commitment to sustainability and accountability. These KPIs cascade throughout the organization, linking individual employee objectives with our broader sustainability goals. Starting in 2021, we establish around 30 Strategic ESG KPIs each year that enable us to drive progress in key areas such as reducing greenhouse gas emissions, enhancing resource efficiency, promoting sustainable supply chain management, and ensuring employee wellbeing.

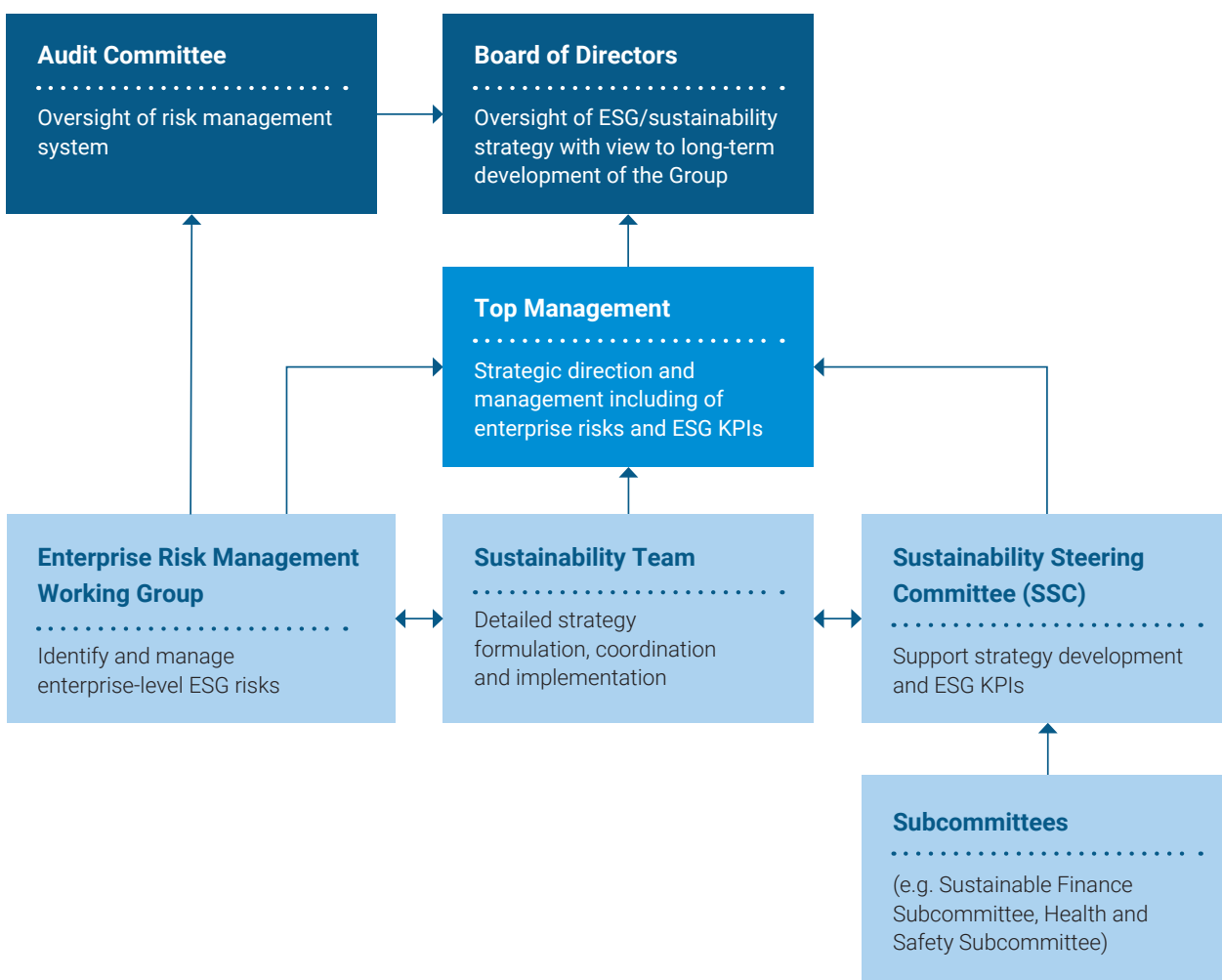
At the start of each year, Strategic ESG KPIs are assigned to the relevant department heads, linking departmental progress to biannual performance reviews for employees and management, including C-level executives. In 2024, we completed all our 28 Strategic ESG KPIs, and the achievements are shared in relevant sections of this Sustainability Report. This year also marks the target completion year for our 25 x 25 Sustainability Targets. In addition to reviewing our progress towards these targets, the SSC endorsed 16 additional Strategic ESG KPIs for 2025 to enhance further our sustainability progress. For complete details of our 2024 and 2025 Strategic ESG KPIs, please refer to [Appendix 3](#).

We publicly disclose these KPIs not only to hold ourselves accountable but also to foster collaboration among stakeholders in all identified areas. While we are pleased with our progress on ESG KPIs in recent years, we recognize that we must continue to make substantial advancements in these areas. In other words, we regard our annual KPIs as merely checkpoints along a structured, disciplined journey that will continue into the medium and long-term.

Sustainability Governance

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

Sustainability Governance Structure



In 2024, we continued to strengthen and refine sustainability governance at all levels.

Board Engagement

The Board of Directors at Hang Lung Properties (the “Board”) holds the primary responsibility for the Group’s ESG strategy and reporting. The Board monitors sustainability trends, risks, and opportunities that influence the Group’s long-term development and positioning. The composition of the Board reflects competence in sustainability, drawing on diverse expertise in areas such as finance, law, governance, engineering, and sciences. For details, please refer to the director profiles on our [corporate website](#).

This breadth of knowledge ensures the Board effectively oversees and directs the Group’s sustainability strategies and initiatives. In 2020, the Board, in collaboration with the Board of Directors of Hang Lung Group, released a Joint Statement on the Oversight and Management of Environmental, Social, and Governance Issues ([the Joint Statement](#)). This Joint Statement details the Board’s approach to ESG management and its role in assessing progress toward ESG-related goals and targets.

The Board actively engages in sustainability discussions. The Chair of the Board also serves as the executive responsible for overseeing the Group's Sustainability Steering Committee and its Sustainability Team. The team meets monthly with the Chair to share updates on progress related to the Group's sustainability priorities, as well as updates on regulations and trends, and to obtain direction from the Chair on key issues. The Sustainability Team also provided reports to the Board twice in 2024. In 2024, the Board received information on the Group's sustainability progress, regulatory and policy updates related to sustainability, and a detailed briefing on the Group's sustainability-related expenditures and associated benefits. The Board also conducted an annual review of the adequacy of resources for the Group's ESG performance, reporting, and material ESG risks.

Top Management

The Group's top management provides strategic direction and oversight of its sustainability performance and progress toward achieving long-term sustainability goals and targets, as well as annual sustainability-related KPIs. The Sustainability Team reports to the Chair and the Chief Executive Officer (CEO) at least once a month. Additionally, the CEO's and Chair's direct reports each have sustainability-related KPIs for themselves and their departments, against which their performance is evaluated twice a year. In turn, the CEO reports to the Board biannually on the progress of the entire top management team's KPIs.

Sustainability Steering Committee

The Sustainability Steering Committee (SSC) is chaired by the Chair of the Group and includes 14 executives from key departments. It convenes regularly to ensure unified understanding and expectations of sustainability across the Group. The SSC supports developing long-term strategies, implementing plans, and tracking progress. The committee meets at least twice a year, with senior executives from different departments providing updates and exchanging ideas on current and future sustainability initiatives. Any modifications or updates to sustainability-related policies are reviewed and approved by the SSC.

Sustainability Team

Our Sustainability Team acts as a central function supporting the entire organization in achieving its sustainability goals. Led by the Deputy Director – Sustainability, it reports directly to the Chair. In addition to regularly updating the Board and top management, the team collaborates with colleagues across all departments to ensure we pursue our ambitious goals, targets, and KPIs in a coordinated manner. In addition, as the risk owner for both the physical and transition risks of climate change within our Enterprise Risk Management (ERM) framework, the Sustainability Team provides updates to the ERM Working Group at least once annually.

Sustainable Finance Subcommittee

The Sustainable Finance Subcommittee (SFS) reports to the SSC and is chaired by the Chief Financial Officer. This committee includes executives from finance, sustainability, project planning and construction, operations, and treasury. The SFS convenes regularly as needed to review current market trends and the Group's sustainable finance strategies. It also monitors the application of sustainable finance and approves eligible projects under the guidelines of the Hang Lung Group Sustainable Finance Framework.

Health and Safety Subcommittee

The Group's Health and Safety Subcommittee (HSS) is dedicated to promoting the health and safety agenda of the Group while sharing best practices and lessons learned throughout the business. Composed of representatives from human resources, operations, project planning and construction, legal, internal audit, and sustainability, the HSS reports its progress to the SSC. It convenes at least twice a year to assess the Group's health and safety processes, review recent safety incidents, both internal and external, ensure legal compliance, and monitor trends and industry developments. A core focus of the HSS is to identify improvement opportunities, and we benchmark our safety performance against peers to understand industry standards. In 2024, the HSS also launched a common incident reporting platform to document all safety-related incidents for better monitoring, communication and sharing lessons learned across departments.

Employees are encouraged to communicate their ideas, safety concerns, observations, and any other issues to the HSS. The HSS then reports recommendations to the SSC, top management, and/or relevant departments as appropriate to promote ongoing enhancements in the Group's health and safety management.

Enterprise Risk Management Working Group

To ensure effective oversight of the Group's risk management, the ERM Working Group reports directly to the Audit Committee. Each enterprise risk is assigned a risk owner tasked with continually monitoring the risk and reporting to the ERM Working Group.

Recognizing that ESG-related risks have gained significance in recent years, we have ramped up our internal oversight efforts accordingly. We undertake a yearly review of our most recent materiality assessment of ESG-related risks to assess if any adjustments to our enterprise risks are necessary.

Sustainability Policies

Key Sustainability-Related Policies and Governing Documents

Board Policies and Documents:

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

Corporate Policies and Documents:

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

- **Sustainability Policy** ([link](#)) – outlines our approach to pursuing sustainability leadership over the next decade, including our Sustainability Framework, 2030 Goals and Targets, and details of implementation and governance.
- **Health and Safety Policy** ([link](#)) – outlines our approach to health and safety management in our workplaces, properties, and construction sites.

- **Sustainable Procurement Policy** ([link](#)) – promotes sustainable procurement decisions and practices, and strengthens sustainability collaboration with our suppliers.
- **Hang Lung Group Sustainable Finance Framework** ([link](#)) – demonstrates how the Group intends to pursue sustainable finance transactions.
- **Sustainability Steering Committee Terms of Reference** ([link](#)) – provides a framework for the general mandate and effective functioning of the SSC.
- **Policy on Transactions with Connected Parties** – governs all transactions involving connected parties with all proposed transactions assessed by the Company Secretary on compliance issues.
- **Tax Policy** ([link](#)) – sets out our approach to managing tax compliance and tax risk in all the jurisdictions where we operate.

Ethics and Integrity

Integrity, as one of the Group's core values, serves as the foundation for a sustainable future for investors, customers, tenants, suppliers, and employees. The Group upholds a zero-tolerance policy on corruption and dishonesty, supported by systems and procedures that ensure transparency and accountability at all levels.

Code of Conduct

The Code of Conduct serves as a standard for all directors and staff members to uphold appropriate conduct and behaviors. It also includes:

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

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

Furthermore, the Group's **Staff Handbook** provides a summary of employment terms and benefits. It addresses policies and procedures related to employees, including grievance procedures, whistleblowing, and the protection of intellectual property. The Staff Handbook outlines the following policies for our employees:

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

The Board and top management uphold high standards of business ethics. We consistently communicate relevant laws and regulations related to integrity. All directors must declare their interests annually in the statement of interest, and all executive staff are required to disclose any conflicts of interest every six months. In 2024, there were no confirmed cases of breaches of the Code of Conduct.

Anti-Bribery and Anti-Corruption

Fraud and corruption are monitored regularly as an enterprise risk under our ERM framework. The Group's [Anti-Corruption Policy](#) outlines the conduct that is prohibited and the practices expected from its stakeholders. It also offers guidance for staff members to prevent corruption and malpractice in the workplace. The culture of integrity is maintained through various methods:

- Relevant requirements for our staff are provided in our Staff Handbook, Code of Conduct, Anti-Corruption Policy, and our Policy on Offering and Accepting Advantages and Entertainment.
- Employees are reminded twice a year to declare in writing and seek approval from a senior executive of the Group when an actual or potential conflict of interest arises.
- The Human Resources Department periodically sends e-mail reminders to all staff during festive seasons, listing the guidelines for sending and/or receiving advantages.
- Employees receive online training on integrity, covering the Group's integrity standards, Anti-Corruption Policy, zero-tolerance approach to bribery and corruption, and ways to handle improprieties with case studies. At the end of the program, participants must pass a test to demonstrate sufficient knowledge of the topic. The online introductory training is mandated for new staff, with refresher training required for all other staff annually. We have set a corporate target to achieve a 100% employee completion rate for integrity training, which is linked to our performance appraisal for executives and employees.
- Relevant requirements for our vendors/suppliers are embedded in our Code of Conduct for Contractors, as an integral part of tendering documents and/or service agreements.
- Periodic reminders are issued to all vendors/ suppliers to reinforce our integrity standards and to reprise them of the available whistleblowing channel to raise any concerns about bribery, corruption or any malpractice.

There were no confirmed incidents of non-compliance with laws and regulations relating to bribery, extortion, fraud and money laundering that had a significant impact on the Group during the reporting period.

Whistleblowing Policy

The Group aims to implement and uphold best practices in corporate governance. All directors, employees, and third parties involved in business dealings with the Group are expected to act with integrity, impartiality, and honesty, and to avoid engaging in unethical behavior. A whistleblowing mechanism is available for internal stakeholders (such as employees and directors) and external stakeholders (such as consultants, contractors, customers, and tenants) to seek advice and report concerns related to suspected or actual improprieties, misconduct, malpractice, or other irregularities.

The Group ensures the confidentiality of whistleblowers and protects those who report concerns in good faith from unfair treatment, such as retaliation or dismissal. Strict measures safeguard their identity and collected information, with access granted only on a need-to-know basis. An independent panel of senior executives from legal, human resources, internal audit, and other relevant functions oversees investigations to handle complaints consistently, objectively, and impartially. Remedial actions follow final investigation findings and are reported to the Audit Committee twice a year. The Whistleblowing Policy is periodically reviewed and communicated to all stakeholders via corporate websites, circulars, training, and terms of contracts. The full policy is available on our corporate website.

Anti-Competition

The Group's **Competition Law Compliance Policy** outlines the Group's commitment to complying with competition law, including the Competition Ordinance (Cap 619) in Hong Kong and the Anti-Monopoly Law and Anti-Unfair Competition Law in the People's Republic of China.

Code of Conduct for Contractors

The Code outlines the compliance standards that suppliers and contractors must meet when engaging in business with the Group. It specifies the necessity of adhering to laws and regulations, maintaining ethical business practices, caring for their employees, upholding responsible labor standards, committing to community responsibility, and using information ethically.

Risk and Crisis Management

The Group's Risk Management Framework outlines the responsibilities of the Board, Audit Committee, and management regarding the design, execution, and maintenance of a robust risk management framework, along with the principles that support our risk governance structure.

Enterprise Risk Management

Risk management is essential for the Group's value creation and preservation, business continuity, and resilience. It involves recognizing risks at every stage of our operations, from asset selection and acquisition to ownership, management, and divestment. We are dedicated to continually improving our Enterprise Risk Management (ERM) framework, aligning it with our corporate strategies and incorporating it into our daily operations and decision-making. The Group regularly reviews and maintains its business continuity plan to ensure that critical business functions remain uninterrupted, particularly during crises, emergencies, or disasters.

Climate risk continues to be a key enterprise risk in 2024, and we have completed our annual review of risk exposure and mitigation strategies. During the year, we have also established a mechanism to strengthen the monitoring of climate-related risks. This framework is designed to ensure proper consideration of findings from our technical physical risk assessments and effectively execution and implementation of our climate adaptation measures. Please refer to the [Climate Adaptation](#) section for more information.

Crisis Management

The Group implements a comprehensive crisis management system to prepare for and recover from emergencies. Our Crisis Management Manual details the principles, guidelines, and measures in three key areas: prevention, response, and recovery. This framework offers clear direction for relevant personnel regarding their roles and responsibilities during a crisis. We conduct crisis drills every 18 to 24 months at each major property to boost the crisis management team's awareness and skills, safeguard our corporate reputation and foster effective interdepartmental communication in times of crisis. We also provide compulsory crisis management training for new hires, and all current

employees are required to complete an annual refresher course on crisis management.

Data Privacy and Cybersecurity

The Deputy Director – Technology and Digital, a member of our executive management team, develops and oversees the company cybersecurity strategy. With 25 years' experience in information technology and 10 years' experience in cybersecurity, he is also a qualified Certified Information Systems Security Professional (CISSP), and the cybersecurity team reporting to him has 10 employees with many types of cybersecurity credentials including Certified Cloud Security Professional (CCSP), Certified Ethical Hacker (CEH), Certified AI Governance Professionals (AIGP), Certified Data Privacy Solutions Engineer (CDPSE) and many other qualifications based on specific job functions.

The Deputy Director - Technology and Digital reports to the CEO on cybersecurity strategy and risk management. Our CEO has 18 years' experience overseeing the information technology function in large corporations, including seven years with the Group and 11 years prior to that in the banking sector.

Cybersecurity and data privacy are our enterprise risk overseen by our ERM framework. The risks are assessed and reviewed annually by the ERM Working Group, led by the CEO. The Technology and Digital Department also provides updates on information security risk management to the Audit Committee and the Board on an annual basis, including updates on cybersecurity, risk management, and the results of internal cybersecurity tests.

Our Audit Committee members have significant experience in managing enterprise risks, including management of IT-related risks. For example, the Chair of our Audit Committee, Ms. Anita Fung, is ex-Chief Executive Officer Hong Kong of The Hongkong and Shanghai Banking Corporation Limited, where her scope of oversight included the information technology function. She has also held non-executive board or advisory positions with key organizations in Hong Kong, including with Hong Kong Exchanges and Clearing Limited and the Hong Kong Airport Authority.

The Group manages its data protection and cybersecurity in line with its Data Security Management System, and monitors regulatory changes, including the "Measures for Cross-border Data Transfer Security Assessment" issued by the Cyberspace Administration of China. The Group's key IT systems, infrastructure, and vendor platforms serving all our mainland China entities have been certified under mainland China's National Standard's Multi-Level Protection Scheme (MLPS).

Various internal policies covering security control, risk management, and incident handling are implemented to reduce cyber threats and ensure compliance. IT-related policies and procedures are reviewed and/or updated annually to align with current regulations and industry standards. Regular assessments of compliance and the IT security environment are conducted on the Group's IT system and internal procedures.

We have implemented a comprehensive cloud governance system and a corporate-wide document sensitivity labeling protocol to mitigate data loss and leakage risks. We also leverage data analytics and robotic process automation to enhance security operations and management efficiency. Furthermore, we engage external security professionals with appropriate credentials to conduct third party audits at least annually and assess our readiness through regular vulnerability analysis and attack scenarios, including simulated hacker attacks.

New employees are required to complete compulsory online cybersecurity training to increase their vigilance with regard to cybersecurity risks, and other relevant employees must complete refresher training at least once a year. We have set a corporate target to achieve a 100% employee completion rate for the cybersecurity training, which is incorporated in the performance appraisal and compensation review for all departments and employees. In addition to annual training, we broadcast security warnings to employees to alert them to targeted scams or phishing emails to the Group. We also test employees' readiness with sophisticated phishing simulations targeting all employees several times a year and regularly share practical security tips with our employees, integrating real-world personal and work-related perspectives experiences. To ensure that business operations are not disrupted in the event of system failures, the Technology and Digital Department

conducts drills on an annual basis and continuity plans are in place to ensure disaster recovery.

Data Security Management

The Group places the highest priority on safeguarding vital company information and personal data. The Data Security Management Committee (DSMC) serves as the governing body responsible for comprehensive data security management and governance, and reports to the CEO regularly. This committee not only oversees key data security issues, including data classification and categorization, data retention policies, and the management of data security incidents, but also drives a privacy-by-design culture through personal privacy protection risk assessment, clear privacy statement and consent collection, and personal data process minimization across the Group. The committee is composed of executives from various areas, including business operations, human resources, legal, customer engagement, and technology and digital sectors. Appointed as the Data Security Officer (also serving as the Data Privacy Officer) and Chair of the Committee, the Deputy Director – Technology and Digital oversees the daily operations of the Committee's activities.

Technology and Innovation

To ensure the responsible adoption of new technologies, the Group has established the Technology and Innovation Committee (TIC). The TIC, which consists of the Deputy Director – Technology and Digital (Chair of the Committee) and the Deputy Director – Financial Planning & Analysis, is responsible for reviewing and assessing proposed technologies from multiple perspectives including functionality, financial viability and alignment with the Group's technology strategic objectives (including sustainability). The TIC reports to the CEO regularly.

Artificial Intelligence Governance

In response to the rapid development of generative artificial intelligence (AI), the Group recognizes the immense opportunities presented by AI technologies to enhance operational efficiency, while remaining vigilant about potential risks. To promote accountability and mitigate risks, all AI tools and software must undergo a review process by the Technology and Digital department before implementation. This review ensures

that the tools align with the Group's operational needs, comply with relevant regulations, and adhere to data security and ethical standards.

To drive the adoption of AI across the organization, the Group has established an AI Taskforce to oversee strategic implementation, organize capability-building workshops, and gather feedback to refine the Group's AI strategy. In addition, the Group has established an "AI Elite Group," composed of representatives from all departments. These AI Elites leverage their expertise within their respective disciplines to explore AI use cases, facilitate AI adoption, and identify opportunities to leverage AI as a transformative tool for driving innovation and operational excellence within the Group.

CLIMATE RESILIENCE

Adapt to climate change
and decarbonize our
business

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

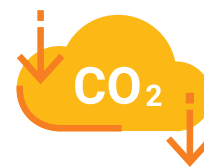


CLIMATE RESILIENCE



We are committed to reducing our carbon footprint based on climate science and striving to achieve net zero greenhouse gas (GHG) emissions throughout our entire value chain by 2050 at the latest. We take pride in being the first real estate firm in Hong Kong and mainland China to gain approval from the Science Based Targets initiative (SBTi) for our near- and long-term emissions reduction goals, which are in line with the SBTi Corporate Net-Zero Standard. In this chapter, we detail the comprehensive measures we are implementing to fulfill our ambitious emissions reduction objectives, along with our initiatives to address the physical risks posed by climate change.

2024 Performance Highlights



Scope 1 and 2: 51% reduction in GHG emissions intensity vs 2018 baseline

Scope 3: Adoption of low carbon emissions steel in development projects to reduce embodied carbon emissions



48% of electricity demand at our mainland China portfolio met by renewable energy



90% of Hong Kong and Mainland properties and projects completed climate adaptation technical analysis

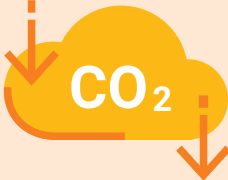





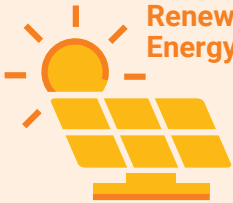
Our Approach

We are committed to a comprehensive and proactive approach to managing climate adaptation and mitigation, focusing on reducing greenhouse gas emissions, enhancing resilience to climate impacts, and promoting sustainability across our operations. We identify, manage, and disclose significant climate-related risks through our Enterprise Risk Management Framework. Our strategy includes setting ambitious climate targets aligned with science-based criteria, conducting regular greenhouse gas emissions inventories, implementing energy efficiency measures, expanding the use of renewable energy, procuring low carbon construction materials, and promoting green building practices. We view climate resilience as an opportunity to demonstrate leadership, contribute solutions to the climate crisis, and strengthen relationships with like-minded stakeholders and customers. By monitoring progress, fostering innovation, and continuously improving sustainability practices, we aim to lead by example in the real estate sector, demonstrating a strong commitment to addressing climate change and building a more sustainable future.

2030 Goal

Reduce carbon footprint in line with climate science

2025 Targets

 <p>CO₂</p>	<p>GHG Intensity</p> <p>40% cumulative reduction in GHG intensity (kgCO₂e/m²) relative to 2018</p>	<p>Climate Adaptation</p> <p>Complete technical analysis for climate adaptation measures for all properties</p> 
	<p>Embodied Carbon Intensity</p> <p>Demonstrate best efforts to achieve at least 10% reduction in embodied carbon intensity (kgCO₂e/m²) for new development project that begin in 2022 or later, compared to typical practice in an equivalent building</p>	 <p>GHG Intensity (Tenants)</p> <p>15% reduction in GHG intensity (kgCO₂e/m²) from tenants' electricity consumption for our properties in mainland China, relative to 2018</p>
	<p>Electric Vehicle (EV) Charging</p> <p>Wherever feasible exceed local regulations for the provision of parking spaces installed with EV charging facilities across our portfolio</p>	
	<p>Electricity Intensity</p> <p>18% cumulative reduction in electricity intensity (kWh/m²) relative to 2018</p>	 <p>Renewable Energy</p> <p>25% of our mainland China portfolio electricity demand met by renewable energy</p>

Climate Governance

As indicated in the Board's "Joint Statement on Oversight and Management of Environmental, Social, and Governance Issues," the Board holds overall responsibility for the Group's ESG strategy and reporting, including the identification of relevant risks and opportunities. The Board approved the Sustainability Framework along with the long-term sustainability goals and targets outlined in the framework, and it provides ongoing oversight of this framework. One of the four priorities within the Sustainability Framework is Climate Resilience.

The Board reviews progress towards sustainability goals and targets related to climate resilience—specifically, the Group's 2025, 2030, and 2050 goals and targets—primarily through regular reports from the Sustainability Team to the Board (at least twice a year). Additionally, the Sustainability Team reports monthly to the Chair of the Board, providing regular detailed updates on climate-related risks and opportunities.

More broadly, the Board has overall responsibility for risk management, assessing and determining the nature and extent of significant risks it is willing to take to meet the Group's strategic objectives. The Audit Committee is tasked by the Board with monitoring the ongoing effectiveness of the Group's enterprise risk management system, which includes climate-related risks.

Role of Sustainability Steering Committee (SSC) – The SSC, chaired by the Chair of the Board and comprising senior representatives from a cross-section of departments, formulates, coordinates and implements climate resilience strategies, and ensures that our climate-related targets are translated into annual ESG KPIs. The SSC reviews the Group's progress against specific climate-related targets and annual ESG KPIs in regular meetings (at least twice a year). The SSC also reviews our climate-related risks and opportunities in detail, including, for instance, issues related to embodied carbon, energy efficiency, electric vehicles, physical risks from climate change, carbon pricing, collaboration with tenants and other stakeholders, and other relevant issues.

Role of Sustainability Team – The Sustainability Team provides regular updates to the Board (at least twice a year), and to the Chair (at least monthly) on climate resilience, and supports detailed strategy development and execution of ESG KPIs. The Team also presents and reports to the CEO on sustainability-related spending (both capital expenditures and operating expenditures) in an annual budgeting exercise, which includes spending related to climate resilience.

Role of Enterprise Risk Management (ERM) Working Group – The ERM Working Group, chaired by the Chief Executive Officer and reporting quarterly to the Audit Committee, is responsible for coordinating and overseeing the Group's risk management activities. Physical risks of climate change and the risks of the transition to a low-carbon economy are among the enterprise-level risks overseen by the ERM Working Group, and the executive leading the Sustainability Team, the Deputy Director – Sustainability, is assigned as the owner of these specific climate-related risks.

Climate-related Risks and Opportunities¹

In 2024, we continued to identify and manage climate issues relevant to our business. The table below summarizes climate-related risks and opportunities, potential consequences for our business, and how we are managing these potential business impacts.

Climate-related risks	Time frame	Potential non-financial impact	Potential financial impact	Our responses
<p>Physical risks refer to the potential adverse impacts of climate change on an organization's operations, assets, and supply chains. These include risks from extreme weather events (e.g., floods, hurricanes) and risks from long-term climate changes (e.g., rising sea levels, prolonged droughts).</p>				
<p>Acute physical changes, such as increased severity and frequency of extreme weather events, e.g., typhoons, intense precipitation, flooding, and extreme temperatures</p>	Short-term	<ul style="list-style-type: none"> Increased health and safety hazards 	<ul style="list-style-type: none"> Increased operating and maintenance costs Reduced revenue due to business disruptions Increased insurance premiums 	<ul style="list-style-type: none"> Undertook detailed physical risk analyses at twenty-seven properties and projects across mainland China and Hong Kong to examine their exposure, sensitivity and adaptive capacity to hazards Conducted four deep-dive analyses and on-site inspections for three Mainland properties (Riverside 66, Heartland 66, Grand Gateway 66) and one Hong Kong property (Standard Chartered Bank Building) to enhance the adaptive capacity of these properties Installed floodgates, sump pumps, sandbags and water pumps at selected properties to reduce flood risks Undertaking regular checks and maintenance of curtain wall systems, signage and glazed doors to prevent any potential physical risks caused by strong winds and heavy rain (e.g., typhoons, flooding, storms) At Center 66 (Phase 2), we implemented precautionary measures for heavy rain and storms by installing flood gates, a wind gate at the car ramp, and waterproofing works for all roof areas and major electrical and mechanical (E&M) plant rooms Improving crisis response plans at all our properties to align with international standards

¹ Our definitions of "short-term," "medium-term," and "long-term":

- Short term: 0-2 years – Under our sustainability framework and governance, we see the 1-2 year horizon as a short-term horizon. We set strategic ESG KPIs annually and review them regularly over the year, with adjustments as needed the following year to ensure that we are making progress in attaining our medium term target.

- Medium term: 3-10 years – We have defined a set of 25 sustainability targets for 2025 and 4 goals and 10 targets for 2030 under our sustainability framework to support our long term vision.

- Long term: 10-30 years – We have defined our long-term vision beyond a 10 year horizon: we have set a target to reach net zero value chain emissions by 2050.



Climate-related risks	Time frame	Potential non-financial impact	Potential financial impact	Our responses
Chronic physical changes such as changes in precipitation and weather patterns, mean temperature increase, and sea level rise	Long-term	<ul style="list-style-type: none"> Reduced workforce productivity Increased health and safety risks for outdoor workers Increased potential exposure to and incidence of infectious diseases 	<ul style="list-style-type: none"> Increased operating and maintenance costs Reduced revenue due to business disruptions Write-offs and early retirement of existing assets 	<ul style="list-style-type: none"> Optimizing the operating efficiency of heating, ventilation and air conditioning (HVAC) systems to reduce electricity consumption despite rising temperatures Incorporating climate resilient features into the building design of our new projects. For instance, in several new projects we are including overflow pipes on the roof and lowest floor, and a reserve floodgate for car ramp entrances Strengthening flood mitigation measures on construction sites, e.g., mechanical, electrical and plumbing (MEP) equipment elevation or anchoring Vigilance in our health and safety systems and policies
Transition risks refer to the potential challenges and financial impacts that organizations face as the world transitions to a low-carbon economy.				
More ambitious climate policies and regulations to support international decarbonization efforts	Short-term	<ul style="list-style-type: none"> Reputational risks for failing to develop credible transition plans in line with more ambitious policies and regulations 	<ul style="list-style-type: none"> Increased compliance costs Increased operating costs 	<ul style="list-style-type: none"> Continued commitment to achieving greenhouse gas reductions in line with climate science Conducted a carbon pricing analysis to understand our potential exposure to external carbon price risk up to 2050 Piloting the use of an internal carbon price to inform decision making on selected projects, and to help speed our preparation for external carbon pricing Developed detailed decarbonization scenarios to 2050 in Our Journey to Net Zero paper Regular monitoring of changes in laws, policies and regulations to ensure compliance and readiness
Changing investor sentiment favoring increased climate advocacy or divesting from businesses that fail to implement effective measures to manage climate risks	Short-term	<ul style="list-style-type: none"> More stringent reporting obligations Investor pressure Investors divesting Reputational damage 	<ul style="list-style-type: none"> Reduced availability of capital 	<ul style="list-style-type: none"> Maintain high transparency on ESG issues to build trust and confidence among our investors Report against globally recognized frameworks such as ISSB, CDP and GRI to facilitate a clear assessment of our climate performance



Climate-related risks	Time frame	Potential non-financial impact	Potential financial impact	Our responses
Growing stakeholder preference for companies and properties that are more prepared for climate change	Short-term	<ul style="list-style-type: none"> Reputational risks for failing to be among the companies that are (and that are perceived to be) better prepared Less attractive employer for talent and new hires 	<ul style="list-style-type: none"> Reduced revenue Property devaluation 	<ul style="list-style-type: none"> Regularly analyze emerging industry trends Maintain close communication with stakeholders to understand their concerns and expectations Ensure that we effectively communicate our comprehensive climate resilience efforts among stakeholders through annual reporting, investor meetings, speaking engagements, etc.

Climate-related opportunities	Time frame	Potential non-financial impact	Potential financial impact	Our responses
Opportunities				
Economic or policy incentives that support the transition to a low-carbon economy	Short-term	<ul style="list-style-type: none"> Discovery and use of innovative technologies, some of which may bring other benefits (e.g. process improvements) Enhanced relationship with policymakers by piloting or supporting key initiatives 	<ul style="list-style-type: none"> Reduced operating costs Access to capital Potential subsidies 	<ul style="list-style-type: none"> Studying demand response programs and incentives in mainland China Applying for subsidy schemes in Hong Kong and mainland China to fund energy efficiency projects Raised funds to finance environmental projects under our Sustainable Finance Framework and Sustainability-Linked Loans Monitor policies for notable developments
Higher building energy efficiency and better operational management	Short-term	<ul style="list-style-type: none"> Reduced exposure to transition risks for assets More efficient assets are better equipped to handle increased cooling demand from higher temperatures and heat waves 	<ul style="list-style-type: none"> Reduced operating costs Increased net operating income 	<ul style="list-style-type: none"> Refining our formulation of the business case for energy efficiency-related projects and investments Installed smart energy meters at our Hong Kong and mainland China properties to optimize energy management Conducted energy retrofits of building facilities to enhance building energy efficiency, such as optimization of HVAC and lighting systems in most Hong Kong and mainland China properties, with lift modernization and upgrading works in three properties in Hong Kong Leveraged smart digital data collection and analysis platform to enhance data accuracy, reporting effectiveness and working efficiency Piloted an artificial intelligence technology at our headquarters in the Standard Chartered Bank Building to support energy efficiency improvements



Climate-related opportunities	Time frame	Potential non-financial impact	Potential financial impact	Our responses
On-site renewable electricity generation at our properties and offsite renewable electricity procurement	Short-term	<ul style="list-style-type: none"> More attractive offering for tenants, customers and employees Enhanced credibility and reputational benefits by showing support for government's decarbonization and electricity market reform policies 	<ul style="list-style-type: none"> Reduced electricity costs Increased asset value (for on-site renewable energy) 	<ul style="list-style-type: none"> Procured renewable energy for 100% of our electricity needs at Parc 66 in Jinan and Spring City 66 in Kunming for all of 2024, and for Plaza 66 and Grand Gateway 66 in Shanghai and Center 66 in Wuxi from April 2024 Installed on-site solar panels at eight properties which generate around 600 MWh of renewable energy annually
Collaboration with peers and industry associations to drive a faster transition to a low-carbon economy	Short-term	<ul style="list-style-type: none"> Partnerships can help build the business case for action and accelerate adoption of good practices Reputational benefits from collaboration and accelerated progress 	<ul style="list-style-type: none"> Savings in the cost of scaling low carbon technologies Savings from the adoption of innovative technologies introduced by peers or associations 	<ul style="list-style-type: none"> Collaborating with business communities to combat climate change. We are a member of the Hong Kong Green Building Council, one of the signatories of the Business Environment Council (BEC) Net-Zero Charter, the first business-led carbon reduction initiative in Hong Kong. We are also a member of the Urban Land Institute's (ULI's) Greenprint initiative and our Deputy Director – Sustainability is Co-Chair of ULI's APAC Net Zero Council Supporting local and international climate-related initiatives, such as receiving validation from SBTi's Corporate Net-Zero Standard for our 2030 and 2050 net zero targets across our value chain
Growing stakeholder preference for companies and properties that are more prepared for climate change	Medium-term	<ul style="list-style-type: none"> Attract high value tenants Attract and retain talent Higher marketability 	<ul style="list-style-type: none"> Leasing revenue More access to capital and lower cost of capital 	<ul style="list-style-type: none"> Obtaining green building certifications for all new projects Demonstrating how we are preparing for and responding to climate change, including by completing technical analysis for climate adaptation measures at all properties by 2025, and Our Journey to Net Zero paper Highlighting our sustainability commitments and progress in our recruiting efforts Collaborating with our tenants on sustainability initiatives, including through Changemakers, our tenant sustainability partnerships program, which includes actions related to energy efficiency and embodied carbon

Climate Adaptation

	Status
2025 Target Complete technical analysis for climate adaptation measures for all properties	On track 
2024 KPI Conduct a technical deep-dive analysis for climate adaptation for one property in mainland China or Hong Kong, and implement adaptation measures in at least two properties in mainland China or Hong Kong	Completed 

The impacts of global warming have led to increasingly frequent and severe extreme weather events. According to the World Meteorological Organization, 2024 was the warmest year on record, marked by widespread climate-related disasters such as heatwaves, droughts, heavy rainfall, floods, typhoons, and wildfires. For example, on August 22, 2024, Liaoning Province experienced record-breaking rainfall of 540 mm, the highest since meteorological records began, due to the combined effects of the Northeast Cold Vortex, subtropical high pressure, and Typhoon Jongdari. Similarly, in September 2024, severe Typhoon Bebinca became the strongest typhoon to hit Shanghai, Jiangsu, and Zhejiang in 75 years.

Recognizing the growing risks posed by climate change, we developed a Climate Adaptation Roadmap in 2021 to prepare for these challenges. This roadmap outlines a proactive approach to safeguard our operations and communities against the escalating impacts of extreme weather.

Climate Hazard and Vulnerability Assessment

Since 2021, we have conducted comprehensive climate hazard and vulnerability assessments for all our properties in phases. As of December 2024, 90% of all existing properties and construction projects (by floor area) have completed these technical assessments. The process involves two levels of analysis: an exposure assessment, which evaluates the climate exposure hazards of each property, including flooding, heatwaves, cold spells, typhoons, extreme rainfall, earthquakes, and landslides, and an adaptive capacity analysis, which assesses the climate sensitivity and ability of each property to adapt to these risks.

The climate projections used in these assessments are scenario-based, incorporating future emissions scenarios SSP2-4.5 and SSP5-8.5. These projections cover multiple timeframes, including mid-century (2041-2070) and end-of-century (2071-2100), with a focus on potential impacts between now and mid-century. A summary of residual risks for each property, which considers both exposure and adaptive capacity, is provided in the table below.

Summary Table of Residual Climate Risks¹

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

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

Property Name	Flooding	Heat Wave	Cold Spell	Typhoon & Extreme Rain	Earthquake	Landslide
Westlake 66, Hangzhou	Medium	Low	N/A	Medium	Not assessed	N/A

Adaptation Measures

Existing Properties

Based on the results of climate exposure and adaptive capacity assessments, we conducted deep-dive on-site visits to Riverside 66 and Standard Chartered Bank Building in 2023, followed by Grand Gateway 66 and Heartland 66 in 2024. These visits, combined with the portfolio-wide survey findings, enabled us to develop over 200 tailored recommendations for climate adaptation. By analyzing the unique characteristics and challenges of each property, we identified and prioritized measures to mitigate climate risks effectively.

As of December 2024, more than 50% of these recommendations have been implemented such as bulk purchasing of flood gates and sandbags, while 30% are under review or scheduled for implementation within 2025. The remaining 20% are currently on hold due to site constraints and/or cost concerns.

New Development Projects

Since 2023 we have taken a proactive approach to conducting climate adaptation analyses for construction projects integrating climate resilience into the project planning, design, and construction stages. For projects such as Westlake 66, Center 66 Phase 2, and redevelopment of Shouson Hill Road Redevelopment, we evaluated both climate exposure and adaptive capacity for hazards like flooding, heatwaves, typhoons, and extreme rainfall.

As a result, we have applied several strategic measures. For example, passive design strategies such as green roofs and shading devices have been incorporated to reduce heat absorption, while overflow pipes, reserve floodgates, and elevations of MEP equipment were added to enhance flood resilience. Additionally, high-efficiency systems such as chillers, boilers, and solar panels were adopted at Westlake 66 to improve energy efficiency and reduce emissions. We also adopted specific measures for individual projects, including:

Heatwaves – The air conditioning systems at Westlake 66 were designed with a temperature buffer capable of handling rising temperatures up to 2091-2100 under the SSP5-8.5 emissions scenario.

Flooding and Extreme Rainfall – The drainage system at Center 66 Phase 2 was designed to accommodate a 100-year, 10-minute rainfall intensity, ensuring resilience against projected climate changes by 2100 under the SSP2-4.5 scenario.

These measures demonstrate our commitment to preparing new construction projects for future climate challenges.

Project Construction Sites

On September 16, 2024, Severe Typhoon Bebinca made landfall, impacting sites at Westlake 66 in Hangzhou and Center 66 Phase 2 in Wuxi. To mitigate the effects of the typhoon, we proactively implemented several on-site adaptation measures. These included completing waterproofing works for all roof areas and major E&M plant rooms, as well as removing loose equipment from the site. Despite these precautions, the typhoon caused minor damage, with a few doors and guardrails blown out and water entering the basement. Fortunately, no injuries or serious damage occurred, highlighting the effectiveness of our preparedness efforts.

Oversight of the Implementation of Measures

To ensure the effective implementation of adaptation measures, we have established a robust monitoring framework through a cross-departmental initiative called the "Three Lines of Defense," involving the operational team for daily implementation, the Sustainability Team for continual oversight, and Internal Audit for independent reviews. Quarterly reviews are conducted with each site, with more frequent discussions during the budgeting period to ensure feasible measures are incorporated into planning.

Looking ahead, we will continue to address various climate hazards with particular attention to flooding and heat stress to ensure our properties remain resilient against evolving climate risks.

Climate Value at Risk Assessment

We have initiated a Climate Value at Risk (CvaR) assessment to evaluate potential financial losses associated with climate impacts. The initial assessment focuses on six existing properties in Hong Kong and mainland China and considers our exposure to various types of climate-related financial risks including physical damage, business interruption, and productivity losses. We are making efforts to understand our CvaR from three perspectives: without taking into account our property-specific adaptation measures; after adjusting the risks for adaptation measures we have already implemented; and then after adjusting the risks again for other measures we could potentially implement at the six properties. By considering CvaR from all three standpoints, we aim to enhance our understanding of the business case for various adaptation measures, so we can make informed decisions to enhance our resilience while safeguarding our financial interests. The initial assessment will be completed in 2025 and key findings will be shared in our next report.

Climate Mitigation

Net Zero Commitments by 2050

Science-Based Targets



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

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

To achieve net zero emissions by 2050 at the latest, we will prioritize direct and indirect emissions reductions across our value chain and all residual emissions (where applicable) will be neutralized in line with SBTi criteria and limiting global temperature rise to 1.5°C. The following are our validated targets.

Overall Net-Zero Target

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

Near-Term Targets

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

Long-Term Targets

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

Net Zero Carbon Operations Commitment

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

We discuss our climate performance in 2024 and our trajectory towards achieving net zero in the [GHG Emissions Overview](#) section.

Our Journey to Net Zero: Our Scenarios and Actions to Reduce Greenhouse Gas Emissions to 2050

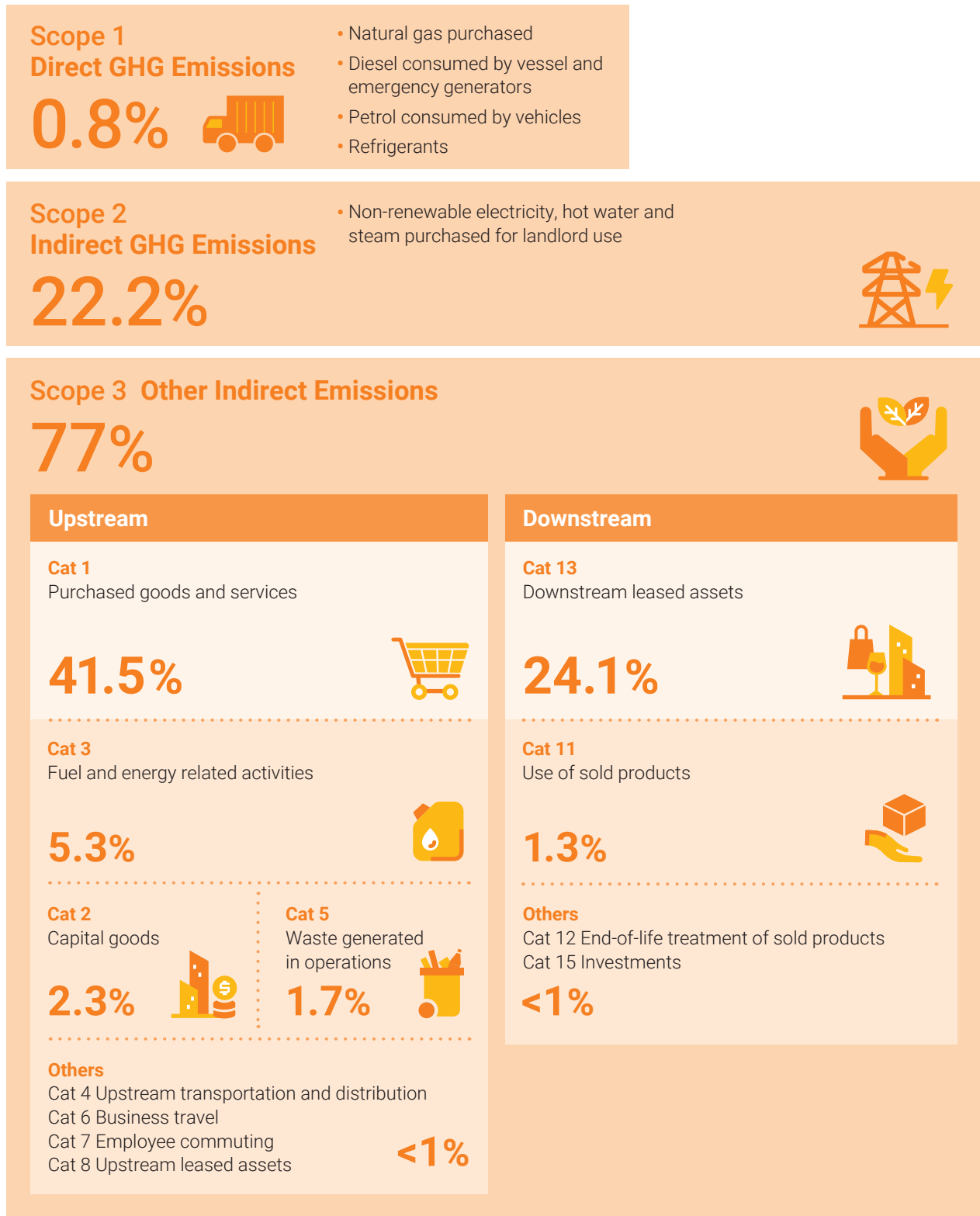
In 2024 Hang Lung completed our first comprehensive effort to examine scenarios, challenges and opportunities on our path to achieving net zero greenhouse gas emissions across our value chain. We undertook this exercise to gain a better understanding of our long-term challenges and opportunities in decarbonization, mindful of our commitment to achieving net zero by 2050.

We developed a detailed bottom-up model with more than 1,000 data inputs, 30+ key assumptions, two main scenarios, and four emissions reduction pathways. We found that our value chain emissions could potentially decline from around 1 million tonnes of CO₂e in 2023 to below 100,000 tonnes in 2050. Important issues that we (and other real estate developers) will need to manage include the potential impact of new construction, emissions accounting considerations, and neglected sources of emissions (e.g., tenant fit-outs). Some key trends and technologies (e.g., low carbon construction materials) may help make the journey easier.

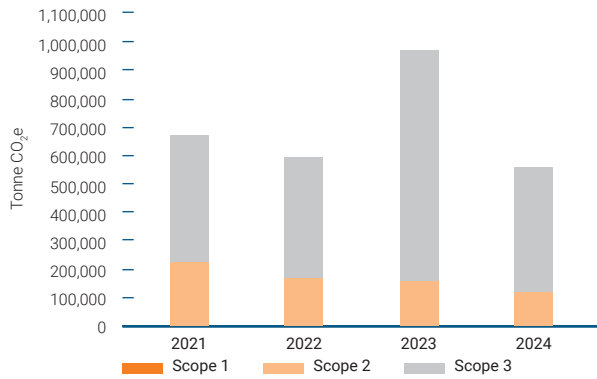
The paper concludes that with consistent efforts and sustained focus, including strategic collaboration with suppliers – as well as some help from advancements in technology, and the potential use of offsets – it is possible for us to achieve net zero by 2050. We published the paper in March 2025 and it is available [here](#).

GHG Emissions Overview

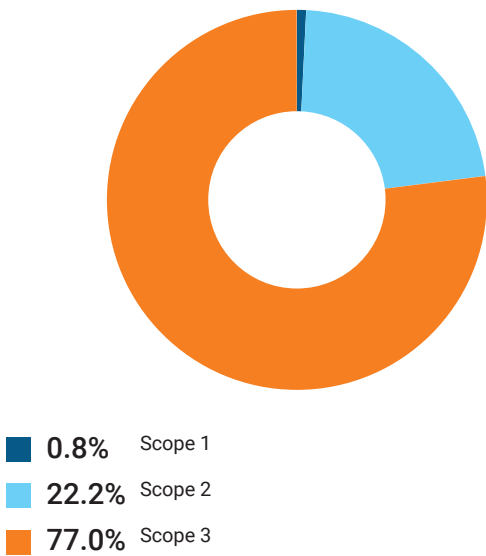
In 2024, the distribution of our GHG emissions among scope 1, 2 and 3 is as below. All data in this section unless otherwise specified follow market-based accounting.



Total Carbon Emissions (2021-2024)



Breakdown of Carbon Emissions by Scope in 2024



Scope 3 emissions contributed the most (77.0%) to our overall GHG emissions in 2024, followed by Scope 2 (22.2%) and Scope 1 emissions (0.8 %).

Our Progress in Achieving SBT

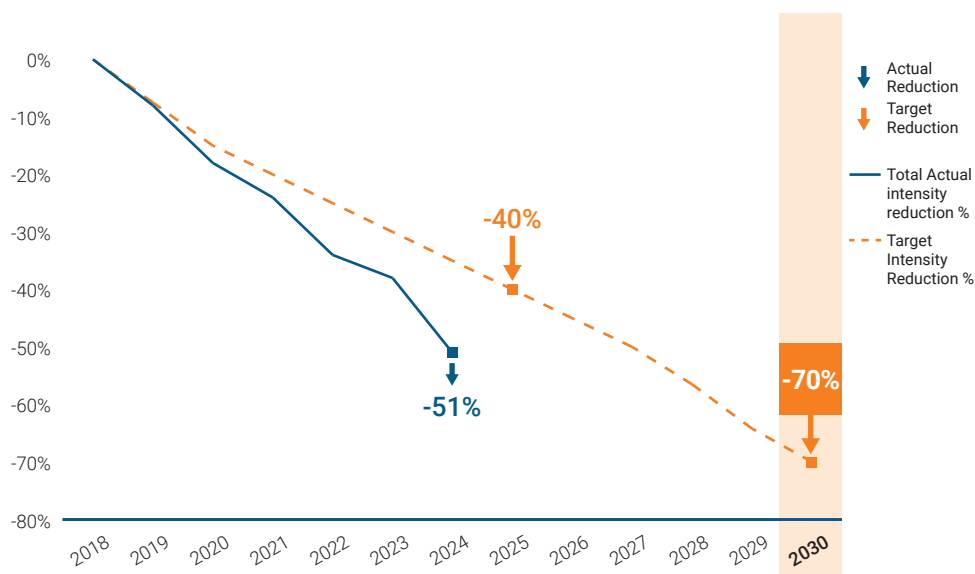
Reduce absolute Scope 1 and 2 GHG emissions 46.6% by 2030	Scope 1 and 2 GHG emissions reduced by 35.8% in 2024 (compared to 2019 base year)
Reduce absolute Scope 3 GHG emissions from purchased goods and services and downstream leased assets 25% by 2030	Scope 3 GHG emissions increased by 29% in 2024 (compared to 2020 base year)

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

Scope 1 and 2 Emissions Overview

Status	
2025 Target	Ahead of Schedule
40% cumulative reduction in GHG intensity (kg CO ₂ e/m ²) relative to 2018	
2024 KPI	Completed
Meet or exceed 35% cumulative reduction in GHG intensity (kgCO ₂ e/m ²) relative to 2018.	

GHG Emission Intensity (tCO₂e/m²) Reduction Trajectory from 2018 to 2030¹



In 2024, we achieved a 51% reduction in GHG emissions intensity (market-based) compared to the 2018 baseline, exceeding our 2025 target by 11.4%.

This reduction was driven by various initiatives across both Hong Kong and mainland China properties. Key contributors included improvements in energy efficiency (18.97%), along with grid decarbonization and power purchase agreements (PPAs) (26.76%) at key properties, including Spring City 66, Parc 66, Center 66, Plaza 66, and Grand Gateway 66. Additional reductions came from lower heating demand (5.48%) and decreased Scope 1 emissions from refrigerants and diesel generators (0.19%).

These results highlight our continued efforts to lower emissions and advance toward our sustainability targets.

Scope 3 Emissions Overview

Scope 3 emissions – indirect emissions across the value chain – present challenges in the real estate industry due to limitations in data availability and accuracy. In 2024, we continued to make efforts to improve our understanding of our Scope 3 emissions.

Overall we obtained a 46.3% absolute reduction in Scope 3 emissions in 2024 compared to 2023.

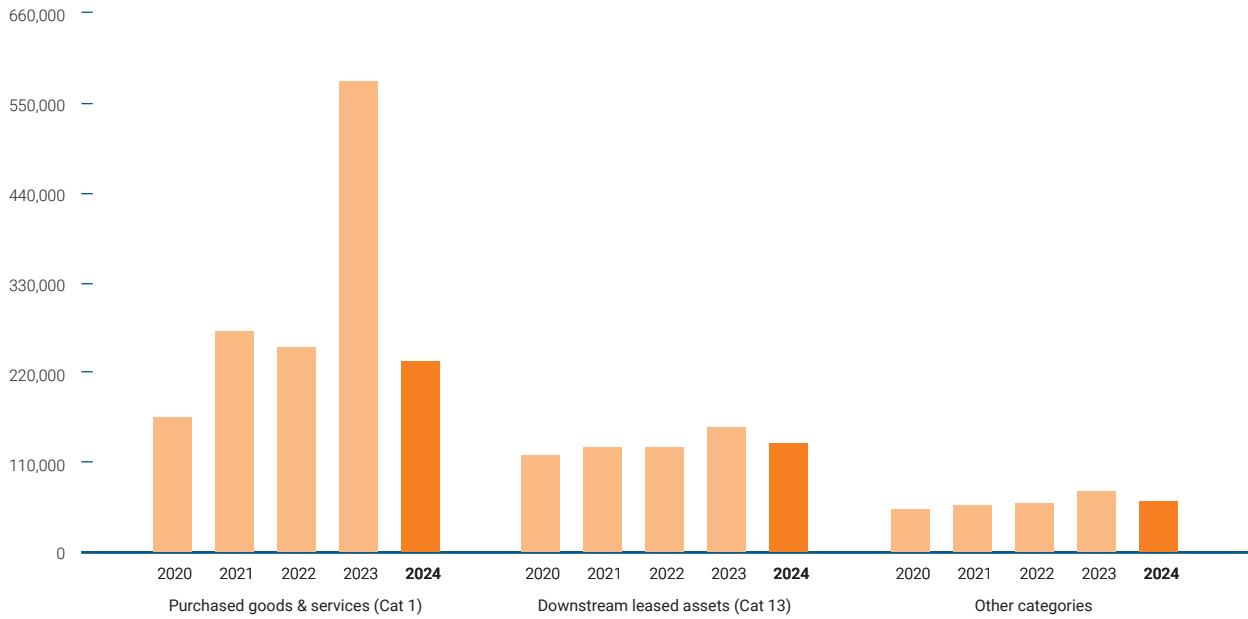
The two largest contributors remained Category 1 – Purchased Goods and Services (embodied carbon from building materials) and Category 13 – Downstream Leased Assets (tenants' electricity consumption), which together accounted for 85% of total Scope 3 emissions. Emissions reductions from Category 1 comprised 96%, of the year-on-year Scope 3 emissions reduction.

Category 1 emissions fell so significantly primarily because many of our development projects are nearing the final stages of construction, so their embodied carbon emissions were much lower than the previous year.

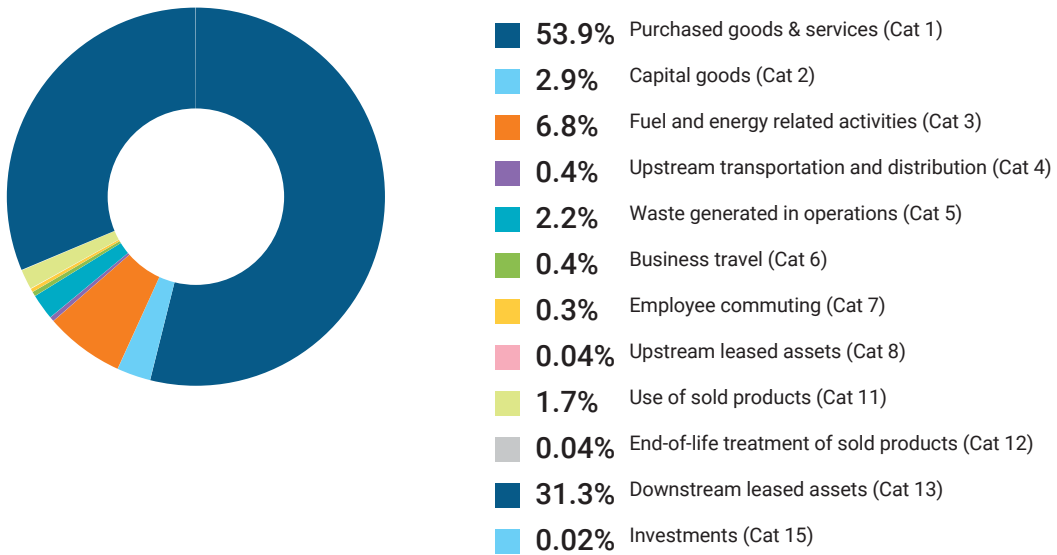
In 2024, we also reported emissions from property transactions in Hong Kong and mainland China under Category 11a – Use of Sold Products, and Category 12 – End-of-Life Treatment of Sold Products. Additionally, construction-related emissions such as energy, water, and waste were integrated into Category 1a to improve the comprehensiveness of our inventory.

¹ Note: To ensure the disclosed data reflect the normal operating conditions of the properties, the following properties/areas are excluded in the GHG intensity calculation: (1) New properties that have been operated by the Group for less than one year (i.e., Heartland Residences, Wuhan, Grand Hyatt Kunming, and Grand Hyatt Residence Kunming). (2) Under renovation for the entire property (i.e., The Summit), and (3) For an area of a property that had abnormal business operations for a considerable period of time, its area is proportionally excluded.

Scope 3 Carbon Emissions – Category 1 and 13 (2020 - 2024)





Breakdown of Scope 3 Emissions by Category in 2024



We reported on 12 applicable Scope 3 categories (out of 15) in 2024, reflecting continued efforts to enhance data accuracy and methodology. For details, refer to [Appendix 5 – Scope 3 Emissions Data Reporting Methodology](#).

Climate Mitigation Initiatives

Increase Use of Renewable Electricity (Scope 2 and 3)

	Status
2025 Target 25% of our mainland China portfolio electricity demand met by renewable energy	Ahead of Schedule 
2024 KPI 22% of our mainland China portfolio's electricity demand from renewable energy	Completed 

We are committed to accelerating our transition to low-carbon energy. Onsite, we install solar panels and ground source heat pumps at our properties, as well as integrate renewable designs into new developments. Offsite, we pursue opportunities to purchase green electricity through Power Purchase Agreements (PPAs) to support the decarbonization of our mainland China portfolio. Together these initiatives are crucial for reducing our carbon footprint and achieving our sustainability goals.

Onsite renewable energy

We have installed onsite solar panel systems at eight properties in mainland China, including Palace 66, Forum 66, Olympia 66, Parc 66, Center 66, Spring City 66, Riverside 66, and Heartland 66. Together, these systems generate nearly 600 MWh of renewable energy annually, accounting for 0.3% of our total energy use for these properties. In 2022, we conducted analysis of these systems to evaluate current performance and identify opportunities to expand their capacity. We are planning to refresh this analysis to develop a solar panel replacement and enhancement roadmap.

In Hong Kong, we have installed solar panels at Amoy Plaza, generating approximately 17 MWh of renewable electricity annually, with the electricity connected to and transmitted back to the grid. We are also planning to install solar panels at Hang Lung Centre, which are expected to produce about 13 MWh of renewable energy annually.

In addition to solar energy, we have implemented ground source heat pump systems at Palace 66, and Riverside

66. Since its opening, Palace 66 has achieved complete self-sufficiency for winter heating thanks to its heat pump system, while Riverside 66 is used to supply heating for parking area. Forum 66 also installed a water source heat pump to make heat recovery during winter to supply heating for the parking area.

We also incorporate renewable energy design into new projects. At Westlake 66 in Hangzhou, we installed a closed-loop ground source heat pump system for the hotel building, which is expected to improve energy efficiency by an estimated 30% compared to traditional heating systems.

Offsite renewable energy

We have also actively pursued opportunities to purchase offsite renewable energy through PPAs. A PPA is a long-term contract between an energy buyer and a renewable energy provider, enabling us to secure a stable supply of green electricity while directly supporting the development of renewable energy infrastructure in China.

As of December 2024, five of our ten properties in mainland China — Plaza 66, Grand Gateway 66, Center 66, Spring City 66, and Parc 66 — are fully powered by renewable energy. Each PPA covers the total annual electricity consumption for both landlord and tenant operations. These PPA transactions comply with mainland China's green electricity policies and are recognized by international organizations such as SBTi and RE100. More details about our PPAs can be found [here](#).

In 2024, we procured 109,644 MWh of green power for landlord operations and an additional 96,059 MWh for tenant operations. Collectively, our green energy avoided 53,246 tCO₂e of carbon emissions from the landlord's consumption and 47,325 tCO₂e from the tenant's consumption. By the end of 2024, 48% of our mainland China portfolio's landlord electricity demand was met by renewable energy, has enabled Hang Lung to go well beyond its 2025 target of 25% renewable energy for its mainland China portfolio.

By entering into PPAs, we ensure that our properties are powered by clean energy, reducing carbon emissions and contributing to the grid's decarbonization.

CASE STUDY

Advancing Renewable Energy Procurement in Mainland China

The Renewable Energy Landscape – Our renewable energy procurement journey began in December 2021 with Spring City 66 in Kunming, as Yunnan Province offers an abundant renewable energy supply and was one of the first trading markets to develop in mainland China. Building on this success, we expanded our renewable energy procurement to Parc 66, Jinan in 2023. Between 2022 and 2023, the Chinese government also introduced policies to refine and regulate the renewable energy market. These policies defined the scope of renewable energy, methodologies for calculating consumption, and accounting systems, making the market increasingly structured and accessible.

Expanding Renewable Energy Procurement

– In 2023, we launched an initiative to explore renewable energy procurement for all ten of our properties across mainland China. This large-scale undertaking required extensive market research, stakeholder engagement, and meticulous planning to address the unique characteristics of each city. Discussions were held with over 50 energy vendors, government officials, and industry experts to fully understand the renewable energy landscape. Tailored procurement strategies were developed for each

property, taking into account local policies and market dynamics.

To ensure rigorous oversight, we formed an evaluation panel composed of representatives from Business Operation, Finance, Legal, Property Management Services, Internal Audit, Central Procurement, and the Sustainability Team. This panel oversaw the entire process, from vendor selection to final decision-making, ensuring transparency and accountability. We also incorporated an internal carbon pricing framework, which helped quantify the value of renewable energy in reducing carbon emissions and prepared us for potential future carbon pricing mechanisms.

Navigating local policies and existing contracts also posed challenges. For Spring City 66 and Parc 66, for example, we extended contracts with current vendors to avoid additional fees for exiting the trading market prematurely. Despite these complexities, we streamlined internal approval processes and secured timely approvals, ensuring our entry into the power exchange markets without delays.

CASE STUDY (CONTINUED)

Achievements and Impact – By 2024, we successfully procured renewable energy for five properties—Plaza 66 and Grand Gateway 66 in Shanghai, Center 66 in Wuxi, Spring City 66 in Kunming, and Parc 66 in Jinan. This project, involving over 100 colleagues internally and 50 external companies, represents a milestone in renewable energy procurement in mainland China in terms of scale, complexity, and ambition.

As of December 2024, over 48% of the electricity demand for our mainland China portfolio (landlord operations) is now met by renewable energy, far exceeding our 2025 target of 25%. This initiative has also contributed to reducing carbon emissions for our tenants, and in accordance with international standards such as SBTi and RE100¹.



Grand Gateway 66, Shanghai

¹ [RE100](#) is the global corporate renewable energy initiative bringing together hundreds of large and ambitious businesses committed to using 100% renewable electricity.

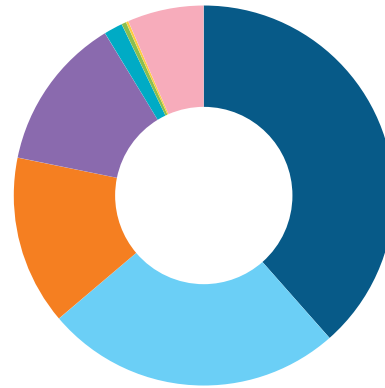
Reduce Embodied Carbon Emission (Scope 3)

	Status
2025 Target Demonstrate best efforts to achieve at least 10% reduction in embodied carbon intensity (kgCO ₂ e/m ²) for new development project that begin in 2022 or later, compared to typical practice in an equivalent building	On track
2024 KPI All development projects (including renovation projects) to demonstrate best efforts to reduce embodied carbon intensity (kg CO ₂ e/m ²) by at least 10% through materials substitution or design improvements	Completed

In 2024, our embodied carbon emissions fell by 67.2% compared to 2023. Although much of this reduction reflects the late stage of many of our construction projects, we also made notable efforts to reduce embodied carbon emissions by adopting lower carbon building materials.

The breakdown of our embodied carbon emissions highlights the contributions of various building materials. In 2024, aluminum accounted for the largest share of total embodied carbon emissions at 38%, reflecting its significant carbon impact during production and the relatively late stage of our construction projects, where aluminum is more in use. Steel followed closely, contributing 25%, while concrete, cement and concrete bricks, key construction materials, represented 27% of the total. Other materials collectively made up 10%, underscoring the wide range of components contributing to embodied carbon. This breakdown emphasizes the importance of focusing on high-impact materials like aluminum, steel and concrete to reduce overall embodied carbon in construction projects.

Building Material's Embodied Carbon Emissions in 2024



- **38.5%** Aluminum
- **25.3%** Steel
- **14.4%** Cement and concrete bricks
- **13.1%** Concrete
- **1.6%** Glass
- **0.4%** Timber
- **0.2%** Gypsum
- **6.5%** Others

Low Carbon Emissions Building Materials

To drive reductions in embodied carbon, we provide low-carbon material specifications where feasible, such as recycled steel and low carbon concrete, at the design and tender stages of our projects.

CASE STUDY

Walking the Talk in Pursuit of Steel Carbon Reductions

Our commitment to the SteelZero initiative, led by Climate Group, highlights our support for global efforts to decarbonize the construction and real estate sectors. Steel production contributes approximately 7% to global greenhouse gas emissions, making it a critical area for action. By joining SteelZero in 2023, we pledged to use 50% low-emission steel by 2030 and achieve 100% net-zero steel by 2050, aligning with other global leaders committed to accelerating the transition to sustainable steel.

Low carbon emissions steel procurement Since 2021, we have prioritized adopting Electric Arc Furnace (EAF) steel, which is more energy-efficient and has lower embodied carbon compared to traditional steelmaking processes. In 2024, the Plaza 66 Pavilion Extension

project in Shanghai achieved a 35% reduction in steel-related emissions by utilizing nearly 100% low-carbon-emission steel for all above-ground structural plates and reinforcing bars. This success was made possible through collaboration with our main contractor, Jiangsu Jianye, and a major steel supplier, Baosteel, whose product-level carbon emissions data were verified by TÜV SÜD, ensuring transparency and compliance with stringent specifications. The collaboration not only ensured transparency and traceability but also established a new industry standard for trusted and verifiable emissions data in the construction sector. Please read our [press release](#) for more details.



CASE STUDY (CONTINUED)

In 2024, we achieved 2.2% of our total steel procurement using low carbon emissions steel, a first step towards our SteelZero 2030 interim commitment, and tangible progress toward our long-term goals. Building on this success, we are extending this approach to the Westlake 66 project in Hangzhou, where low carbon emissions steel will be implemented in 2025.

Collaboration for Low Carbon Emissions

Steel – In 2024, we joined other real estate companies, steel manufacturers, and organizations in endorsing the Collaboration Statement on Low Carbon Emissions Steel for Real Estate in China, convened by China Iron and Steel Association (CISA), the Urban Land Institute (ULI) and the World Steel Association (WSA). This initiative focuses on improving emissions data transparency, integrating low-carbon emissions steel into procurement, addressing cost challenges, and promoting global and local standards. Please read our [joint statement](#) for more details.

In short, we are ‘walking the talk’ by adopting innovative solutions and fostering strong partnerships to support accelerated steel decarbonization. Through strategic procurement, rigorous standards, and a commitment to transparency, we are actively reducing the carbon footprint of our developments and helping to advance sustainable construction practices in the sector.



Use Low Carbon Concrete

Through a two-year partnership with CLEANCO2, a startup specializing in carbon capture, utilization, and storage (CCUS) technology, we introduced low-carbon concrete bricks for the Westlake 66 project in Hangzhou. These bricks are made from cement, fly ash, and other solid waste combined with mineralized carbon dioxide through CLEANCO2's process, achieving 87.5% lower embodied carbon emissions compared to conventional shale bricks.

In 2024, we recycled approximately 100 tonnes of Westlake 66's waste concrete into low-carbon recycled concrete aggregate (RCA) and recycled low-carbon concrete bricks, which were reapplied into the project landscape areas.

Gypsum Board Recycling

We are taking an important step towards circularity in real estate by prioritizing gypsum board recycling in both operations and new construction projects. In 2024, we launched gypsum board recycling initiatives in collaboration with Knauf, Saint-Gobain, and TRASHAUS, focusing on tenant improvement and new construction waste. Recycling gypsum board reduces resource consumption, and prevents the generation of pollution in landfill.

In June 2024, over 680 kg of Knauf's gypsum board waste were collected for recycling during a renovation project at Grand Gateway 66 in Shanghai. In October 2024, we also collaborated with Saint-Gobain to recycle gypsum scrap from a new construction project at Westlake 66 in Hangzhou. This end-of-life treatment of gypsum scrap has been featured in ULI's [The Developer's Guide to Embodied Carbon](#).

For more details of this initiative, please refer to [Operational Supplier Management](#) section in the Sustainable Transactions chapter.

Carbon Footprint Measurement of Building Materials

Tackling the carbon footprint of building materials is essential in decarbonizing the built environment across the value chain. In 2024, we partnered with E-Carbon Digital to work with seven key material suppliers from the Westlake 66 and Plaza 66 Pavilion Extension projects. Together, we conducted detailed carbon footprint assessments for critical materials, including steel, concrete, cement, aluminum (used in the curtain wall), and gypsum board.

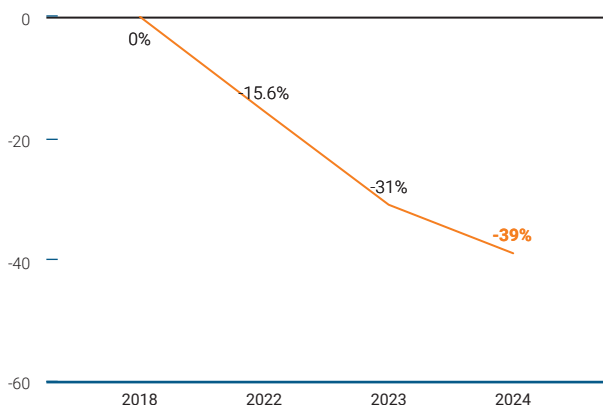
This initiative represents a pivotal step in understanding and reducing the embodied carbon of our developments. It also fosters collaboration with suppliers to promote sustainability across the supply chain, advancing our commitment to decarbonizing construction practices.

Engage Tenants in Energy Efficiency (Scope 3)

Status	
2025 Target	Ahead of Schedule
15% reduction in GHG intensity (kg CO ₂ e/m ²) from tenants' electricity consumption for our properties in mainland China, relative to 2018	
2024 KPI	Completed
Implement energy management platform and start benchmarking tenants' electricity consumption	

Tenant-related GHG emissions are the second largest source of our total Scope 3 emissions. Although we have limited control over tenant practices, we are collaborating with tenants on various emissions reduction initiatives. Up to December 2024, we achieved a 39% reduction in GHG intensity from mainland tenants' electricity consumption compared to the 2018 baseline, far exceeding our 2025 target of 15%.

Tenant GHG Intensity Reduction to 2024 (from 2018 Baseline)



Procured Renewable Electricity – In 2024, we actively procured renewable energy for five properties, covering both landlord and tenant areas, significantly reducing tenant GHG emissions. This effort included procuring 96,059 MWh of green power, avoiding 47,325 tCO₂e of carbon emissions, and benefiting over 2,066 tenants, many of whom have their own renewable energy and emissions reduction goals.

LightWise Program – Starting in September 2023, we have encouraged our tenants to reduce energy consumption through a program we named LightWise. Tenants are encouraged to turn off unnecessary operational lights, store windows and façade lights earlier during non-operational hours. As of December 2024, over 93% of Mainland and 19% of Hong Kong tenants are participating in this program.

Changemakers Program – Our Changemakers Program is a collaborative sustainability initiative with our tenants. The program aims to reduce carbon emissions, minimize waste, promote circularity, and enhance community wellbeing. Please refer to the [Tenant Partnerships](#) section for more details. Among other areas, the program encourages tenants to implement energy-efficiency measures and share their energy consumption data for performance benchmarking, facilitating continuous energy reduction efforts.

Digitalize Energy Management Platform – In 2024, we engaged a vendor to develop a comprehensive energy management platform. This platform, which is launching in March 2025, is designed to engage

tenants in energy efficiency efforts by providing them with tools to monitor, analyze, and optimize their electricity usage. Tenants can track energy consumption in their premises, compare performance year-on-year, monitor KPIs, and conduct ESG reporting, enabling them to better understand their energy impact and identify opportunities for improvement. Additionally, the platform allows participating tenants to view landlord electricity data, fostering transparency and collaboration. By empowering tenants with data generating actionable insights and encouraging them to adopt energy-saving measures, this innovative platform may help reduce tenant-related energy consumption. We hope the platform will help strengthen our partnership with tenants as we pursue our shared sustainability goals to reduce emissions across our properties.

Study on Reducing Cooling Emissions (Scope 1)



The high global warming potential (GWP) of conventional refrigerant gases significantly contributes to global greenhouse gas emissions. When selecting refrigerants, we consider both their GWP and ozone depletion potential. At the Grand Hyatt Kunming Hotel, we adopted an energy-efficient and environmentally friendly refrigerant (R-514A) in the chiller units. In addition to prioritizing low-GWP refrigerants in our projects, we also check for leaks during monthly air-conditioning maintenance. An emergency preparedness plan is also in place to handle refrigerant leakage incidents.

In 2024, we launched a collaboration with the Carbon Containment Lab (CCL), a research and educational non-profit organization that recently spun out of Yale University, to undertake a study of Lifecycle Refrigerant Management (LRM). In this project – which includes several other partners – we are examining the opportunities and challenges in reducing cooling emissions within commercial real estate in Asia. The research aims to identify and assess innovative options for enhancing LRM in the real estate sector.

CCL is conducting interviews with key stakeholders in the commercial property sector, as well as those connected to it, such as original equipment manufacturers (OEMs) and standard-setters. Their valuable insights will help us and other project stakeholders to better understand the current landscape. The project will also identify levers for emissions reduction through emissions modelling and offer

recommendations for green building certifications and standards.

EV Charging Strategy

	Status
2025 Target Wherever feasible exceed local regulations for the provision of parking spaces installed with EV charging facilities across our portfolio	On track 
2024 KPI Further develop our EV charging plan across 100% of our portfolio	Completed 

We support the development of green transportation and encourage the use of electric vehicles (EVs) by expanding EV charging infrastructure across our mainland China and Hong Kong portfolios. In 2022, we studied regulatory trends and developed a plan to increase the availability of EV parking spaces. The study also included a comprehensive review of EV charging infrastructure across our portfolio.

In mainland China, a total of 313 EV chargers are currently operational across all properties, including 74 new EV chargers installed in 2024 in Shanghai Grand Gateway 66, two in Shenyang Palace 66, two in Jinan Parc 66 and three in Tianjin Riverside 66. For the upcoming Westlake 66 project in Hangzhou, we have planned an additional 282 new EV chargers to meet the growing demand.

In Hong Kong, we have 45 EV chargers operational across various properties. In October 2024, we partnered with Shell to install and activate four new superfast 60kW chargers at Hang Tung Building, further enhancing charging efficiency for EV users. We aim to expand EV charging facilities across our portfolio, recognizing that the building sector has an important role to play in supporting the broader adoption of cleaner transportation.



Carbon Pricing Analysis

We expect that carbon pricing will increasingly impact the real estate sector in the coming years. Since 2021, we have closely monitored carbon pricing mechanisms that may influence our operations and financial performance.

In 2021, we conducted an initial carbon pricing analysis with projections extending to 2030. Building on this first effort, in 2022 and 2023, we performed an enhanced scenario analysis, expanding our projections to 2050. This updated analysis incorporated China-specific policies and plans, including the country's Emissions Trading Scheme (ETS), to provide a more comprehensive understanding of the potential implications for our business.

As part of our 2023 scenario analysis, we utilized carbon prices from six scenarios developed by the Network for Greening the Financial System (NGFS):

- Net Zero 2050
- Divergent Net Zero
- Below 2°C
- Delayed Transition
- Nationally Determined Contributions (NDC)
- Current Policies

These scenarios were applied to our emissions under both Business-as-Usual (BAU) and Science-Based Target (SBT) pathways, enabling us to estimate potential carbon costs in 2030 and 2050.

- 2030 Carbon Costs: Under BAU, projected carbon costs across the four most ambitious NGFS scenarios range from HKD 63 million to HKD 1 billion.
- 2050 Carbon Costs: Under BAU, these costs are projected to increase significantly, ranging from HKD 969 million to HKD 14 billion.

By achieving our Science-Based Targets (SBTs), we could significantly reduce these potential costs:

- In 2030, achieving our SBTs could reduce potential carbon costs by an average of 47% compared to BAU.
- By 2050, the reduction could reach 95%, demonstrating the financial value of aligning with global climate goals.

The details of this scenario analysis and its findings were disclosed in our [Sustainability Report 2022](#).

In 2024 we also had discussions with construction sector stakeholders on the potential impact of the ETS and the European Union's Carbon Border Adjustment Mechanism (CBAM) on commodity prices and decarbonization trajectories in China.

Internal Carbon Pricing

We view internal carbon pricing (ICP) as a strategic tool to manage climate-related risks, support the low-carbon transition, and prepare for future carbon regulations. Using shadow pricing, a hypothetical cost is applied to carbon emissions to evaluate their financial and environmental impacts on investments and operations. The shadow price is designed to escalate over time, with a modest increase up to 2030 based on anticipated carbon pricing in China and a steeper rise after 2030, reflecting internationally recognized climate scenarios.

In 2023, we conducted a stakeholder engagement process to determine appropriate carbon price levels and introduced the ICP mechanism to our business activities. We began piloting ICP in decarbonization projects such as renewable energy procurement, using shadow pricing to assess the sensitivity of decisions to future carbon costs. These pilot projects allow us to validate the approach and refine its application before scaling ICP across more business areas, ensuring that carbon-related risks and opportunities are effectively integrated into our decision-making processes.

Looking ahead, we expect that ICP will be a helpful tool in supporting our investments in low-carbon technologies, as well as our efforts to improve operational efficiencies.

Collaboration with Institutions

In 2010, we partnered with Tsinghua University to establish The Hang Lung Center for Real Estate (HLCRE), laying the groundwork for advancing knowledge in the field. Building on this partnership, the two parties launched the 'Sustainable Real Estate Scheme' in 2023 to support innovative academic research by Tsinghua University faculty and postgraduates. This initiative focuses on addressing industry challenges, identifying decarbonization opportunities, and driving progress in sustainability, reflecting a shared commitment to advancing sustainable practices in the real estate sector.

In 2024, the second annual 'Real Estate Sustainability Forum' was successfully held at Tsinghua University, showcasing the outcomes of ten research initiatives aligned with Hang Lung's sustainability priorities, including climate change mitigation, embodied carbon reduction, and resource management. The forum attracted over 3,000 participants from various sectors, highlighting widespread engagement and growing interest in sustainable real estate development within the community.



➤ Next Steps

- We will continue to monitor the evolving regulatory environment and carbon pricing mechanisms, particularly as China's ETS expands its sector coverage. Our carbon pricing scenario analysis and ICP tool will be updated periodically to reflect these developments, ensuring our analysis remains aligned with future policy changes and market conditions. This proactive approach will help us manage climate-related risks and opportunities.
- We will discuss [Our Journey to Net Zero](#) paper with multiple stakeholders in 2025 to obtain their feedback and identify further opportunities for collaboration.
- On the project to study potential emissions reductions from effective LRM and cooling technologies, CCL will lead the publication of a white paper before the end of 2025, highlighting more sustainable practices that can be adopted widely across the sector. Hang Lung will closely review the project findings and recommendations and consider potential enhancements to our own practices.

RESOURCE MANAGEMENT

Optimize use and
management of natural
resources and promote
circularity

Relevant GRI Disclosure
302 (2016), 303 (2018),
304 (2016), 306 (2020)



RESOURCE MANAGEMENT



We share limited resources with our community and the planet. Like many other companies around the world, our consumption behavior has been linear for the past few decades. We recognize the need to adopt a more circular approach in the design, construction, operation, and disassembly of our buildings and cities. Transitioning to a circular built environment and economy will take time and require collaboration with like-minded partners.

We have developed a Resource Management Plan with specific measures to be implemented by the end of 2025, as well as various initiatives that we will develop further in the years ahead.

2024 Performance Highlights



19% reduction in electricity intensity in 2024 as compared to 2018



12% reduction in water intensity in 2024 as compared to 2018



62% waste diversion rate in 2024

Our Approach

Effective resource management is a cornerstone of our sustainability strategy, guiding our efforts across Hong Kong and mainland China in energy consumption, water use, waste management and recycling, and biodiversity conservation. Energy is primarily used for heating and cooling, major plants and equipment, and lighting, while water is crucial for energy and fire services systems, landscaping, and hygiene facilities for workers, tenants, and customers. Waste and wastewater are generated from both operational activities and construction sites. We have 2025 and 2030 targets related to energy, water, waste, recycling and circularity. We are also increasingly focused on minimizing our negative impacts on nature and biodiversity. Additionally, we remain alert to ecosystem threats such as habitat loss, invasive species, and pollution, while implementing innovative solutions and partnerships to meet our goals.

To guide our efforts, we have reviewed historical data, analyzed current and future trends, and conducted feasibility studies to identify focus areas for energy, water, waste, and biodiversity management. By 2030, we aim to contribute meaningful progress toward a regenerative circular economy, collaborating with like-minded stakeholders to achieve significant improvements in resource efficiency and environmental stewardship. This chapter outlines the initiatives we have undertaken to manage resources during project development and operations, demonstrating how we meet and exceed our annual KPIs, as we work to be a responsible steward of the environment and a leader in sustainable practices.

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

2030 Goal
Accelerate the transition to a circular economy by minimizing resource consumption and maximizing recycling

2025 Targets



<p>Construction Waste</p> <p>60% of construction waste diverted from landfill for new projects starting in 2022 with maximized recycling</p> 	<p>Operational Water Use</p> <p>10% reduction in water intensity (m³/m²/year) relative to 2018</p> 
<p>Operational Waste</p> <p>70% of operational waste diverted from landfill</p> 	<p>Construction Material Use</p> <p>Demonstrate best efforts to maximize the use of recycled, reused and bio-based materials in all new projects</p> 



Energy Management

As a building operator aiming for net zero emissions by 2050, energy management is crucial to our sustainability efforts. Given the significant impact of energy consumption on both the environment and operating costs, we recognize the necessity of proactively managing our energy usage. Through a combination of strategic initiatives, technological investments, and operational best practices, we endeavor to optimize energy consumption across our facilities, reduce energy-related pollution, and enhance overall energy efficiency.

Our Approach

	Status
2025 Target 18% cumulative reduction in electricity intensity (kWh/m ²) relative to 2018	On track 
2024 KPI Meet or exceed 16% cumulative reduction in electricity intensity (kWh/m ²) relative to 2018	Completed 

Our Sustainability Policy describes our strategy for enhancing energy efficiency through the implementation of an energy management program across all properties. This program encompasses the adoption of innovative technologies, the upgrade and replacement of equipment, retro-commissioning for core properties, and initiatives to promote more responsible and mindful consumption. Over the years we have effectively implemented a series of strategic initiatives to manage our energy consumption:

Energy Efficiency Upgrades: We have invested in energy-efficient technologies and infrastructure upgrades across our properties, such as installing energy-efficient lighting systems, HVAC systems, and intelligent building controls to optimize energy usage and reduce wastage. Examples include: an air-conditioning system retrofit at Center 66, which is expected to save about 0.96 million kWh of electricity every year; a chiller plant optimization project at Plaza 66 which is expected to save 1.98 million kWh every year; the replacement of two cooling towers at Palace 66, expected to save 0.15 million kWh each year; the replacement of three ventilation fans with more efficient EC fan motors at Olympia 66, expected to save

3,000 kWh electricity each year; the completion of chiller plant upgrading works for Kornhill Plaza and Hollywood Plaza, expected to save 1.7 million kWh each year; and a chiller plant control system upgrade of Hollywood Plaza, Amoy Plaza, Kornhill Apartment and Gala Place, which is expected to save 1.15 million kWh every year.

Renewable Energy: To reduce reliance on fossil fuels and lower carbon emissions, we have installed renewable energy sources such as solar panels and ground source heat pumps in our buildings. By generating clean energy on site, the Group contributes to a more sustainable energy mix. Eight Mainland properties have adopted on-site solar panel systems that generated around 600 MWh per year; and three Mainland properties have installed ground source heat pumps technologies, significantly reduced the heating consumption purchased from municipal heating, and our Westlake 66 project will also have a ground energy system for hotel heating water supply, expected to save 69 tonnes CO₂e emissions every year.

Energy Monitoring and Management: We utilize advanced energy monitoring systems to track energy consumption patterns in real time. By analyzing data from these systems, we can identify areas of high energy usage and implement targeted strategies for optimization. Internally, we have established property-based energy KPIs and review their progress on a regularly basis.

Employee Engagement Programs: We recognize the importance of employee involvement in our sustainability efforts. To that end, we have implemented awareness campaigns and training programs to educate staff on energy conservation practices. We are also planning more technical training workshops on energy management and efficiency targeting facility management colleagues to be delivered by September 2025. By fostering a sustainability culture within the organization, employees are empowered to contribute to energy-saving initiatives.



Green Building Certifications: we actively work towards achieving green building certifications such as LEED (Leadership in Energy and Environmental Design) and BEAM Plus to ensure our properties meet stringent sustainability standards. By seeking to meet or exceed certification requirements, we demonstrate our commitment to sustainable building practices. For a list of our properties that have received green building certifications, please refer to [Appendix 4](#).

Collaboration with Stakeholders: we collaborate with tenants, suppliers, and local communities to promote energy efficiency and sustainability efforts. Through partnerships (e.g. our Changemakers Program) and engagement initiatives, we work towards shared sustainability goals, provide data and benchmarking information, and foster a collective commitment to reducing environmental impacts.

Continual Improvement and Innovation: we remain dedicated to continual improvement in energy management practices. We regularly evaluate new technologies, strategies, and best practices to enhance energy efficiency, reduce operational costs, and minimize our carbon footprint.

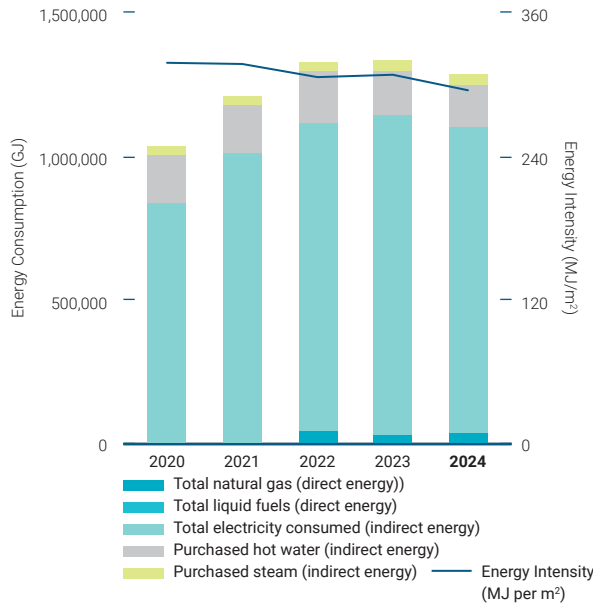


We participated in the ReThink HK Conference 2024 – “The Great Debate” on Hong Kong Achieving Carbon Neutrality by 2050

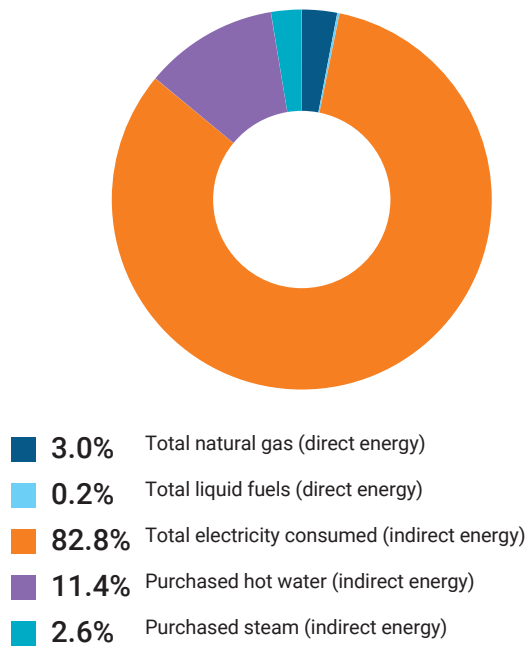
Electricity is the primary source of energy used in our portfolio, accounting for approximately 83% of our energy consumption in 2024. We primarily rely on electricity to operate our HVAC systems, lighting, elevators, escalators, and other facilities. Some of our properties in mainland China, such as Forum 66, Parc 66, Olympia 66, Riverside 66, and Center 66, receive hot water or steam from municipal heating suppliers during the winter months. However, Palace 66 in Shenyang is self-sufficient, utilizing an on-site ground source heat pump system, which eliminates the need for hot water from municipal heating companies during winter.

We closely monitor our energy usage to ensure we optimize energy efficiency and performance, and we are developing portfolio-wide and asset-specific energy use intensity and electricity intensity targets through benchmarking and consideration of equipment replacement plans. In 2024, the Group’s total energy consumption was 1,287,473 GJ and overall energy intensity performance stood at 295 GJ/m².

Energy Consumption and Energy Intensity Trend (2020-2024)



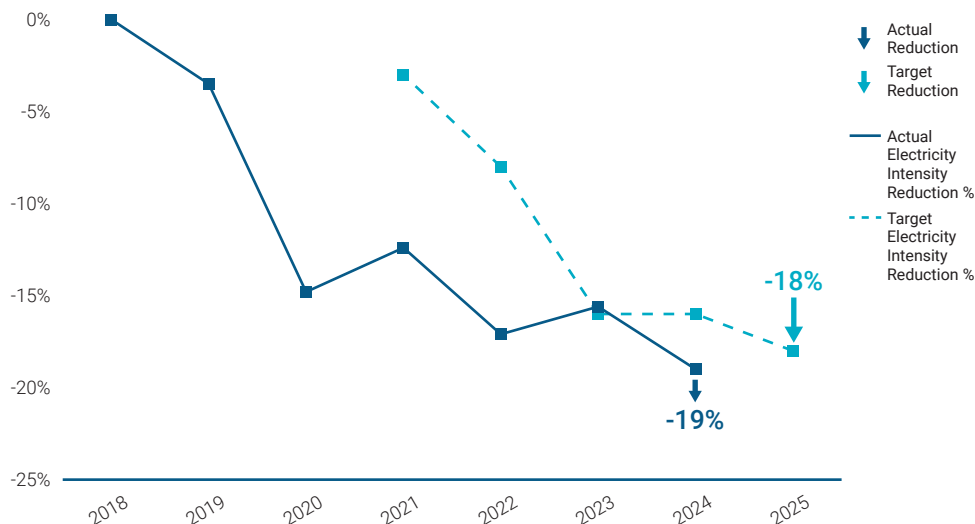
Breakdown of Energy Consumption by Energy Type in 2024



Electricity Use Data Review

Our electricity intensity in 2024 saw a 19% reduction compared with our 2018 baseline, exceeding our 2024 KPI of 16%, and our 2025 target of 18%.

Electricity Intensity Reduction Trajectory for 2018 - 2025^{1,2}



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

² Calculation boundary: We conducted a normalization study in 2024 to review our energy saving progress with and without consideration of factors that are outside our operational control (i.e., the effects of the COVID-19 pandemic, weather, footfall, the occupancy rate, tenant requests for additional air-conditioning or lighting consumption, etc.) from 2018 to 2023. From this analysis, we have a deeper understanding of the impact of the external environment on our electricity consumption, and how we can improve our energy and data management accordingly. The calculation boundary of our electricity intensity is consistent with our GHG intensity calculation.

Energy Saving Initiatives Updates

The section below highlights our major energy-saving initiatives in 2024.

Retro-commissioning Projects

Retro-commissioning (RCx) involves assessing the energy performance of building systems to identify potential operational improvements that could restore and improve building energy efficiency and reduce energy costs. Between 2022 and 2024, we conducted RCx reviews for all our Mainland properties and ten Hong Kong properties. Based on the study findings, we completed a total of 20 RCx retrofits projects across our portfolio (10 on the Mainland, 10 in Hong Kong). The adoption of operational improvement measures has resulted in annual savings of approximately 2.34 million kWh (1.8 million kWh on the Mainland and 0.54 million kWh in Hong Kong).

With the completion of improvement works, we also conducted on-site technical inspections for 21 buildings in Hong Kong to monitor our operational performance, ensure that equipment and systems are functioning as intended, and to identify any efficiency improvement opportunities.

HVAC Systems Upgrade

In 2024, with some projects continuing into 2025, we continued to advance our energy efficiency efforts through significant HVAC system upgrades and energy retrofits across our portfolio. Key projects include the replacement of cooling towers at Palace 66 and chiller plant upgrades at Plaza 66 in Shanghai and Grand Gateway 66 Mall in Shanghai. Additionally, we replaced chillers at a few properties in Hong Kong including Kornhill Plaza and Hollywood Plaza. These upgrades are critical for enhancing energy efficiency, reducing carbon emissions, and optimizing operational performance.

Participation in Energy Ratings and Charters

Many of our properties in Hong Kong participate in energy saving schemes organized by the Hong Kong government and NGOs. Please refer to [Appendix 2 - Memberships, Charters and External Recognitions](#) for the full list.

Participation in third-party certifications or ratings allows us to benchmark ourselves against other companies in the region and identify potential energy saving opportunities through relevant comparisons with industry peers.

Energy-efficient Design and Development Projects

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

Water and Circularity

Drought is threatening people's livelihoods around the world. The demand for water, a limited resource, is increasing, and climate change is exacerbating water scarcity. We regularly assess our vulnerability to water stress to monitor the risk of potential shortages.

Since water is essential for human life, its price is kept low. However, this low pricing often makes it challenging to encourage people to prioritize water conservation. Mindful of this issue, we are seeking practical solutions to promote water savings and protect our water resources.

Our Approach

	Status
2025 Target	On track
10% reduction in water intensity (m ³ /m ² /year) relative to 2018	
2024 KPI	Completed
Apply water saving measures in at least two Hong Kong properties	
Have water recycling systems in use in at least six Mainland properties by the end of 2024	Completed

Our water usage primarily serves domestic purposes, such as toilet flushing and hand washing in public areas, as well as process-related needs, including cooling for comfort and fire protection. Tenant water use in their individual areas is addressed in [Tenant Partnerships](#) section.

As part of our efforts to develop the 2023-2025 Resource Management Plan, we analyzed our water consumption patterns and practices across our portfolio. This analysis also considered the current status and future trends related to water stress in various locations.

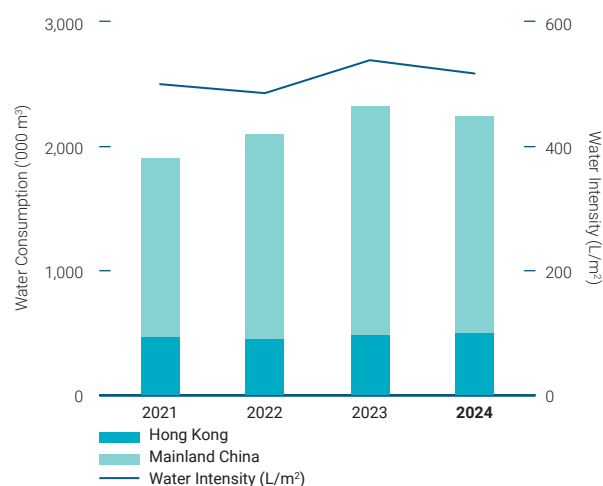
For our near-term water reduction strategies, the Plan emphasizes the widespread adoption of water-saving devices and exploring opportunities for water circularity in selected properties. Additionally, we are looking into innovative solutions to enhance our water fixtures and processes. Our goal is to achieve a 10% reduction in water intensity by 2025, compared to our 2018 levels.

Water Use Data Review

Our total water consumption in 2024 was 2.26 million m³, a 3.5% decrease as compared to 2023. The water intensity of 2024 was 0.52 m³/m², a 12.2% decrease from our 2018 baseline.

In Hong Kong, we consumed 0.52 million m³ of water in 2024, a 3.6% increase compared to 2023. In mainland China, water consumption decreased in 2024 by 5.5%, with total consumption of 1.74 million m³. The decreases in mainland China are primarily due to various water saving initiatives. The increment in our Hong Kong consumption is due to the addition of one property and a higher occupancy rate.

Water Consumption and Water Intensity Trend (2021-2024)



Water Saving Initiatives

Water Recycling Pilots

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

In 2024, we implemented fire service system water recycling at Olympia 66. As of 2024, a total of six properties on the Mainland (Grand Gateway 66, Parc 66, Center 66, Olympia 66, Spring City 66, and Heartland 66) have installed water recycling systems, and the total amount of recycled water for these properties in 2024 was 69,634 m³.

For our Hong Kong portfolio, we have explored water recycling opportunities for properties that use potable water for toilet flushing systems (instead of the seawater flushing system, which serves about 85% of the total population in Hong Kong). The properties that use potable water contribute disproportionately to higher water consumption in our portfolio. Following best practices from our Mainland properties, we completed a study to identify the opportunity to recycle air conditioning condensate water from air handling units for use as flushing water at one of our properties in Hong Kong. We will consider implementing this water recycling initiative when appropriate.

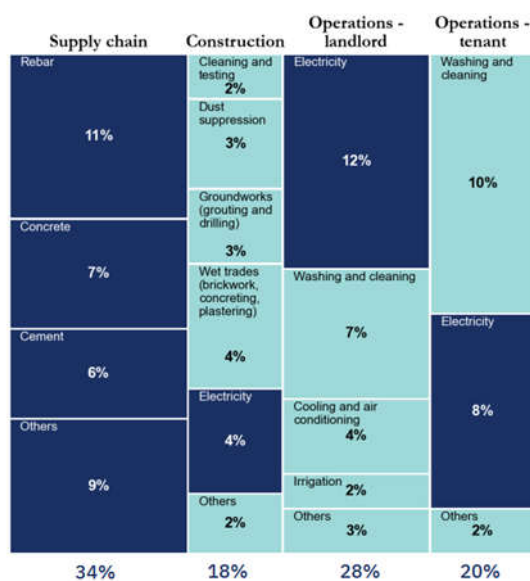
Water Restrictors

We continued to prioritize the application of highly efficient water restrictors in water faucets to reduce water consumption while not sacrificing the customer experience of water pressure. In Hong Kong, three of our properties installed water restrictors on their faucets in February 2024 and achieved water savings of approximately 672m³.

One of the biggest challenges we identified for operational water savings is the low price of water in Hong Kong, which results in a low return on investment. In 2025, we plan to explore local government initiatives in mainland China for water saving and recycling incentives, and we will pursue relevant opportunities to further enhance our water-saving initiatives.

Embodied Water Study

In 2024, we conducted a water materiality mapping study to gain a preliminary understanding of our 'embodied water' use, i.e. our indirect water use across our entire value chain. The study revealed that, over a 20-year period within the life cycle of a typical commercial building within our portfolio, approximately 52% of total water withdrawal is occurs in the upstream value chain through supplies and construction, 28% in operations including operational water and electricity consumption's embodied water), and the remaining 20% is in our downstream value chain primarily in tenants' water use, including water and electricity consumption's embodied water.



Value chain water footprint mapping

The findings indicate that substantial water savings from indirect water use can be achieved by adopting less water-intensive materials. Specifically, the three most water-intensive materials in our value chain—steel, concrete, and cement—offer significant opportunities for potential water savings.

As a next step in 2025, we plan to pilot water footprint accounting for key construction materials, enabling us to extend the study with greater specificity and granularity. This initiative will lay the foundation for value chain water accounting and aligning our analyses with Science Based Targets Network (SBTN) frameworks, advancing our commitment to water efficiency and sustainable resource management.

Waste and Circularity

Around the world, waste generation rates are rising, especially in urban areas. Public awareness and regulatory requirements in Hong Kong and other cities in mainland China concerning waste management are increasing. Important new legislation took effect in Hong Kong in 2024, banning disposable plastic tableware and other single use plastic products. As an owner and operator of commercial real estate, providing adequate facilities and implementing robust programs to support our tenants and visitors in waste reduction practices has become a growing priority for us.

In addition, by applying circular principles to procurement decisions and the design, construction and operations of buildings, we are able to reduce pollution and waste. This approach also decreases our reliance on virgin raw materials, reduces our negative impact on the planet, and enhances our resilience to potential supply chain disruptions.

Our Approach

	Status
2025 Target	On track
70% of operational waste diverted from landfill	
2024 KPI	Completed
Improve recycling rate for Hong Kong properties by engaging tenants and customers through at least two reduce and recycle initiatives in operations in Hong Kong	

The typical waste generated from our properties includes waste from operations and tenants, as well as construction waste from renovation projects. At many of our properties, we collect and segregate materials such as paper, plastic, glass, metal, aluminum, stainless steel, clothing, rechargeable batteries and waste electrical and electronic equipment (WEEE) from the general waste stream for recycling. A small amount of hazardous waste, such as mercury-containing fluorescent tubes and clinical waste, is collected by qualified waste collectors for proper handling locally in both Hong Kong and mainland China. Food wastes collected from our tenants at our properties in mainland China and selected

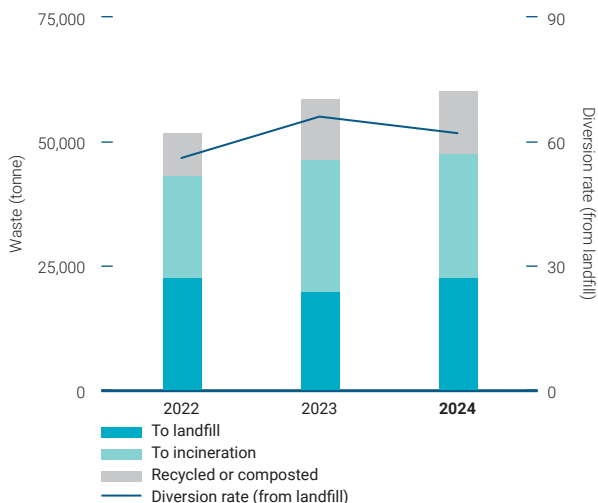
locations in Hong Kong are delivered to the municipal treatment facilities for turning into compost.

The Group's Resource Management Plan identified high-priority areas to help us meet or exceed our waste diversion target by 2025. After reviewing our current waste disposal and diversion practices, we determined that our primary focus should be on increasing the recycling rate at our properties in Hong Kong, with a particular focus on food waste. We also determined that we should verify and validate waste and recycling data from our operations and contractors.

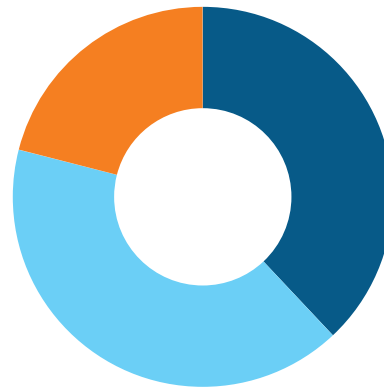
Operational Waste Data Review

We collect and track our waste and recycling data monthly our major properties. In 2024, we recorded 60,460 tonnes of municipal waste, with 37,606 tonnes recycled or incinerated, while the rest was sent to landfill. We began reporting our municipal waste destined for incineration in 2022, in line with the urban domestic waste classification and treatment plan released by the National Development and Reform Commission and the Ministry of Housing and Urban-Rural Development of the PRC in 2021. Considering both incineration and recycling efforts, our diversion rate for 2024 stands at 62%, representing a slight decrease from the previous year, largely due to the rise in occupancy rate and the addition of one property in Hong Kong, since diversion is lower in Hong Kong than in mainland China.

Operational Waste Disposal and Diversion Trend (2022-2024)



Operational Waste by Treatment Type in 2024



- 38%** To landfill
- 41%** To incineration
- 21%** Recycled/composed

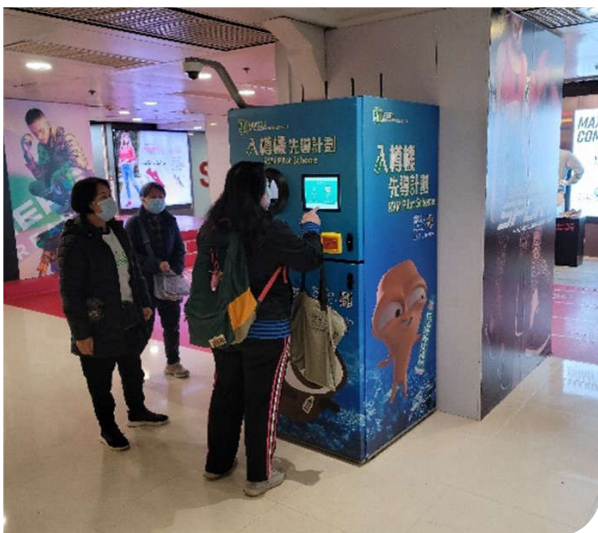
Operational Waste Initiatives

	Status
2025 Target	On track
70% of operational waste diverted from landfill	➔➔
2024 KPI	Completed
Explore at least two innovative solutions to improve waste data reporting and circularity	✓
Improve source separation for Mainland properties by engaging tenants through at least one reduce and recycle initiative in Mainland operations	✓

Smart Recycling Facilities

In 2024, we partnered with the Environmental Protection Department (EPD) to launch two innovative recycling initiatives in Hong Kong, aimed at promoting waste recycling and advancing circularity.

The first initiative, a Plastic Bottle Reverse Vending Machine, was introduced at Amoy Plaza in January 2024. To date, this machine has collected over 1,500 kg of plastic bottles, encouraging responsible disposal practices and significantly contributing to plastic waste avoidance.



The second initiative, a Smart Recycling Bin, was deployed at Peak Galleria in November 2024. This advanced bin is designed to enhance recycling efforts by accepting multiple types of materials, including paper, plastic bottles, metal, and glass bottles.

Food Waste Recycling

Food waste remains a significant part of our municipal waste streams, and we are working to address this issue through effective recycling initiatives and engaging our tenants. In Hong Kong, two of our properties provide tenants with free food waste collection services.

In 2024, we partnered with a local NGO to offer food waste separation and collection consultancy services to our food and beverage (F&B) tenants at these properties. This initiative aims to help tenants enhance their food waste management practices with tailored and practical advice, so they can implement food waste separation and recycling through our on-site collection services.

Additionally, we are exploring the feasibility of extending food waste collection services to more properties in Hong Kong.

Food Packaging Waste Recycling Initiative Pilot

Food packaging waste has become a significant environmental issue due to its high volume, low recycling rates, and contribution to pollution, especially with the rise of single-use plastics and food delivery services.

In 2024, we launched a food packaging waste recycling pilot initiative at Plaza 66, Shanghai, which ran for five weeks with participation from five selected tenants,



including four office tenants and one retail tenant.

The pilot aimed to address the increasing volume of food delivery waste found in municipal waste streams, which is often not categorized as recyclable due to its low value.

During the pilot, a total of 169 kg of used food packaging waste was collected and processed for recycling. In this study, we observed that for food waste packaging to be recycled, waste must be separated properly at source, as well as managed along the downstream value chain. We will continue to explore opportunities to improve food packaging waste recycling.

Participation in Waste Charters

We actively engage in local initiatives to benchmark our waste management practices against industry standards. In Hong Kong, 19 of our properties have received the WastewiSe certificate by the Hong Kong Green Organisation. This certification scheme recognizes companies' commitment and efforts in environmental protection through waste reduction and recycling.

Additionally, one of our Hong Kong property management companies became a signatory to the Environmental Protection Department's Carbon Neutrality (Waste Reduction) Charter ([Waste Reduction and Recycling Charter | Waste Reduction](#)) in 2024.

Recycling Promotion Programs

Promoting recycling among our tenants, customers, and the broader community is essential for minimizing landfill waste. In 2024, we had recycling promotion

programs in two key waste categories: packaged food and items generated during festive periods.

In 2024, we successfully diverted over 1.9 tonnes of packaged food and 478 packs of mooncake through our partnership with Food Angel. Additionally, we collected more than 33 kg of used mooncake boxes in collaboration with Maxim's, and gathered approximately 1.7 tonnes of red packets with the help of Greeners Action.

Promoting Circularity our Hong Kong Headquarters

We are taking action to reduce the waste generated and sent to landfill from our offices. During 2023-2024, we undertook a major rejuvenation project at our Hong Kong offices, in order to enhance wellness, engagement, and a collaborative culture. Please read more details in the case study below.

CASE STUDY

Circularity and Sustainability Prioritized in the Renovation of our Hong Kong Offices

In 2021, Hang Lung launched its Hong Kong Office Rejuvenation Project to redefine our workspace, based on four main principles: “One Team One Location,” “Foster Collaboration,” “Care about People,” and “Sustainability.” The makeovers at our two main offices in Central’s Standard Chartered Bank Building and Mong Kok’s Gala Place are now complete.

With sustainability as a guiding principle, the rejuvenation project made use of durable and high-quality materials. Repurposed and upcycled materials feature in various parts of the office. Co-designed by Hong Kong Timber Bank, a local environmental startup, and Oval Partnership, reception counters at the two offices are sculpted out of discarded wood, with the one at Standard Chartered Bank Building made from a 400-year-old camphor tree that was uprooted during a typhoon and the other one from a collapsed 100-year-old banyan tree. Other repurposed materials used include washroom tiles made from disposed of ceramic parts from Jingdezhen kilns, the Atrium counter clad with reclaimed wood from Gala Place’s rooftop, recycled boat timber used for the Boardroom conference table, and upcycled carpet products. We also applied sustainable or red-list-free¹ materials, such as flooring and ceilings, throughout the office’s interior design.

Collaborating with a green startup, Sustainable Office Solutions, we saved old office furniture

and electronics from going to landfill through reusing, recycling, donating, and staff-take-home programs. The collective weight of these items was over 180 tonnes, equivalent to 603 tonnes of carbon emissions. This partnership was also recognized as one of the Finalists at the 2024 Shared Value Awards by Shared Value Project and Shared Value Initiative Hong Kong.

Partly because our design and procurement process prioritized materials with recycled, reused, and upcycled elements, we also achieved positive outcomes in GIGA’s RESET assessment of our office renovations. Based on a lifecycle analysis of our materials applied in the renovation, we obtained higher than average scores in carbon and circularity, and an exceptionally high score in health.



¹ [Red List](#) is a list of chemicals representing the “worst in class” substances prevalent in the building industry that pose serious risks to human health and the environment.

Construction Waste and Circularity

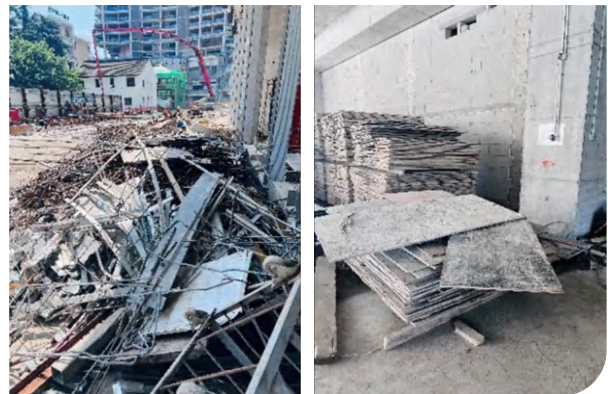
	Status
2025 Target 60% of construction waste diverted from landfill for new projects starting in 2022 with maximized recycling	On track 
2024 KPI Complete one construction waste audit in one of the Mainland development projects	Completed 

Effective construction waste management is crucial for enhancing the sustainability of the construction industry. China generates the highest amount of construction waste emissions in the world. Construction and demolition waste (CDW) constitutes approximately 40% of the total mass of solid municipal waste produced in China. There is also increasing awareness among stakeholders regarding the importance of boosting recycling efforts in this sector.

Our [Sustainability Policy](#) delineates the goals, targets and requirements for construction waste and demolition management across all development projects. We also have a 2025 target to divert 60% of construction waste from landfill for new projects starting in 2022, including as much recycling as possible. In the past few years, we have implemented a series of initiatives to ensure effective management of construction and demolition waste:

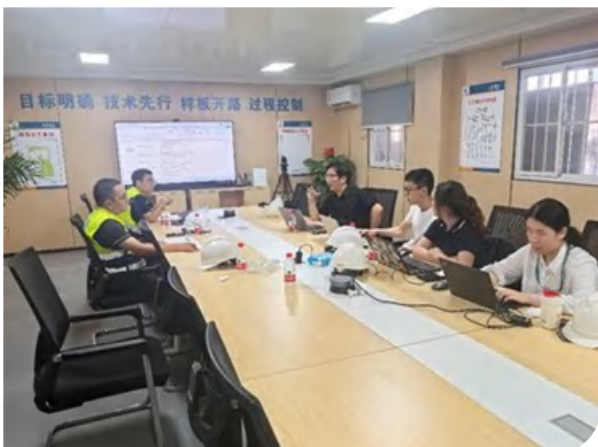
Tailored Waste Management Plans: For every development project, we formulate project-specific waste management plans. These plans, an integral part of the overall project construction plan, incorporate waste reduction and recycling targets. They not only enable us to fulfill corporate targets but also requirements for green building certifications such as LEED and BEAM Plus.

Rigorous On-site Waste Separation and Sorting: In strict compliance with local market regulations, all our development projects have implemented construction and demolition waste separation and on-site sorting practices. Each project is equipped with dedicated on-site sorting areas designated for specific types of construction waste including timber, metal, gypsum board and general construction waste. In 2024, our total diversion rate was 92% and our recycling rate was 85%.



On-site sorting location for construction waste (steel, gypsum board and timber) at Westlake 66

We conduct regular reviews of the on-site waste management performance of our development projects. In 2024, we completed a comprehensive review of 100% of our development projects' construction waste data and recycling records. In addition, an independent consultant specialized in waste management conducted site visits and interviews with our two main contractors at the Westlake 66 development project in Hangzhou. This process enabled us to review and correct data, verify and refine on-site waste recycling practices, and gain a deeper understanding of downstream recycling practices and rates.



Waste Management Site Interview with our two main contractors at the Westlake 66 development project in Hangzhou

Empower stakeholders for effective waste management:

We engage with our stakeholders to minimize construction and demolition waste, increase the recycling rate, and promote circularity throughout the entire construction and development process. Through a well-structured training program, the workforce and contractors for all development projects are educated on waste management techniques. We encourage contractors to recover and recycle building materials such as concrete and gypsum board from on-site waste management, thereby fostering a culture of resource conservation within the project teams.

Continual improvement: In 2024, we studied the latest regulations on construction waste management in mainland China and Hong Kong. This comprehensive study helped us to refine our waste management practices and enhance waste data reporting. In 2025, we will build on our construction audit and interview findings to make further improvements in our practices.

Our [Sustainable Procurement Policy](#) is a cornerstone of our strategy to drive the built environment toward a circular economy. By encouraging the use of recycled, reused and bio-based materials, we aim to reduce waste, lower embodied carbon and create a more sustainable construction ecosystem. This policy supports more responsible material sourcing and resource efficiency in the industry.

Status	
<p>2025 Target</p> <p>Demonstrate best efforts to maximize the use of recycled, reused and bio-based materials on all new projects</p>	<p>On track</p>
<p>2024 KPI</p> <p>Improve construction and renovation waste source sorting, recycling and circularity and identify at least one pilot waste stream for upcycling</p>	<p>Completed</p>

Design Improvement and Material Innovation:

In 2024, we prioritized design improvements and material circularity, collaborating with Arup on the Westlake 66 project, as discussed in the circularity design adoption section. In addition, we have also recycled waste concrete. A life cycle assessment showed that low carbon recycled concrete aggregate (RCA) cuts emissions compared to traditional aggregate. Working with CLEANCO2, we converted 100 tonnes of waste concrete from Westlake 66 into low-carbon RCA through carbon dioxide mineralization. This recycled material was used to create low carbon concrete bricks for the project landscaping, reducing embodied carbon by over 87.5% compared to traditional shale bricks and highlighting the potential for circular practices in construction.



CLEANCO2 low carbon concrete brick made from the low carbon recycled concrete aggregate in Westlake 66

Partnership on Recycling and Circularity: In 2024, we partnered with Knauf and Saint-Gobain, two leading gypsum board manufacturers, alongside our innovation partner TRASHAUS, to pilot gypsum board recycling in two projects. This initiative aims to close the loop on gypsum waste by transforming it into new materials, reducing landfill dependency, and lowering the carbon footprint of our projects. For further details, please refer to [Operational Supplier Management](#) in the Sustainable Transactions chapter.

Adopt Circularity in Design

Design improvements that promote building efficiency and material circularity are critical for reducing carbon and waste and managing nature-related risks and opportunities at the project level. In 2024, we partnered with Arup to explore circular design strategies for the Westlake 66 project. As part of this collaboration, a feasibility workshop was conducted using the [Circular Buildings Toolkit](#)—co-developed by Arup and the Ellen MacArthur Foundation (EMF)—to evaluate circular design strategies across multiple disciplines, including:

- Architecture
- Structure
- Façade
- MEP (Mechanical, Electrical, and Plumbing)
- Interior Design

This thorough review identified 11 design strategies and over 100 actionable measures for both the core and shell as well as the interior design of Westlake 66. The project has adopted the following strategies to a limited extent:

- Refuse unnecessary new construction (e.g., Reuse, renovate or repurpose an existing asset)
- Design for disassembly and longevity
- Avoid nature-to-urban land conversion
- Design for nature

The circularity study at Westlake 66 sets a benchmark for incorporating circular design principles into large-scale developments, and we will look to expand the application of strategies and measures in our future projects.

Building on our lessons learned from this initial effort, we are developing Sustainability Design Guidelines to integrate circularity into future projects. Scheduled for completion in 2025, the guidelines will establish a framework for designing and operating buildings with circularity as a guiding principle, aspiring towards consistency and scalability across upcoming developments.

Biodiversity

Our Approach

We recognize the potential for nature and biodiversity loss in the construction and operation of our properties as a result of changes in land use, greenhouse gas emissions, solid waste generation, and water use.

We are stepping up our efforts to promote and conserve natural habitats and biodiversity through responsible planning and design as well as procurement practices favoring products and raw materials from sustainable sources and with lower ecological footprints.

Following the publication of the Taskforce on Nature-Related Financial Disclosures (TNFD) recommendations in September 2023, which provides a global framework for organizations to report on nature-related dependencies, impacts, risks, and opportunities, we joined as one of the TNFD adopters. We conducted analyses in 2024 according to the recommended approaches and offer our first TNFD responses in this report – please see [Appendix 8](#).

We acknowledge that our economic activities impact nature, and the health and resilience of nature and its biodiversity are prerequisites for the prosperity and resilience of societies and economies. In addition to our TNFD analysis, we are exploring the creation of biodiversity-friendly micro-habitats within our properties to promote urban biodiversity. We are undertaking our first biodiversity value measurement assessment in one of our existing properties and in one of our renovations, aiming to be able to demonstrate ‘biodiversity net gain’ in one or both locations over time. The results will inform our design and development of future projects and management of operations. We are also employing practices to prevent bird collisions at 10 of our Mainland properties. Through these initiatives, we are working to become more nature-positive while we also reviewing the feasibility of setting corporate SBTN targets.

Initiatives at Development Projects

In designing the Pavilion Extension project at Plaza 66 and renovating the surrounding landscape, we have made a concerted effort to maintain or increase both the green areas and the number of trees. To best preserve the trees on site, each tree has been meticulously evaluated, prioritizing the retention of those that are well-established. Trees that must be relocated due to changes in their planting locations or construction impacts will be temporarily moved to a nearby plant nursery and replanted on site later.

We also collaborated with a UK-based AI startup that employs deep learning technology to create scalable and adaptable remote assessments for measuring biodiversity value and mapping connectivity. The work will help us better understand current biodiversity value and connectivity, and support our effort to achieve biodiversity net gain after the renovation.

Initiatives at Operating Properties

Baseline Ecological Study in Hong Kong

In 2024, we completed an 18-month baseline ecological study at Peak Galleria and its surrounding area (300 meters from the site boundary) in Hong Kong. A baseline ecological study is an assessment that provides a comprehensive understanding of the existing biodiversity, habitats, and ecological conditions of a specific area, serving as a reference point for future conservation efforts and monitoring. This study includes a survey of both flora and fauna.



A flora study was completed in November 2023. A key finding was the identification of 408 plant species in the Peak Galleria developed area and adjacent woodland. Overall 78% are local native species of which *Rhododendron simsii* (紅杜鵑) *Pavetta hongkongensis* (香港大沙葉) and 10 other plant species have conservation concerns.

A fauna study was completed in December 2024. The study focused on the survey of birds and butterflies. The study included 16 months of fauna activity observation across different seasons since August 2023. Altogether 3,187 birds of 55 species and 1,178 butterflies of 65 species were recorded at and around Peak Galleria. Three bird species are classified as near-threatened (by the China Red Data Book) or even critically endangered (by the International Union for Conservation of Nature (IUCN)) and four butterfly species are classified as very rare by the Agriculture, Fisheries and Conservation Department (“AFCD”).

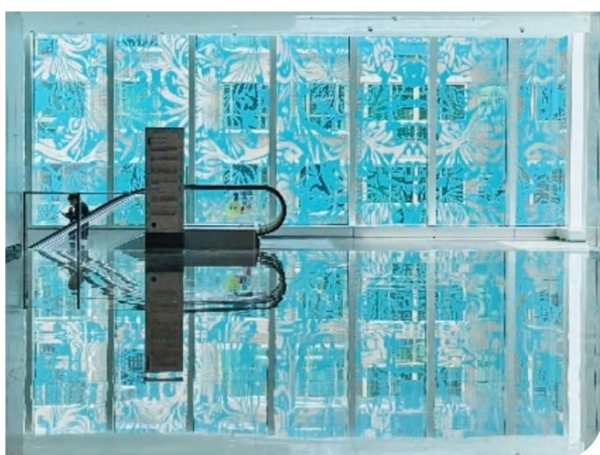
The flora study findings recommended that we replace some existing plants at Peak Galleria with native shrubs and small tree species, and that some natural habitats be restored to attract birds and butterflies. We replaced six types of native species in 2024 to attract more butterflies, birds and other animals. We will conduct an updated ecological survey to monitor and review the progress of our conservation efforts.

Bird Collision Study in mainland China

Bird collisions with buildings are an overlooked problem in the built environment: reflective glass and bright lights can disorient birds, leading them to crash into windows or other parts of buildings. This often results in injury or death, adversely affecting bird populations and biodiversity. Since fall 2023, we have conducted bird collision surveys at all our locations on the Mainland, continuing into 2024 and encompassing both the spring and fall migratory seasons. With support from management, this initiative has engaged cleaning personnel, assisted by our internal Hygiene team, to identify and promptly report bird collision incidents whenever they encounter them during their routine tasks. By 2024, we documented a total of 43 bird collision incidents, involving species from seven orders and 17 families, with 24 species identified. We plan to continue the survey in 2025 while exploring measures to prevent bird collisions in identified higher-risk areas.

We have shared and will continue to share our methods and experiences in conducting the survey. Since we utilized only internal resources, our approach could be replicated by most property management teams. We are also open to collaborating with industry peers to explore ways to reduce bird collisions together. If multiple property managers could work together to collect data and exchange findings, bird collisions could potentially see significant reductions over time.

In 2022, Plaza 66 presented a pop-up art installation created by British visual artist, Celyn Bricker, to highlight the problem of bird collisions and the necessity for biodiversity protection. Again in 2024, we partnered with Celyn Bricker on an installation entitled "Art for All-SC66" at Spring City 66 in Kunming. The customized series is a functional piece generated by AI and designed to reduce bird collisions. It features patterns that are based on extensive algorithmic processing and that make the window more visible to birds. Through art, the initiative aims to explore the perspectives of non-human entities and integrate this mindset into urban environments to help protect biodiversity. The glass patterns and reflections in "Art for All –SC66" not only protect birds, but connect human eyes with the environment, providing an exploration of three-dimensional sustainability advocacy that encompasses humans, nature, and a modern urban landscape.



Next Steps

Our next steps in resource management will focus on enhancing current practices and assessing long-term objectives after 2025:

- To improve the recycling rate in our Hong Kong portfolio, we will continue to encourage our tenants to enhance their waste segregation and recycling efforts, especially for food waste.
- We will also strengthen partnerships with suppliers to boost the use of recycled and bio-based materials in construction. Furthermore, we will look into solutions for better tracking of waste and recycling data to increase accuracy and efficiency in collection.
- Additionally, we will investigate water conservation and recycling incentive programs provided by local authorities. A pilot project will be initiated to assess the water footprint of essential construction materials.
- Our nature and biodiversity initiatives will continue, including study of potential governance and disclosures improvements related to nature, and trials of biodiversity net gain projects.

WELLBEING

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

Relevant GRI Disclosure
401 (2016), 403 (2018),
404 (2016), 405 (2016),
406 (2016), 413 (2016)



WELLBEING



Wellbeing is one of our material topics, as it pertains to the satisfaction and productivity of our employees, the experiences of our customers, and the overall quality of life within the communities we serve. We are committed to ensuring that employees, customers, and communities benefit from an exceptional and inclusive environment that promotes their health and wellbeing. For employees, we aim to achieve a highly engaged, motivated, and resilient workforce that drives innovation and sustainable growth. In the communities we serve, we seek to have a long-term positive impact, foster social cohesion, and contribute to their sustainability, resilience and vibrancy. These commitments align with our vision of creating sustainable and compelling urban spaces that enrich lives and support broader societal progress.

2024 Performance Highlights



Increased the Employee Engagement Survey percentile rank in the Gallup Overall Database from 74th to 79th



Delivered over 130,000 hours of training, of which 45,375 hours involved sustainability topics



The Hang Lung As One volunteer team contributed more than 68,900 volunteering hours, benefiting over 30,800 people in Hong Kong and mainland China

Our Approach

Wellbeing, encompassing physical, mental, social, and environmental health, is a critical component of sustainable development and a key focus for Hang Lung Properties. We adopt an ambitious and expansive approach to managing the wellbeing of employees, customers, and communities, recognizing it as a cornerstone our long-term prosperity. For employees, we prioritize health and safety, professional development, work-life balance, and diversity and inclusion to foster a supportive and thriving workplace. Our community investment strategy focuses on enhancing social impact, especially through initiatives in youth development, elderly care and environmental protection. For customers, we design safe, accessible, and sustainably built environments that enhance health, wellness, and the overall experience of our offering while actively engaging customers to improve our services. Together, these efforts reflect our commitment to building a healthier, more inclusive, and vibrant ecosystem for all stakeholders.

<h3>2030 Goal</h3> <p>Ensure employees, customers and communities enjoy an unrivalled environment that promotes their health and wellbeing</p>		
<h3>2025 Targets</h3>		
<p>Achieve an employee engagement rating greater than or equal to the</p> <p>75th percentile</p> 	<p>Maintain Female-to-Male pay ratio of</p> <p>1:1</p> 	 <p>Obtain local or international health and wellness certification for all our existing Mainland properties</p>
 <p>Conduct an audit of all our properties and corporate practices on how to enhance wellbeing and opportunities for persons with disabilities</p>	<p>Maintain Lost Time Injury Rate of 1.5 or below for employees</p> 	
<p>Deliver priority ESG training targeted to all departments and seniority levels</p> 		
<p>Obtain WELL Gold certificate or equivalent for at least one new property in Hong Kong and mainland China</p> 	<p>Work with youth on wellbeing community initiatives at all properties by 2025</p> 	<p>Maintain zero work-related fatalities for employees and contractors</p> 

In 2023 and 2024, we reviewed historical data, researched current and future trends, and conducted feasibility studies on various wellbeing measures. Based on our analyses, we have identified focus areas for our Wellbeing Plan for 2024-2025 and beyond. In this chapter, we will delineate our approach to nurturing the wellbeing of our employees as well as the broader community. We share information on our opportunities to enhance wellbeing with our customers and suppliers in the chapter on [Sustainable Transactions](#).

Employee Wellbeing

Our Approach

At Hang Lung, the wellbeing of our employees is of paramount importance. Our policies are designed to foster a workplace culture built on openness, fairness, excellence, and inclusivity. We are committed to supporting our employees' personal and professional growth, helping them achieve their career aspirations while ensuring they feel valued and recognized for their contributions. Guided by the principle of meritocracy, we provide both monetary and non-monetary rewards for exceptional performance, promote work-life balance, and cultivate a culture of care that enhances staff wellbeing and creativity.

In 2024, our dedication to employee wellbeing and engagement earned us recognition as one of the Best Companies to Work for in Asia 2024 by HR Asia, covering our two headquarters in Hong Kong and Shanghai as well as all operating projects in Hong Kong and mainland China. This prestigious award highlights our commitment to creating a workplace that fosters employee engagement and promotes an outstanding organizational culture.

Our efforts in talent development and employee experience were further acknowledged with the Learning & Development Award and the Innovative Engagement Strategy Award from JobsDB HK for 2023/24, as well as



the Excellence in Leadership Development Special Award at the Hong Kong Management Association (HKMA) Award for Excellence in Training and Development 2024. Additionally, the extraordinary customer service provided by our frontline teams at Fashion Walk and Peak Galleria was recognized with the Outstanding Flagship Service Brand award at the 2024 Service Talent Awards, presented by the Hong Kong Retail Management Association. These accolades reaffirm our commitment to creating an inspiring and supportive environment for our employees to thrive.

Talent Attraction and Retention

We take an agile and comprehensive approach to talent development with the aim of building a high-performing workforce capable of meeting the ever-changing demands of the market. While we prioritize internal promotions and invest heavily in developing our talent through structured talent reviews, leadership development programs, and job rotations, we also seek external talent to complement our teams. To ensure alignment with our long-term business objectives, we conduct an annual manpower review with a three-year planning horizon to assess and address our future talent needs.

In 2024, we continued several initiatives to enhance talent recruitment and retention:

Staff Referral Program: The program continued to be a strong platform by inviting referrals across projects and between Hong Kong and mainland China, while also increasing referral bonuses to incentivize participation. As a result, 29% of new hires in 2024 were recruited through the staff referral program compared to 26% in 2023.

Rewards and Recognition: To remain competitive, we regularly benchmark compensation against the market and ensure our pay-for-performance philosophy rewards employees fairly based on their contributions. In 2024, 39.7% of key talent, identified during our annual talent review, were promoted, and we achieved an impressive 94.5% retention rate for these key employees.

Retention Measures: We continued to identify and develop key talent through targeted leadership programs and offered personal and professional development opportunities to all employees through our learning and development initiatives. These efforts aim to increase employee engagement and career satisfaction.

Campus Recruitment Programs: We partnered with leading universities in Hong Kong and mainland China to attract young talent through career fairs, offering management trainee and internship opportunities to nurture future leaders.

Our voluntary turnover rate has been decreasing for four consecutive years, despite a competitive job market with strong demand for talent. This success reflects our proactive approach to understanding employee concerns through regular conversations and exit interviews, which help us identify areas for improvement and strengthen employee retention strategies.

Key retention metrics	2022	2023	2024
Voluntary turnover rate	10.4%	9.9%	8.1%
No. of voluntary turnover	440	419	324

Motivating and Rewarding Performance

Our total compensation strategy goes beyond salary and incentives by encompassing comprehensive benefits, career development opportunities, and work-life wellbeing. Full-time employees enjoy a range of benefits, including parental leave, life, medical and dental insurance, parking permits, and corporate staff discounts. Since 2020, we have also introduced an additional fully paid Founder's Day Leave for employees in Hong Kong and mainland China. Additionally, share options have been periodically granted to eligible executives to recognize their loyalty, performance, and

contributions, giving them a personal stake in the Group's success.

Our biannual performance appraisal process includes 'Common Goals' applicable to all departments. For example, the requirement to "act with integrity" is part of the universal performance evaluation, including verification of mandatory integrity training. Similarly, every department must "embed ESG into business priorities and metrics," and are evaluated each year against "100% completion" of Strategic ESG KPIs as approved by the SSC.

In addition to our Common Goals, each department and employee also formulates other KPIs that are approved by management. During mid-year and year-end performance reviews, employees are assessed not only on "what to achieve" (objective outcomes) but also on "how to achieve" (behaviors and adherence to corporate values).

Outstanding performance is recognized with discretionary bonuses to reward employees who go above and beyond.

ESG-linked Compensation

ESG plays a critical role in the Group's holistic approach to compensation. As mentioned earlier, Strategic ESG KPIs (please see [Appendix 3](#) for our Strategic ESG KPIs for 2024) are directly integrated into the annual appraisal process for both departments and individual employees, forming a core part of mid-year and year-end performance reviews. These reviews apply across all levels of the organization, including top management and the CEO. ESG performance is also a key consideration in determining discretionary bonuses awarded at the end of each year, reinforcing the importance of sustainability in achieving the Group's objectives.

Our CEO is held accountable for the ESG KPIs of his direct reports, including the annual Strategic ESG KPIs assigned to various departments by the SSC. He reports biannually to the Board on the progress and outcomes of these KPIs, ensuring that ESG priorities remain central to the Group's performance management and compensation strategy. This approach underscores our commitment to aligning sustainability with individual and organizational success.

Employee Engagement

	Status
2025 Target Achieve an employee engagement rating greater than or equal to the 75 th percentile	On track
2024 KPI Coordinate a process for each department to develop and implement at least three employee engagement measures that reflect feedback from employees in our engagement survey	Completed

Employee engagement is a cornerstone of our talent retention strategy and a key driver of performance and excellence.

Since 2021, we have conducted an annual employee engagement survey, as elaborated below, to assess the emotional connection and dedication employees feel toward their roles and Hang Lung. After each survey, company-wide and department-specific results are shared with all employees. To address areas of concern, every department is required to develop and document an annual action plan targeting the lowest-ranked issues, with periodic progress reporting to ensure accountability and improvement.

At the corporate level, we invest in initiatives and strategies to support employee development, create a supportive and caring work environment, encourage open communication, and promote work-life balance. By fostering a culture of engagement, we aim to build a more collaborative, productive, and successful workforce.



In August 2024, we conducted our fourth annual comprehensive, third-party employee engagement survey. Employees provide confidential feedback in response to 18 questions. The survey achieved an impressive 99.1% participation rate, up from 98.2% in 2023. This year, our score in the Gallup Overall Database improved by 0.07 to 4.48 out of 5, placing us in the 79th percentile globally. Additionally, our score improvement rate ranked in the top 25% of companies with the fastest growth in engagement.

These positive results reflect our close attention to employee feedback and the effectiveness of the actions we have implemented over the past three years. We remain committed to conducting the annual survey and taking targeted actions to further enhance employee engagement, ensuring that our workforce continues to thrive.



Employee Recognition

We prioritize recognition of employee performance and contributions, and employee recognition has been consistently identified as one of our strengths in our annual employee engagement survey. Below are highlights of our key recognition programs in 2024.

CEO Award – The CEO Award is presented annually to honor outstanding projects and teams that exemplify our corporate culture, teamwork, and cross-team collaboration. Winners of the Gold, Silver, and Bronze awards are determined through a weighted voting process, with equal input from the award selection committee and all staff, ensuring meaningful peer recognition. In 2024, teams received awards as follows:

- Gold: A Sustainable Workplace - Hang Lung Office Rejuvenation
- Silver: Parc 66 - Asset Enhancement Project
- Bronze: myHR System
- Special Mention: Legal OCR Contract Reconciliation and Approval Process Optimization Project

Emerald Award – Since 2014, the Emerald Award has been celebrating employees who deliver exceptional customer service. This award motivates staff to take pride in their work and reinforces that their efforts are valued by both management and colleagues. Awardees are evaluated based on initiative, accountability, creativity, problem-solving, and their ability to go the extra mile. In 2024, one "Emerald Award" and two "Merit Awards" were presented to guest services personnel from Center 66 in Wuxi and Olympia 66 in Dalian.

Long Service Award – We are fortunate to have colleagues whose many years of dedication, commitment and loyalty to the Group are worthy of



respect and recognition. The Long Service Award honors employees for their dedication, commitment, and loyalty to the Group over the years. It is a testament to their invaluable contributions to making Hang Lung what it is today. In 2024, 75 employees received this award for achieving service milestones of 10, 15, 20, 25, 30, and 35 years.

Staff Appreciation Day – When employees feel happy at work, they are more engaged, productive, and successful. To foster a positive work environment, we celebrated Staff Appreciation Day with management visits to present gifts to employees across multiple sites as a token of gratitude for their hard work and dedication.

Teachers' Day – In September, we held our second annual Teachers' Day to recognize 242 internal trainers, mentors, and project coaches for their contributions to learning and development initiatives across the Company. This event highlighted our appreciation for their guidance and expertise, reinforcing our commitment to continuous learning, knowledge sharing, and personal growth as core organizational values.



Learning and Development Pillars			
Leadership / Management	Personal Effectiveness	Functional	Company and Market Knowledge
<ul style="list-style-type: none"> Leadership Development Program (LDP) MT & Intern Program Management Development Series (MDS) for managers Supervisory Development Program (SDP) for supervisors 	<ul style="list-style-type: none"> Personal Effectiveness Series (PES) include soft skills like communication, presentation and mindset etc. Language and Computer Skills 	<ul style="list-style-type: none"> Emerald Service Series Functional Series e.g. Office Leasing, Retail Leasing Department Specific Training Professional Development 	<ul style="list-style-type: none"> Orientation, e.g. HL Challenge Day Compliance & Legal Health and Safety Business Knowledge e.g., INSIGHT ESG Training

Learning and Development

	Status
2025 Target	On track
Deliver priority ESG training targeted to all departments and seniority levels	
2024 KPI	Completed
Develop and deliver at least 500 hours of targeted ESG training	



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

Building on a structured framework for learning and development, the Hang Lung Academy (Academy 66) deployed a wide range of courses in 2024 under four pillars: Leadership / Management; Personal Effectiveness; Functional; and Company and Market Knowledge, equipping our employees with the right knowledge, skills, and mindset to keep up with industry changes, sustain a high level of competence and excel in their personal and professional development.

We identify the training needs and priorities of employees at all levels through several approaches. First, at the beginning of each year, we collaborate with department heads to discuss their specific needs and share our learning plan. Second, we gather insights from interviews, focus groups, and questionnaires to understand the requirements of our

colleagues for new programs we develop. Third, we pilot new training initiatives, collecting feedback to refine them before a broader rollout. Finally, we continually review post-training feedback throughout the year to gain a deeper understanding of our employees' evolving needs and priorities.

We also invest in our Learning Management System (LMS) for the enhancement of functionality and user experience. This digital platform produces customized manager reports allowing leaders to keep track of their teams' learning status. We continue to expand the learning content in the LMS with diverse topics ranging from computer skills to management and other soft skills. In January 2024, the LMS was integrated with our Human Resources Information System (HRIS) to provide an even more user-friendly experience with easier navigation, more comprehensive information, and new functionalities.

Since 2022, self-paced learning opportunities have been provided through e-learning programs on our LMS and via external learning platforms or vendors such

as LinkedIn Learning and China Europe International Business School (CEIBS). For LinkedIn Learning, our employees can access its on-demand library of videos covering a wide range of business, technology, and creative skills. In 2024, 100 colleagues subscribed to the platform. Together, they have accumulated 1,022 learning hours, viewed 4,924 courses, and watched 23,309 videos. We also selected a diverse array of online learning materials, covering topics from computer literacy to soft skills. Overall, we offer a comprehensive suite of e-learning materials that cater to various learning needs and preferences.

We also support colleagues in pursuing professional certifications or external training programs in Hong Kong. Employees are entitled to sponsorship to attend relevant programs or professional examinations of their choice. In 2024, we granted a total of HK\$912,423 in training sponsorship.

We measure our learning success in various ways. In addition to the ESG KPIs, we have two quantitative learning and development targets. In 2024 we met our target to achieve 100% completion of key compliance courses such as Integrity, Cybersecurity, Health and Safety and Crisis Management, and we verified completion of these courses is tied to our performance appraisal process. We also exceeded our target to average 26 learning hours annually per employee: in 2024, we delivered 136,997 hours of training with an average of 34 hours per employee, equivalent to around

Training Hours by Category, 2024

Training topics	Training hours
Functional	74,775 hours (55%)
Company and Market Knowledge	48,000 hours (35%)
Personal Effectiveness	9,606 hours (7%)
Leadership / Management	4,616 hours (3%)

4.25 days, representing a 13% increase compared to 2023.

Since 2014, Hang Lung has been accredited as a Manpower Developer under the Employees Retraining Board (ERB) "Manpower Developer Award Scheme," which recognizes our achievements in manpower training and development. Starting from 2025, we are entering the 10th consecutive year of partnership with ERB and will be upgraded to "Super Manpower Developer," a distinction held by only 147 companies in Hong Kong.

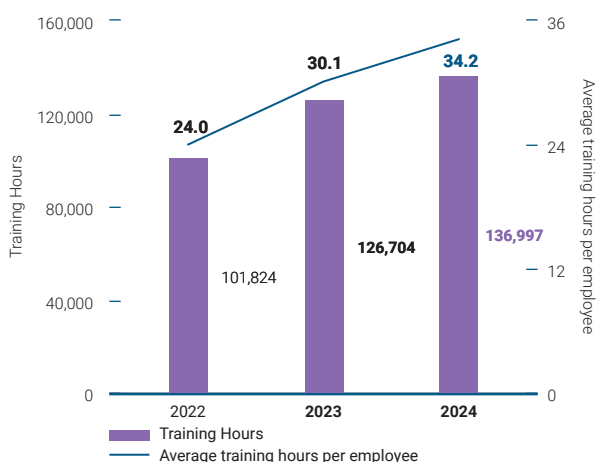
Highlights of specific activities in 2024 under the four learning pillars are as follows:

Leadership / Management

Management Development Series – Since 2022, we have provided a "Management Development Series" to cultivate leadership attributes as well as to share experiences and best practices. The series includes six modules of people skills and critical managerial skills conducted through interactive sessions, self-paced, and peer learning. The modules are delivered to all 400 plus managers from Managers to Directors to ensure that the company's objectives of employee development and building high-performing teams are consistently aligned. We will introduce the sixth module in 2025.

The Series aims to enhance employee engagement not only among participants but also within their teams, as it empowers leaders to effectively lead and motivate their members. We are pleased to note that the employee engagement score has risen from 4.41 to 4.48 in 2024 compared to the previous year, reflecting the positive impact this program has contributed.

Annual Employee Training Hours, 2022 - 2024



Leadership Development Program – Between 2021 and the end of 2024, we have successfully launched six cohorts of the Leadership Development Program (LDP) for various grades, including LDP for Executive Leaders, LDP for Senior Managers, and LDP for Managers. By the end of 2024, we had 120 key talents graduate from this series of programs. In 2025, we will launch another two cohorts of the Leadership Development Program for Manager (LDP-M 2025) and the Leadership Development Program for Executive Leader (LDP-EL 2025).



Leadership Development Program

Personal Effectiveness Series – In 2023 we launched the “Personal Effectiveness Series” (PES) – a curriculum for employees to learn and share experiences on various soft skills. The PES currently includes eight modules to impart key skills as detailed below. The modules, both core and elective, have been rolled out in phases utilizing diverse delivery formats from interactive sessions and on-line resources to peer learning.

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

Participation and feedback for the program continue to exceed our expectations. Over 90% of employees attended the core modules, while about 10% of

employees chose to learn even more through various elective modules.

Functional

Office Leasing and Retail Leasing Series – enables our leasing colleagues to acquire work-related skills and knowledge. Various modules, developed and conducted by internal subject matter experts, serve the needs of employees from Officer to Section Head level. There are a total of 14 modules for the Office Leasing Series and 10 modules for Retail Leasing Series. The modules ran from Q3 2022 and were completed by Q2 2024, engaging over 250 team members.

ESG Capacity Building for Specific Departments – To strengthen our colleagues’ ESG knowledge and capacity to drive our sustainability strategy, we prioritized ESG training for selected departments in 2024 with a target to deliver 500 learning hours. We arranged specialized workshops on Sustainable Supply Chain, Bird Collisions, Climate Adaptation, and Tenant Partnerships, among other topics, totaling 1,009 learning hours, exceeding our target by 102%.

Company and Market Knowledge

INSIGHT Business Knowledge Sharing Session – In 2024, INSIGHT, our internal webinar series, continued to invite internal and external speakers to share business knowledge and best practices with our colleagues on a wide range of topics including topics related to customer experience, data privacy and security, and facilities management. These monthly webinars build knowledge and facilitate cross-departmental understanding and appreciation.

Learning Week – In April 2024, Academy 66 held our second Learning Week, entitled “Learn from Each Other, Grow Together.” On top of inviting external speakers, the event featured 34 internal talents from across the Group sharing their unique experiences and skills. The Week included four speaker sessions, 26 internal talent workshops and fun learning activities with the participation of more than 1,500 colleagues.



Learning Week 2024

Other Forms of Sustainability Learning – In 2024 we also organized workshops designed to enhance our employees' understanding of how sustainability connects to our work, including for instance a webinar on volunteering and the community, and another on the circular economy and the built environment. We also partnered with NGOs such as Dialogue in the Dark and Baptist Oi Kwan Social Service to host workshops that educate our employees on best practices for engaging with individuals of varying abilities and cultural backgrounds.

Hang Lung Center for Real Estate at Tsinghua University – In 2010, Hang Lung and Tsinghua University joined forces to establish HLCRE (also see our earlier discussion of HLCRE in Climate Resilience) with the aim of fostering academic research and meaningful dialogue within the real estate industry. In 2024, we continued our collaboration with HLCRE to offer the Tsinghua Autumn Curriculum to support Hang Lung employees' career development. The course attracted 229 employees who invested over 2,356 learning hours in 2024, enabling themselves to enhance their sectoral knowledge. In addition, we extended three HLCRE seminars to our employees within the Office and Marketing departments. Hang Lung is committed to furthering its partnership with HLCRE in 2025.

Employee Health and Safety

	Status
2025 Target Maintain a Lost Time Injury Rate of 1.5 or below for employees	On track 
2024 KPI Provide health and safety training to 100% of employees in mainland China and Hong Kong	Completed 

To ensure the wellbeing of our employees, we implemented a Group-level Health and Safety Policy in 2022, endorsed by our SSC in 2021. This policy emphasizes collaboration, the exchange of best practices across projects, offices, and operations, and the sharing of lessons learned from safety incidents. Under the SSC's authority, a Health and Safety Subcommittee (HSS) was established to drive the Group's health and safety initiatives and promote best practices across all business areas. Employees are actively encouraged to share ideas, safety concerns, observations, and other issues with HSS members, and in 2024, two HSS meetings were held to enhance our safety efforts.

The Health and Safety Policy outlines the responsibilities of both employers and employees in maintaining a safe workplace. In Hong Kong, an operational Health and Safety Management Committee meets two times a year to monitor safety KPIs and address health and safety concerns. This committee includes representatives from the Property Management Services Department, Hong Kong Business Operation, Central Procurement, Human Resources, and Sustainability, and all property management staff are welcome to participate. Through this committee's efforts, we have improved our internal accident reporting process, enhanced the health and safety training framework, and strengthened contractor safety management.

We have implemented an Occupational Health and Safety (OHS) Management System based on a plan-do-check-act framework to identify and prioritize safety risks, conduct regular inspections and drills, and assess the effectiveness of our safety procedures. To ensure continual improvement, we periodically review

our management practices and report results to top management. This system applies across all managed properties in Hong Kong, with approximately 70% of our total construction floor area certified to ISO 45001.

In mainland China, we implemented a health and safety management system aligned with the latest Work Safety Law, providing relevant training to staff. The system ensures that our management structure, daily practices and related equipment are in compliance with local occupational safety and health requirements. It is verified with China's "Occupational Safety and Health Management System Certification GB/T 33000"). In 2024, we reviewed the safety production responsibility system to reflect updates in policies. Since 2023, a joint team from various disciplines has conducted compliance audits to ensure adherence to safety-related laws and regulations, such as mainland China's Work Safety Law.

Similarly, in Hong Kong, we conduct annual internal health and safety audits to ensure compliance with ISO 45001 standards and related provisions.

We actively promote health and safety awareness through training and education. Regular training sessions are held to enhance staff knowledge on workplace health, hygiene, and safety, covering topics such as accident prevention, first aid, coronary heart disease prevention, and ISO 45001 basics. In Hong Kong, ISO 45001 certification is a key requirement in the tender assessment process for operational contractors, ensuring their commitment to health and safety. Regular meetings are also conducted to review contractor health and safety performance. Additionally, selected employees attend the Safety and Health Supervisor course at the Occupational Safety and Health Council in Hong Kong to further enhance their expertise.

We also define safety responsibilities for all staff. Employees are expected to actively protect themselves from workplace hazards and report any unsafe acts, unsafe conditions, malfunctioning machinery, or defective safety equipment and personal protective equipment (PPE) to their supervisors immediately. This collective responsibility helps ensure a safe working environment for all.

To strengthen employee awareness, we launched an online health and safety training program in 2023,

achieving a 100% completion rate as part of our ESG KPI and embedded within our annual performance appraisal for all staff. This program serves as foundational health and safety training for all employees and is conducted annually, complementing other workplace safety training and sharing sessions organized across the Group. In June 2024, we held our second Safe Production Month, reinforcing safety awareness and fostering a strong safety culture. For more details, please refer to [Project Safety Management](#) section.

We have established an incident and accident reporting mechanism and a Crisis Management Manual to respond to incidents at various severity levels. In the event of work-related accidents, we investigate the cause and implement corrective actions as needed.

In both Hong Kong and mainland China, workplace hazards are regularly assessed, with risk assessment reports updated as circumstances change. Preventive measures, targeted training, and the provision of personal protective equipment (PPE) are implemented to minimize hazards, with reference to the hierarchy of control. For example, we reviewed the anti-slip performance of frontline staff uniform shoes and upgraded signage and facilities to reduce the risk of slips, trips, and falls—the most frequent injury cases reported in Hang Lung.

For high-risk operations, our project and operations teams evaluate potential risks and review how to make working procedures safer before tasks are carried out. Across our operations in Hong Kong and mainland China, over 200 emergency drills were conducted in 2024, helping teams familiarize themselves with emergency protocols and ensuring the safety of employees, tenants, contractors, and visitors.

We are committed to fostering a safe, harmonious, and open workplace. Employees are encouraged to report actual or potential safety hazards to their supervisors. Additionally, we collect health and safety feedback from employees via an online platform, which is restricted to designated personnel to ensure confidentiality. In 2023, the HSS introduced a dedicated email channel for employees to share health and safety-related ideas, comments, and concerns, with access limited to specific committee members to maintain privacy.

Looking ahead, we aim to meet our 2025 safety targets, including maintaining a lost time injury rate (LTIR) of 1.5 or below for employees and maintaining zero work-related fatalities for both employees and contractors.

Employee Wellness

We are dedicated to fostering a healthy workplace culture that prioritizes employee wellness through a variety of initiatives and programs. As part of our commitment, we participate in the Mental Health Workplace Charter, a HKSAR government-led initiative aimed at promoting mental health in the workplace by encouraging active listening, effective communication, and the creation of an inclusive and supportive work environment.

Health and Wellness Support – We provide free voluntary annual medical examinations for eligible employees, along with an alternative reimbursement program that covers expenses (up to defined limits) for physical or mental wellness activities of the employee's choice.

Mental Wellness Support – Our Employee Assistance Program (EAP) offers professional counseling and emotional support to employees and their families through a dedicated hotline. This service helps employees address challenges such as work-related stress, personal hardships, and relationship issues.

Work-Life Balance – We offer flexible working arrangements including a work-from-home option, respecting the diverse needs of our employees.

Family-Friendly Support – We encourage breastfeeding mothers to continue breastfeeding after returning from maternity leave by providing lactation rooms in all workplaces.

Social Wellness – We established a Wellness Fund to support team-building activities that foster collaboration and camaraderie.

Wellness-Focused Workplace – As part of our office rejuvenation projects, completed in Shanghai in 2022 and Hong Kong in 2024, we incorporated wellness-focused facilities such as ergonomic furniture and collaborative spaces. These projects also considered the health and environmental impact of materials, with assessments conducted in line with GIGA's



Family Fun Day

RESET® Materials standard, a data-driven framework for evaluating the ecological and health performance of building materials.

Wellness@HL Program – Our core wellness program is structured around five pillars – physical, mental, social, financial, and environmental wellness – to support employee wellbeing in a holistic manner. In 2024, we organized 15 wellness workshops and activities in Hong Kong, with over 3,200 total person times. These included talks and workshops on physical health, mindfulness and emotional wellbeing, personal and professional relationship building, and building team spirit.

To further enhance employee vitality, we offer a food and beverage bar featuring coffee, tea, health drinks, and snacks in the mornings. Twice a month, our "Friday Cheers" events provide a relaxing setting for colleagues to connect over drinks and snacks, fostering idea exchange and collaboration.



By integrating wellness into every aspect of our workplace culture, from physical and mental health to





Post-Exercise Stretching and Pain Relief Workshop

social engagement and environmental consciousness, we aim to create a supportive and thriving environment for our employees.

Diversity and Inclusion

Status	
2025 Target	On track
Maintain Female-to-Male pay ratio of 1:1	
2024 KPI	Completed
Design and implement at least three initiatives related to culture, age, gender and/or people with disabilities to enable a more diverse and open workplace	

Status	
2025 Target	On track
Conduct an audit of all our properties and corporate practices on how to enhance wellbeing and opportunities for persons with disabilities	
2024 KPI	Completed
Develop a toolkit to enhance accessibility and service performance of our properties for people with disabilities	

We are committed to fostering a diverse and inclusive workplace where employment candidates and employees are treated fairly and equitably, and where talent from all backgrounds can thrive. Through various initiatives and collaborations, we aim to attract, nurture, and retain individuals with diverse skills and characteristics, contributing to a vibrant and inclusive organizational culture.

Our commitment to diversity and inclusion is formalized in our Equal Employment Opportunities Policy (outlined in the Code of Conduct, part 13.1) and our Sustainability Policy. We strive to build a diverse workforce, welcoming employees of all backgrounds, and remain focused on promoting gender equality within our leadership. Between 2023 and 2024, the female-to-male ratio of our executive employees improved from 39.4% female and 60.6% male to 41.2% female and 58.8% male. We have also set a target to maintain an overall 1:1 female-to-male pay ratio by 2025, achieving a ratio of 1:0.957 in 2024. In 2024, there were no reported incidents of discrimination and harassment.

We partner with organizations to create opportunities for underrepresented groups in Hong Kong and mainland China. In 2024, we renewed the Hong Kong Equal Opportunities Commission's Racial Diversity and Inclusion Charter for Employers, a commitment to offering job opportunities to people of minority ethnic backgrounds on a fair basis. In partnership with Baptist Oi Kwan Social Service under the Hong Kong Labour Department's Racial Diversity Employment Programme, we conducted job mapping for diverse candidates. Meanwhile, we engaged the Hong Kong Society for the Deaf to offer job opportunities to the hearing impaired. We have also organized a Cultural Sensitivity Workshop to enrich knowledge of ethnic minority groups.

We continue to be a corporate member of and collaborate with CareER, a nonprofit supporting career development for higher-educated individuals with differing abilities and special educational needs. In 2024, one intern was hired through CareER. We also participated in CareER's Inclusive Recruitment Fair 2024 and received their "Employer Badge of Disability Inclusive Employer" for the second consecutive year. In mainland China, we continued the partnership with the Disabled Persons' Federation (殘疾人聯合會系統) to explore more opportunities for hiring individuals with special needs, resulting in the recruitment of two interns in 2024.



Hang Lung Management Trainee Program

Additionally, we participated in the 2024 CareER Disability Inclusion Index (DII) for the second consecutive year. DII serves as a comprehensive, localized assessment tool that helps us evaluate and benchmark our corporate strategies and practices, including whether the working environment is barrier-free. We implemented some of the assessment's recommendations to enhance the inclusive workplace features of our Hong Kong office rejuvenation project.

We encourage age diversity by attracting young talent through our competitive Management Trainee (MT) Program while also offering opportunities for employees aged 60 and above. As of December 31, 2024, we employed 94 staff members aged 60 or older, recognizing the value of their wisdom and experience in supporting our business.

Percentage of Executive Staff by Gender in 2024

By gender	Percentage
Female	41.2%
Male	58.8%

Percentage of Staff by Age Group in 2024

By age group	Percentage
Under 30	9.4%
30 – 50	72.9%
Over 50	17.7%

To celebrate and promote an inclusive culture, we hosted our month-long Diversity and Inclusion Month in November 2024. The initiative featured 50 engaging activities across Hong Kong and 10 mainland China locations, fostering conversations, connections, and enhancing understanding of diversity and inclusion. Over 1,500 colleagues participated, and we partnered with 19 social enterprises and NGOs to amplify the impact of this initiative. We received a Net Promoter Score (NPS) of 85% from the post-event employee survey and drove over HK\$38,000 total sales revenue from the NGO bazaars at Friday Cheers.

Through these efforts, we continue to embrace differences, promote equity, and cultivate a workplace where everyone feels valued and included.



Diversity and Inclusion Month

Community Wellbeing

	Status
2025 Target	On track
Work with youth on wellbeing community initiatives at all properties by 2025	
2024 KPI	Completed
Pilot a social impact assessment in at least one community investment program	

Our Approach

Our community investment strategy focuses on three key areas where we strive to create a positive impact and enhance wellbeing in the communities we serve: youth development, elderly services, and environmental protection.

To amplify our efforts and drive synergies that enhance community wellbeing, we partner with a diverse range of stakeholders to organize and support various community investment initiatives. In 2024, we collaborated with over 200 organizations, including local governments, tenants, NGOs, social enterprises, and educational institutes, among others, across Hong Kong and mainland China.

During the year, we also donated HK\$5 million to various charitable causes and provided eight venue sponsorships at our properties to non-profit organizations for nominal rental fees.

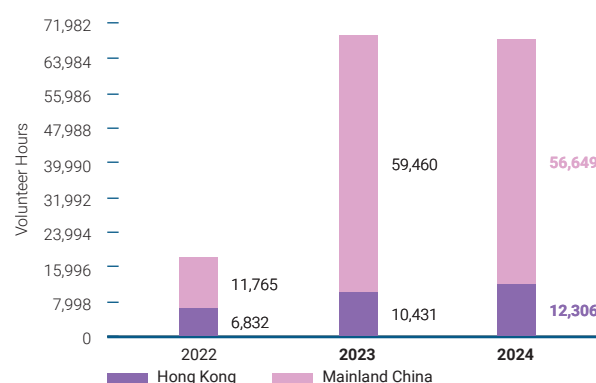
We recognize the importance of measuring the impact of our community investment initiatives. Since 2023, we have been a corporate member of Business for Societal Impact (B4SI), an international standard in measuring and managing social impact. In 2024, with reference to B4SI's community investment framework, we assessed the overall social impact generated by our activities in the previous year and participated in the B4SI Global Benchmark. The results revealed that our community investment contributions in 2023 were distributed as follows: 78% in cash contribution, 17% in volunteer time, and 5% in in-kind contribution. The process has enhanced our understanding of social impact data and provided insights to refine our community investment approaches.

Hang Lung As One Volunteer Team: Caring and Making a Difference

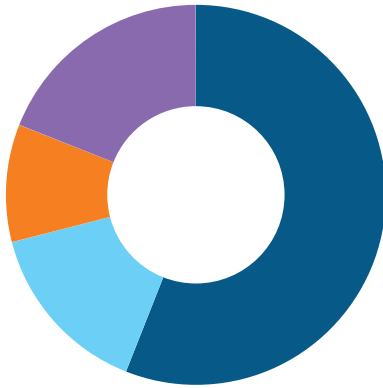
We are dedicated to fostering a strong volunteering culture among our employees. Since the establishment of the Hang Lung As One Volunteer Team in Hong Kong in 2012, our commitment to community support has grown significantly. Today, we have 12 volunteer teams across ten cities, which extend our spirit of care by addressing the unique needs of each community we serve.

In 2024, 2,838 volunteers—including employees, their families, friends, and our tenants—participated in 119 activities, contributing 68,955 volunteer hours and positively impacting the lives of 30,817 people across the nation.

Breakdown of Volunteer Hours by Region



Number of Volunteering Activities by Focus Area



- **56%** Youth Development
- **15%** Elderly Services
- **10%** Environmental Protection
- **19%** Others

Each year, we honor the dedication of our employees who devote their time and effort to supporting their communities through the Volunteer Award Presentation Ceremony held in Hong Kong and mainland China. To further support and encourage community service, we offer one day of paid volunteer leave to our Hong Kong colleagues who participate in activities organized by charities and the Hang Lung As One Volunteer Team.

We are proud to have received the “Corporate—Top 10 Highest Volunteer Hours Award (100-999 full-time employees)” at the Hong Kong Volunteer Award 2024 in recognition of our commitment and contribution to promoting volunteerism.

Top 10 Volunteers Sharing



“Using my talents in volunteer activities to support those in need gives me a lot of satisfaction.” Joyce Kwong (Directors’ Office)

Recipient of the Top 10 Volunteers Award 2023 (Hong Kong)



“Doing good brings happiness. I hope to spread positive energy to others through volunteering.” Monica Meng (Human Resources & Administration, Riverside 66, Tianjin)

Recipient of the Top 10 Volunteers Award 2023 (Riverside 66, Tianjin)

Unlocking the Potential of Youth

We are committed to nurturing young talents in the community through various empowerment and sponsorship initiatives.

Joining forces with Tsinghua University on Sustainability

As discussed [earlier](#), HLCRE was established in 2010 through a partnership between Hang Lung and Tsinghua University, and is committed to advancing academic research and fostering industry-academia collaboration in the real estate sector. Over more than a decade, HLCRE has grown into a think tank for real estate research and decision-making support in China.

Since 2023, Hang Lung and Tsinghua University have deepened collaboration, focusing on interdisciplinary industry-academia research in sustainable development, innovative applications of real estate technology, and talent cultivation in the industry. HLCRE also launched the "Sustainable Real Estate Research Scheme" to drive innovative research in areas such as green and healthy buildings, low-carbon development, smart cities, digital empowerment, and real estate corporate governance, and aims to promote the application of research findings in daily life.

Every year, HLCRE hosts the Sustainability in Real Estate Conference cum Annual Research Results Announcement to showcase its research achievements in sustainable real estate development. At the 2024 conference, research findings from 10 professors and researchers were unveiled, offering innovative ideas and solutions to advance the sustainable development of the industry.



Research findings on the "Digital Transformation of the Real Estate Industry in China" were presented at the 2024 conference

Igniting Excellence through the Hang Lung Mathematics Awards

Established in 2004, the Hang Lung Mathematics Awards (HLMA) is a biennial mathematics research competition for secondary school students in Hong Kong. The program was founded to encourage students to foster critical thinking, realize their creative potential in mathematics and the sciences, and stimulate their passion for intellectual discovery. Under the partnership with the Hong Kong University of Science and Technology (HKUST), the Company donates HK\$2.5 million to each competition, of which HK\$1 million is allocated for monetary prizes, and the remainder supports academic consultancy, the assessment process, administration of the competition, and education promotion activities. HKUST also offers tuition scholarships for teachers nominated by the winning schools to enroll in their Master of Science Program in Mathematics for Educators.

Celebrating its 20th anniversary in 2024, HLMA has served as a catalyst for intellectual discovery and research, cultivating a vibrant mathematical community since its inception. Over the years, it has attracted 2,600 students from over 200 local secondary schools, producing more than 460 research papers. Numerous past participants and winners have pursued careers in mathematics-related fields and contributed to scientific advancements such as the development of brain-computer interfaces for tetraplegic individuals.

Shaping Our Future with Innovation and Discovery



To commemorate the 20th anniversary of HLMA, a series of thought-provoking public talks were held in 2024. This marked the program’s first-ever initiative designed to foster knowledge through engaging and informative discussions.

[LEARN MORE >>](#)

Fostering Diverse Development Opportunities for Our Young People



“Receiving this scholarship is a great honor for me. I am grateful to Hang Lung for supporting my continued learning and recognizing my efforts. After graduation, I hope to work in the charitable sector and help developing countries grow their economies, in order to make the world a more equal and better place.”

Cheng T. H. (Undergraduate, University of Cambridge)

Recipient of the second cohort of our scholarship (2024)

Visually Impaired Youths Pursuing Diverse Opportunities

In 2023, Hang Lung established “The Hang Lung Scholarship and Development Donation for the Visually Impaired” in partnership with the Ebenezer School & Home for the Visually Impaired. The fund aims to support the holistic development of students and graduates of the school, enabling them to pursue their studies and advance their career development. The fund also seeks to promote diversity and inclusivity within the community.

In 2024/2025, 10 visually impaired youths pursuing post-secondary education received scholarships together amounting to over HK\$420,000.

Hang Lung Nationwide Volunteer Day - Working with Youths to Care for the Vulnerable

Since 2020, the Hang Lung As One Volunteer Team has hosted an annual Nationwide Volunteer Day every September across Hong Kong and nine Mainland cities. This event brings together coordinated volunteer efforts centered around a common theme to commemorate the anniversary of the founding of Hang Lung Group, while supporting the communities we serve.

In 2024, with the theme “Working with Youth,” more than 1,400 volunteers, including Hang Lung As One volunteers and youth volunteers, collaborated with various stakeholders to organize diverse activities, benefiting over 10,000 people from vulnerable groups.

The Hang Lung As One Volunteer Team in Hong Kong organized a vibrant carnival to celebrate diversity and inclusion, partnered with 13 local charitable organizations and social enterprises, and received

Inspiring Youth to Build Our Communities



“This year’s Hang Lung Nationwide Volunteer Day, themed ‘Working with Youth’, aligns with the HKSAR Government’s initiative to encourage the community, particularly young people, to engage in volunteer work and collectively build a caring and inclusive society. As future community leaders, it’s essential for young people to focus not only on their personal development but also on contributing to community and nation building.”

Miss Alice Mak, Secretary for Home and Youth Affairs, HKSAR Government

[LEARN MORE >>](#)

support from tenants. Our volunteer teams in Shanghai, Shenyang, Jinan, Wuxi, Tianjin, Dalian, Kunming, Wuhan, and Hangzhou also collaborated with local government departments, charitable organizations, schools, and mall tenants to organize diverse volunteer activities together with the younger generation. These activities included educational and learning initiatives with university students, charity bazaars with youth organizations and mall tenants, and a student-led tour of the Beijing-Hangzhou Grand Canal to raise environmental awareness among children. These initiatives aimed to broaden young people’s perspectives and foster their engagement with society.



Volunteers in Jinan organized a series of sports experiences and challenge events for underprivileged children



In Wuxi, the Hang Lung As One Volunteer Team organized a charity bazaar collaborating with youth organizations and mall tenants, donating the proceeds to local charities

Empowering the Next Generation through the Strive and Rise Programme

We believe providing appropriate guidance and inspiration is crucial for boosting the self-confidence of underprivileged children and adolescents and supporting their efforts to strive for upward mobility.

The Company has supported the “Strive and Rise Programme” initiated by the Hong Kong SAR Government for two consecutive years. More than 50 committed Hang Lung As One volunteers dedicated their time as mentors, engaging in training and activities with underprivileged junior secondary school students, helping them broaden their horizons and cultivate a positive mindset.

As part of our support for the second cohort of the Programme, we organized a tour for mentors and mentees to introduce them to the operations at Peak Galleria and the various initiatives we have implemented



Miss Alice Mak, Secretary for Home and Youth Affairs of the HKSAR Government (fourth left), and Mr. Weber Lo, Chief Executive Officer of Hang Lung Properties (third right), enjoy hand-brewed coffee prepared on-site by the mentees of the “Strive and Rise Alumni Club,” encouraging young people to develop specialized skills

there, related to conserving biodiversity and natural resources. We also encourage cohort participants to contribute to the wellbeing of the community. On our Nationwide Volunteer Day, we invited the mentees of the “Strive and Rise Alumni Club” to participate as volunteers in organizing a carnival aimed at promoting social inclusion.

Caring for the Elderly

We endeavor to extend a warm helping hand to the elderly and to raise public awareness about their needs, striving to create an age-friendly and inclusive community.

Collaborating with Food and Beverage Tenants to Alleviate Carer Pressure

Since 2021, Hang Lung has supported the “Love·No·Limit” Dementia Friendly Program with the aim of offering support to dementia patients and their carers, and to build an inclusive, dementia-friendly environment in the community. Following the success of the inaugural three-year program, a new edition was launched in June 2024 in partnership with Hong Kong Christian Service, starting at Amoy Plaza. The program aims to address the daily needs of dementia patients and their carers, offering convenience and targeted care through closer business-societal cooperation. In the first half year since the launch of this new edition of the Program, over 1,300 members of the public have been engaged.

In collaboration with our food and beverage tenants, Amoy Plaza has become Hong Kong’s first shopping

mall with Carer Cafés, which offer free community respite services for the elderly living with dementia as well as leisure activities to relieve pressure on carers. The Carer Cafés allow carers to enjoy refreshments and participate in workshops in a cozy space, while taking a break from the duties and pressures of caregiving.

Complimentary monthly cognitive testing, referral services, and carer consultations are also available, supported by on-site social workers who provide support and facilitate resource matching. The Hang Lung As One Volunteer Team has undergone training to assist with community cognitive testing. Training will also be offered to Amoy Plaza’s tenants to enhance frontline staff understanding of and ability to support dementia patients.

Amoy Plaza has also installed “Angel Box” Bluetooth devices at its entrances to facilitate quick detection of missing persons with dementia with the dedicated “Dementia’s Secret Angel” App.

Spreading Love and Care in Our Community



“This program addresses the needs of dementia patient carers by engaging restaurants in the shopping mall to offer respite space for the elderly in need and training volunteers to provide relevant services. This initiative not only allows carers to take a break but also cultivates a carer-friendly neighborhood.”

Ms. Sandra Lim, Assistant District Social Welfare Officer (Kwun Tong)1 of the Social Welfare Department

Enhancing Environmental Awareness

We strive to support education and encourage sustainable practices to enhance environmental awareness in daily life.

For the 14th consecutive year, we supported the World Wild Fund for Nature's (WWF's) annual Earth Hour on March 23, 2024. All non-essential lights were switched off at our 27 properties across Hong Kong and the Mainland to raise public awareness about sustainability and the urgent need for action to tackle climate change.

For Earth Day (April 22) in 2024, we organized a variety of volunteer activities across 5 cities, including tree planting, urban farming, lakeside clean-ups, recycled art workshops with students, as well as a pop-up recycling station to promote green practices within the community. Through these collective efforts, we aim to inspire a greener future.



Hang Lung As One volunteers in Wuhan cleaned up the lakeside with young children, encouraging them to protect the environment

Next Steps

To advance employee, customer, and community wellbeing, we will work on several key initiatives in 2025:

- For employees, we will deepen employee engagement and foster a culture of a green, healthy, and inclusive workplace. This effort builds on lessons learned from our recent office renovations in Hong Kong and Shanghai, including our RESET health results for our materials selections in those renovations, our enhanced air quality (IAQ) measurement capabilities, and other initiatives.
- To benefit both our employees and our customers, we are also developing guidelines on how to minimize or avoid red-listed chemicals in our operations and new projects.
- For communities, we will refresh our community investment strategy with the aim of driving positive social impacts.

SUSTAINABLE TRANSACTIONS

Promote sustainability
practices in all types of
business transactions

Relevant GRI Disclosure
204 (2016), 308 (2016),
403 (2018), 416 (2016),
418 (2016)



SUSTAINABLE TRANSACTIONS



As a leading property developer in Hong Kong and mainland China, we are committed to fulfilling our responsibility to manage and enhance our environmental, social, and governance (ESG) performance along our value chain. We actively seek collaboration with key stakeholders – including our suppliers upstream, tenants downstream, our financial institutions providing capital, the certification bodies reviewing our assets, and others – to go beyond compliance and adopt best practices. By integrating sustainability into every stage of our business operations, we aim to drive meaningful progress and create long-term value.

2024 Performance Highlights



Secured 60% of total debts and available facilities from sustainable financing



Over 80% of our overall construction floor area is certified as green buildings

Nearly 80% of our total construction floor area has either been certified with or has applied for WELL or WELL HSR



Partnered with 49 tenants representing 11% of our total leasable area on sustainability initiatives

Our Approach

We are dedicated to fostering sustainable practices across various business transactions. Hang Lung's initiatives in Climate Resilience, Resource Management, and Wellbeing can create a significant impact when we collaborate with like-minded stakeholders to further these goals. Our approach can be summarized by two main strategies. First, we partner with a select group of key stakeholders to explore common interests and innovate together on important issues. Second, we are working to develop, implement and periodically refine systematic ways of engaging all our suppliers and tenants on sustainability priorities over time.

The real estate sector will face substantial transformations in the coming decades. Alongside our business partners and stakeholders, we strive to leverage synergies between our financial objectives and our ESG goals. By further integrating these elements into a cohesive strategy, we are paving our own resilient and unique pathway toward sustainable growth in real estate.

2030 Goal

Collaborate with all suppliers and customers to advance our sustainability priorities

2025 Targets

 <p>Embrace technology to build a robust digital platform for assessing suppliers' ESG performance</p>	 <p>100% of marketing events evaluated for their sustainability impacts</p>
 <p>100% of leases incorporate sustainability provisions</p>	 <p>100% of potential asset acquisitions include ESG due diligence</p>
<p>50% of total debts and available facilities from sustainable finance</p>	

Sustainability Issues Across Our Value Chain

We ensure that ESG considerations are addressed at every stage of our business operations. Below is an overview of key sustainability issues across our value chain:

Design and Development – As a leading commercial real estate developer, we are committed to designing and developing properties that deliver long-term value for stakeholders. Sustainability is at the core of our development strategy, and we integrate it throughout the project life cycle—from planning and design to construction and demolition—ensuring that our properties meet global standards for green and healthy buildings.

Service Delivery – Our building operations and tenant activities consume significant resources, making operational efficiency a critical focus. We continually improve the performance of our buildings, enhancing resource efficiency while maintaining safe, healthy, and comfortable environments for occupants. By minimizing the environmental footprint of our operations, we reduce our impact on the planet while delivering exceptional service to our tenants and customers.

Leasing, Sales and Business Operations – Leasing remains the core of our business, complemented by the sale of selected properties. We strive to enhance the sustainability features of the spaces we lease or sell, addressing the growing demand from tenants and customers for environmentally and socially responsible solutions. By aligning our offerings with global sustainability concerns, we create spaces that foster wellbeing and support low-carbon lifestyles.

Financing – Beyond leveraging our own revenue streams, we utilize a diverse range of financial instruments to ensure healthy cash flow and drive sustainable growth. By strengthening partnerships with sustainability-focused financiers and investors, we allocate capital toward projects and initiatives that generate positive environmental and social impacts, aligning financial performance with our ESG commitments.

Stakeholder Engagement – Our ongoing interactions with tenants, customers, business partners, universities, associations and community members provide opportunities to foster sustainable practices. By actively engaging stakeholders, we aim to inspire collective action and drive systemic changes that contribute to a more sustainable future for our planet.

Sustainable Building Design

Green Building Design and Certification

We are committed to incorporating the best international practices in the design and construction of our buildings. Our primary emphasis has been on improving the energy efficiency and environmental attributes of our structures. Since 2007, we have been focused on achieving a Gold rating or higher through the LEED certification program, or its equivalent, for all new developments on the Mainland and in Hong Kong. As of December 2024, 39 buildings are certified as green, comprising 29 existing buildings and 10 ongoing projects. The green certifications across our portfolio include LEED, BEAM Plus, China Green Building Design Labels, and BREEAM. As of December 2024, more than 80% of our total construction floor area is green-certified. A comprehensive list of our green building certifications can be found in [Appendix 4](#).

We are examining the feasibility of adopting additional recognized green building standards, particularly for our existing properties in Hong Kong. In 2024, we pursued EDGE certification, a globally acknowledged green building standard aimed at enhancing resource efficiency in buildings, for Gala Place. Gala Place is one of our core commercial buildings in Hong Kong, and we recently installed various energy efficiency enhancement features, such as AHU with plug fan, LED lighting, automatic solar blind, a skylight and rooftop solar panels, as part of our office rejuvenation project in this building. We received the certification in January 2025.

From inception, the Westlake 66 project was conceived with outstanding environmental and wellness performance in mind, and we have pursued several certifications accordingly. The project is working towards a LEED Platinum/Gold ratings, a BREEAM Excellent rating, the China Green Building Design Label (three stars), and a WELL Platinum rating. In 2024, we submitted the design final review for LEED certification and WELL pre-certification. In 2023, one structure within the Westlake 66 project – Jingqing Lane No. 1 – became the first historical building in Hangzhou to be recognized as a Net Zero Energy Building as a part of the “2022 Hangzhou Green Building and Building Energy Saving Demonstration Project.”

Healthy Building Design and Certification

Status	
2025 Target Obtain WELL Gold certificate or equivalent for at least one new property in Hong Kong and mainland China	Ahead of Schedule
2024 KPI Formulate a checklist for the design of healthy buildings in the Mainland with reference to the results of WELL, BREEAM and China Healthy Building certifications in Westlake 66	Completed

Status	
2025 Target Obtain local or international health and wellness certification for all our existing Mainland properties	On track
2024 KPI Obtain WELL HSR rating for 15 Hong Kong buildings and maintain the WELL HSR rating for at least 10 mainland buildings	Completed

As part of our commitment to creating compelling spaces that enrich lives, we focus on enhancing the wellbeing of our buildings’ occupants. Since 2019, we have pursued WELL certification for both new and existing properties undergoing significant upgrades. The WELL Building Standard from the International WELL Building Institute (IWBI) is grounded in scientific principles and aims to cultivate environments—both physical and social—that support the health, wellbeing, and productivity of occupants. It includes over 100 features across ten categories, such as indoor environmental quality, water quality, thermal comfort, and workplace conditions.

In 2024, we applied for the WELL Health-Safety Rating (WELL HSR) for our existing properties, including all core properties in Hong Kong and all shopping malls and office towers in our Mainland portfolio. (Note: we obtained the WELL HSR certifications in January 2025.) WELL HSR features are a subset of those available through the WELL Building Standard, adapted to focus specifically on facilities operations and management – such as indoor air quality and potable water tests.

Following a feasibility study, we commenced applications for the China Healthy Building Label for properties in our Mainland portfolio in 2024, and aim to achieve certification in 2025.

As of December 2024, nearly 80% of our total construction floor area has either been certified with WELL or WELL HSR. The full list of our healthy building certifications and ratings is provided in [Appendix 4](#).

Accessibility

We aim to enhance the inclusivity of our spaces by integrating accessibility features into the design of new buildings and updating existing facilities during renovations.

In our new projects in mainland China, including Westlake 66 in Hangzhou, we are integrating accessibility features into our building designs. Notable features include wheelchair-accessible entrances, wider parking spaces for easy maneuvering of wheelchairs and strollers, thoughtfully designed accessible restrooms, lifts equipped with audio broadcasting systems, and outdoor facilities that ensure barrier-free access. Additionally, we have planned two accessible hotel rooms as a part of this project's hotel facilities to accommodate individuals with disabilities, and we are actively working on further design improvements to enhance accessibility.

We also look for accessibility improvements beyond the design stage. At Westlake 66, we performed thorough site inspections to pinpoint potential barriers for individuals with disabilities. As a result of these inspections, we implemented several accessibility improvements, such as modifications to the accessible toilets (including wider doors, an L-shaped grab bar, and adjustments to the height of the washbasin and mirror), alterations to service desks (ensuring knee clearance),

and enhancements to lift cars (featuring mirror-like surfaces and grab bars).

In Hong Kong, adhering to the Hong Kong Building Department's Design Manual – Barrier Free Access 2008, we have carried out a comprehensive accessibility inspection at several locations in recent years: Gala Place and Grand Plaza in Mongkok, the Standard Chartered Bank Building in Central, and Kornhill Plaza in Quarry Bay. Our inspections encompass car parks, access routes, ramps, dropped curbs, steps and staircases, handrails, corridors, lobbies, paths, doors, toilets, signage, lighting, emergency call bells in accessible toilets, lifts, escalators, passenger conveyors, braille and tactile floor plans, tactile guide paths, accessible public information/service counters, and visual fire alarm systems. We have identified various improvement initiatives for each property, which will be implemented in phases.

The renovation and office rejuvenation projects at Gala Place and the Standard Chartered Bank Building in Hong Kong were completed in mid-2024. These projects implemented several improvement measures, including the provision of toilets for individuals with disabilities, and enhancement work for lift accessibility.

In addition to hardware upgrades aimed at improving accessibility, we also enhance service quality for differently abled customers. We implemented a one-hour disability etiquette training session for our Mainland Customer Service teams focusing on effectively assisting individuals with hearing, visual, and mobility challenges. This training is mandatory for all current Mainland Customer Service personnel, and more than 500 staff have joined the training to date. The training will also be required for all future hires in the department. We will also adopt this best practice for our Hong Kong portfolio in 2025.

Peak Galleria and 228 Electric Road in Hong Kong have received Gold Awards at the 2024/25 Universal Design Award Scheme (UDAS). The scheme, launched by the Equal Opportunities Commission (EOC), celebrates organizations that successfully adopt Universal Design (UD) principles, promoting an inclusive and accessible environment for all, regardless of age, ability, or life status. Each property incorporates universal design features, meeting all ten criteria established by the EOC, which include access, doors, services, furniture and fixtures, business-specific elements, signage and wayfinding, restrooms, elevators, ambiance, and parking.



We are actively working towards our 2025 target to audit all properties and corporate practices, focusing on enhancing wellbeing and opportunities for persons with disabilities. As we pursue this goal, we anticipate gaining further insights and ideas to inform our efforts.

Sustainable Project Management

Project Development

Collaboration with our project consultants and contractors is essential for successfully delivering high-quality, sustainable properties to our portfolio. To improve sustainability performance in project development, our internal Project Management Manual incorporates sustainability requirements throughout the entire project life cycle. These include:

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

Project Environmental Management

Construction site activities can lead to water, air, and sound pollution along with the generation of demolition and construction waste. To mitigate these negative impacts, we conduct thorough environmental impact assessments in compliance with local laws before commencing any construction projects.

In 2024, we enhanced the measurement of environmental performance data for development projects to improve data reporting accuracy and streamline data collection. An integrated ESG data collection form was adopted across all projects, capturing environmental data (monthly energy and water consumption, waste disposal, and recycling), quarterly procurement data for embodied carbon emissions, and key sustainability initiatives.

The enhanced data collection process has improved data reporting accuracy and granularity and established a standard for evaluating each project's environmental performance with quantitative measurements.



Project Safety Management

Status	
2025 Target	On track
Maintain zero work-related fatalities for employees and contractors	
2024 KPI	Completed
Provide health and safety training to 100% of main contractors in mainland China and Hong Kong, including through Safety Production Month in mainland China	

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

The Company's Health and Safety Policy affirms our dedication to improving health and safety practices at our construction locations. Our Project Management Manual, which details essential safety principles and guidelines, undergoes an annual review and is updated as necessary. We regularly provide safety training to workers on construction sites, addressing site safety, proper PPE usage, and equipment operation. Likewise, we conduct frequent site inspections to ensure project quality and enhance safety measures.

Safety management at construction sites encompasses compliance and reporting, training, safety culture, and technology updates. These aspects are discussed in the HSS and regular project meetings. Additionally, we exceed industry standards by appointing independent safety consultants to monitor contractor performance on all projects.

We leverage technology to implement innovative, cost-effective safety management solutions. Our Construction Innovation Taskforce drives advancements in construction safety and sustainability. We adopted a Digital Quality Management System (DQMS) for new projects to improve inspection and defect management. Additionally, we introduced a Smart Site Monitoring System and other construction safety initiatives, such as tower crane monitoring, at Mainland construction sites to enhance safety.

We have held a company-wide Safe Production Month since 2023 with the goal of strengthening health and safety culture and practices among employees and contractors. In 2024, to engage employees and contractors both in person and online, we provided promotional materials at project sites and conducted extensive training sessions led by internal and external experts. We also carried out safety inspections and emergency drills with 4,200 Hang Lung staff and 1,100 contractors, and hosted an interactive quiz titled "Safety is My Responsibility." Management and colleagues from various departments in Hong Kong and the Mainland collaborated to produce a promotional video focusing on safe production practices.

To support the safety and wellbeing of contractors and employees working during hot weather in construction sites, we have implemented several cooling and on-site training measures, including:

- distributing heatstroke prevention and cooling snacks and accessories such as watermelon, cold drinks, iced green bean soup, and towels;
- providing physical examinations to minimize risks of illness or complications in hot weather;
- installing water spray systems in work areas;
- offering cooling fans; and
- creating ventilated covered rest areas.

We provided safety training to our employees and contractors on construction sites, achieving a total of 457,070 training hours in 2024. In 2024, we maintained zero fatalities at our construction sites in mainland China and Hong Kong for the seventh consecutive year, and achieved zero lost-time injury and accident rate per 100,000 man-hours. We will continue to optimize work processes and promote safety awareness among construction site workers.

Sustainable Operations

Environmental, Health and Safety Management

Ensuring the safety of all individuals within our properties is one of our top priorities. We regularly conduct emergency and fire drills under our Crisis Management Protocol to familiarize staff, tenants, and construction units with evacuation procedures. Additionally, our occupational health and safety management system for our Hong Kong properties has been certified to meet the ISO 45001 standard since 2023.

We have obtained WELL Health-Safety Rating (WELL HSR) for all our core properties in Hong Kong and all shopping malls and office towers in our Mainland portfolio. (Note: we obtained the WELL HSR certifications in January 2025). The HSR evaluation process focuses on the following five major operational management areas:

- Cleaning and sanitization procedures
- Emergency preparedness programs
- Health service resources
- Air and water quality management
- Stakeholder engagement and communication

Since 2024, we have been developing our ISO 14001 Environmental Management System (EMS). This structured system effectively manages our significant environmental concerns and impacts by reducing our footprint, ensuring regulatory compliance, and communicating sustainable practices. We target to obtain the ISO 14001 certification for our Hong Kong portfolio property management services at our PMS head office and 228 Electric Road in the middle of 2025.

Indoor Environmental Quality

Indoor environmental quality (IEQ) is a critical factor in ensuring the health, comfort, and wellbeing of building occupants. Indoor air quality (IAQ), a key component of IEQ, is influenced by factors such as building materials, furnishings, HVAC systems, air ventilation, and humidity levels.

In Hong Kong, six of our properties have received IAQ certification under the Environmental Protection Department's voluntary scheme, which includes annual third-party assessments to ensure compliance. Details of our IAQ certifications can be found in [Appendix 2](#) of this report.

Another important aspect of IEQ is acoustic quality, as excessive noise or poor sound reverberation can hinder communication and detract from the overall customer experience. Proper acoustic treatment of interior materials helps foster an environment that supports clear communication and provides a more pleasant experience for occupants.

In collaboration with LVMH Group, we are developing acoustic guidelines for shopping mall and store interiors to enhance speech intelligibility and improve customer satisfaction. As part of this initiative, we conducted an acoustic baseline survey at Plaza 66 in Shanghai, covering public areas and nine LVMH stores. Following this, a pilot project was launched in 2024 at a store undergoing renovation to test the effectiveness of new design measures based on the survey's recommendations. These efforts aim to set new benchmarks for acoustic quality in retail environments.

By addressing both air and acoustic quality, we continue to elevate IEQ standards across our portfolio, creating healthier, more comfortable, and more enjoyable environments for all building users.


Quality Water Supply Scheme for Buildings

Eight properties in Hong Kong have been validated under the Water Supplies Department (WSD) Quality Water Supply Scheme for Buildings – Fresh Water, and four properties have been awarded under the Flushing Water scheme. Established in 2015, this voluntary scheme ensures high-quality potable water by identifying contamination risks in internal plumbing and recommending control measures. There are three levels of recognition certificates, validated every two years. Details of the certificates awarded to Hang Lung's properties can be found in [Appendix 2](#). Additionally, we periodically monitor water quality at properties in compliance with local regulations.



Investors

Sustainable Finance Framework

	Status
2025 Target 50% of total debts and available facilities from sustainable finance	Ahead of Schedule 
2024 KPI Achieve 60% of total debts and available facilities from sustainable finance by end of 2024	Completed 

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

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

In 2021, we set a target that Hang Lung Properties obtain 50% of total debts and available facilities from sustainable finance by the end of 2025. Sustainable finance now accounts for 60% of our total debts and available facilities.

Green Loans and Green Bonds

As of the end of 2024, Hang Lung Properties had secured 11 green loan facilities and issued 17 green bonds under the Framework with the proceeds allocated to predefined eligible green projects (see next page).

Green Loan and its Allocation (As at December 31, 2024)				
Arranged in Hong Kong	Year Signed	Facility Amount (HK\$'M)	Drawn Amount (HK\$'M)	Allocated to
Hong Kong	2024	500	0	-
Total		500	0	
Arranged in Mainland	Year Signed	Facility Amount (RMB'M)	Drawn Amount (RMB'M)	Allocated to
Westlake 66, Hangzhou	2020	1,859	630	Westlake 66, Hangzhou
Spring City 66, Kunming	2020	1,541	1,541	Spring City 66, Kunming
Forum 66, Shenyang	2021	455	455	Forum 66, Shenyang
Riverside 66, Tianjin	2021	214	214	Riverside 66, Tianjin
Westlake 66, Hangzhou	2021	500	498	Westlake 66, Hangzhou
Heartland 66, Wuhan	2022	550	550	Heartland 66, Wuhan
Heartland 66, Wuhan	2022	800	800	Heartland 66, Wuhan
Westlake 66, Hangzhou	2022	500	387	Westlake 66, Hangzhou
Parc 66, Jinan	2023	470	470	Parc 66, Jinan
Spring City 66, Kunming	2024	400	400	Spring City 66, Kunming
Total		7,289	5,945	

Green Bond (As at December 31, 2024)					
Location	Year Issued	Maturity Date	Original Currency	Amount	Eqv HK\$'M
Hong Kong	2020	Feb 26, 2027	HK\$'M	700	700
Hong Kong	2020	Apr 7, 2027	HK\$'M	500	500
Hong Kong	2020	Nov 20, 2025	HK\$'M	750	750
Hong Kong	2021	Jan 19, 2028	HK\$'M	230	230
Hong Kong	2021	Feb 5, 2027	HK\$'M	750	750
Hong Kong	2021	Feb 2, 2026	HK\$'M	465	465
Hong Kong	2021	Feb 10, 2028	HK\$'M	555	555
Hong Kong	2021	Aug 27, 2028	HK\$'M	805	805
Hong Kong	2021	Sep 28, 2028	USD'M	50	391
Hong Kong	2022	Jan 13, 2029	HK\$'M	605	605
Hong Kong	2022	Jan 24, 2029	HK\$'M	590	590
Hong Kong	2023	Mar 31, 2030	HK\$'M	400	400

**Green Bond (As at December 31, 2024)**

Hong Kong	2024	Feb 20, 2027	RMB'M	300	318
Hong Kong	2024	Mar 4, 2028	RMB'M	250	265
Hong Kong	2024	Oct 19, 2026	RMB'M	200	212
Hong Kong	2024	Sep 6, 2029	HK\$'M	230	230
Hong Kong	2024	Sep 4, 2028	HK\$'M	200	200
				Total	7,966
				Allocated	7,966
				Pending for Allocation	-

HK\$'M

Green Bond Allocated to:		2020	2021	2022	2023	2024	Total
Shenyang	Forum 66	-	365	10	19	26	420
Wuxi	Center 66 (Phase 2)	-	175	4	309	250	738
Dalian	Olympia 66	-	24	-	59	53	136
Kunming	Spring City 66	634	41	145	175	289	1,284
Wuhan	Heartland 66	745	620	-	-	11	1,376
Hangzhou	Westlake 66	-	266	22	888	266	1,442
Hong Kong	228 Electric Road	-	47	288	77	24	436
Hong Kong	The Aperture	-	-	287	343	306	936
Refinancing	Green Panda Bond ⁽¹⁾	-	1,198	-	-	-	1,198
Total Allocated		1,379	2,736	756	1,870	1,225	7,966

Notes:

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

Reporting Criteria

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

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



The nine properties listed in the above table have obtained green building certificates, please refer to [Appendix 4](#) of this Report for further details.

Project Description	Notable green features
Center 66 – Phase 2 (Wuxi, mainland China) GFA: 107,118 m ²	<ul style="list-style-type: none"> • LEED BD+C: Core and Shell v2 (Gold Level Certification) • Applied a radiant cool and fresh air technology for efficient temperature control in the sales office and achieved 45% electricity savings compared to traditional VAV system during summer
Forum 66 (Shenyang, mainland China) GFA: 293,905 m ²	<ul style="list-style-type: none"> • LEED BD+C: Core and Shell v2 Gold Level Certification • Installed a high-efficiency heat recovery system for our hotel floors which can reduce an average of 100 MWh of electricity and 25,000 m³ of natural gas during cooling days; and an additional 5,000 m³ of natural gas during heating days • Installed water source heat pump to supply the heating in carpark area
Olympia 66 (Dalian, mainland China) GFA: 221,900 m ²	<ul style="list-style-type: none"> • LEED BD+C: Core and Shell v3 2009 (Gold Level Certification) • The replacement of 66 AHU and PAU fans with more efficient EC fan motors in 2024 is expected to save approximately 65,700 kWh of electricity each year • Installed a solar panel system which has generated approximately 162 MWh renewable power annually • Equipped water recycling system to recycle fire service system discharged water
Spring City 66 (Kunming, mainland China) GFA: 431,166 m ²	<ul style="list-style-type: none"> • LEED BD+C: Core and Shell v3 2009 (Gold Level Certification) • Installed a hospital-grade ventilation system (MERV 16) with UV light for sterilization to improve indoor air quality • Equipped water recycling systems to recycle fire service system discharged water, rainwater and grey water • 100% powered by renewable energy for landlord and tenant operations and avoided approximately 23,776 tonnes of carbon dioxide emissions in 2024
Riverside 66 (Tianjin, mainland China) GFA: 152,831 m ²	<ul style="list-style-type: none"> • LEED BD+C: Core and Shell v2 (Gold Level Certification) • Completed LED lighting upgrade works, reduced 1,450,000kWh electricity and saved RMB 1 million per year • Implemented climate adaptation measures to prevent flooding, and mitigate the effects of typhoons and heat waves in 2023, for example, flood barriers or flood gates at all major plant rooms, redesigned the air outlet for better heat transfer and freezing effect, etc.



Project Description	Notable green features
<p>Heartland 66 (Wuhan, mainland China)</p> <p>GFA: 460,105 m²</p>	<ul style="list-style-type: none"> • LEED BD+C: Core and Shell v3 2009 (Gold Level Certification) • Adopted advanced Building Management System with a highly efficient building service system • Installed IAQ sensors in malls and offices to monitor real-time IAQ levels • Equipped a water recycling system to recycle HVAC condensation water • Conduct climate adaptation deep dive study of typhoon and heavy rain
<p>Westlake 66 (Hangzhou, mainland China)</p> <p>GFA: 194,100 m²</p>	<ul style="list-style-type: none"> • LEED BD+C: Core and Shell v4 (Gold / Platinum Level Pre-Certifications) • China Green Building Design Label 3 (3-star) • Installed a closed-loop ground source heat pump system for the hotel building • Jingqing Lane No. 1, named a Net Zero Energy Building Demonstration Case of the "2022 Hangzhou Green Building and Building Energy Saving Demonstration Project" during its design stage in 2023 – the first zero energy historical building in Hangzhou • Deployed 5G technology to monitor, among other things, construction safety and quality, energy consumption, and dust and noise levels, to ensure environmental indicators in the construction stage meet requirements
<p>228 Electric Road Redevelopment (Hong Kong)</p> <p>GFA: 9,754 m²</p>	<ul style="list-style-type: none"> • LEED BD+C: Core and Shell v4 (Platinum Level Certifications) • BEAM Plus New Building V1.2 (Platinum) • China Green Building Design Label 3 (3-star) • At least a 35% energy reduction from the baseline model ASHRAE 90.1-2010 (US) and 28% from the baseline model BEC 2018 (HK) • Installed architectural fins as a sunshine device, provided automatic window blinds using daylight sensors, operable window controls using electricity actuators, and installed a rainwater recycling system for irrigation
<p>The Aperture (Hong Kong)</p> <p>GFA: 16,226 m²</p>	<ul style="list-style-type: none"> • BEAM Plus New Building V1.2 (Provisional Gold) • Adopted the Digital Quality Management System (DQMS), a multi-platform cloud solution for construction workflow inspection and quality management • Deployed Enertainer, an advanced battery energy storage system (BESS) to replace traditional diesel generators

ESG Due Diligence in Asset Acquisitions

	Status
2025 Target 100% of potential asset acquisitions include ESG due diligence.	On track 
2024 KPI Work to enhance ESG due diligence in potential asset acquisition projects through ESG factor checklist in Hong Kong and project management manual in Mainland	Completed 

Acquiring new development sites and existing assets is a pivotal stage in the real estate lifecycle. Integrating ESG considerations with a focus on environmental protection, social responsibility and ethical governance into early investment decision-making stage enables us to establish clear goals, measure targets and track metrics robustly. This approach ensures alignment with global sustainability standards and supports the transition to net-zero.

In 2022, we developed comprehensive ESG due diligence guidance accompanied by an ESG factors checklist for all potential asset acquisitions. This framework has been integrated into our project management process across mainland China and Hong Kong, ensuring that ESG considerations are systematically evaluated during the pre-acquisition phase.

The ESG factors checklist is structured to enable a comprehensive assessment of the environmental, social and governance implications of potential asset acquisitions as follows:

- **Environmental factors:** evaluate (potential for or already obtained) green building certificates; environmental protection issues, energy efficiency potential and renewable energy potential (including geothermal and renewable energy); landscape conservation and biodiversity issues, and climate adaptation issues.
- **Social factors:** consideration of and sensitivity to potential occupants and local communities; heritage preservation; accessibility; health impact assessment; and transportation connectivity.
- **Governance requirements:** compliance with local and international regulations; search for any records of pollution or ground contamination on site.

The ESG factors checklist is incorporated into the feasibility study of the potential asset during the pre-acquisition screening stage. The findings from this study are presented to the Board for its review and decision on the potential asset acquisition, ensuring that ESG considerations are factored into the highest level of decision-making for such important transactions.

By integrating ESG principles into our asset acquisition process, we aim to mitigate risks, identify opportunities, enhance sustainability performance and build stakeholder trust.

Suppliers

	Status
2025 Target Embrace technology to build a robust digital platform for assessing suppliers' ESG performance	On track
2024 KPI Evaluate at least 80% of key suppliers' ESG performance	Completed

Our Approach

Suppliers are important stakeholders in the Group's value chain. We work with our design, construction, and building materials suppliers and contractors to ensure compliance and to advance our sustainability agenda. Additionally, we maintain strong communication with various suppliers, including those providing corporate services, property management, security, and minor works.

The Group is dedicated to fostering long-term, sustainable partnerships with all suppliers and partners, empowering them to improve their sustainability performance through rigorous tracking, monitoring, and collaborative initiatives. We aim to decarbonize our value chain, including Scope 3 emissions, and to improve our performance and the performance of our suppliers in other important ESG areas. To support these objectives, we have implemented a comprehensive framework for supplier screening, monitoring, evaluation, and engagement.

Governance and Strategy

We have developed a [Code of Conduct for All Contractors](#) and a [Sustainable Procurement Policy](#). These documents define our baseline requirements for sustainable and responsible procurement practices, supplier selection criteria, and expectations for environmental, social and ethical performance. These policies are integral to our supplier registration process, ensuring that all suppliers adhere to our sustainability principles.

- Our Code of Conduct for All Contractors outlines our expectations regarding ethical behavior, human rights,

labor standards, environmental protection, and anti-corruption measures for all suppliers.

- Our Sustainable Procurement Policy emphasizes our preference for selecting suppliers that demonstrate robust ESG performance, possess relevant certifications, and align with our decarbonization objectives.

We have incorporated these policies into our procurement governance framework to ensure accountability. This framework undergoes regular reviews and updates to align with evolving best practices and regulatory standards.

Supplier Screening, Monitoring, and Evaluation

In both our operations and our development projects, we have processes in place and initiatives to uphold ESG standards and advance ESG priorities with suppliers.

Our supplier screening process includes consideration of country-specific, sector-specific, and/or commodity-specific risks as appropriate. For example, we consider: whether suppliers have appropriate and adequate credentials and qualifications to operate in Hong Kong and mainland China (including, where appropriate, relevant credentials related to data security); whether suppliers have experience relevant to real estate and to our standards for real estate projects (screening for business relevance); and trade-specific credentials and experience.

All suppliers must complete registration forms during the registration and pre-qualification process, self-declaring their details and providing relevant supporting documentation, including:

- Quality Management: Policies, certifications (e.g., ISO 9001), and performance metrics
- Environmental Performance: Environmental policies, certifications (e.g., ISO 14001, carbon footprint data), and initiatives aimed at reducing emissions, waste, and water usage
- Health and Safety: Occupational health and safety policies, certifications (e.g., ISO 45001), and records of incidents
- Ethics and Compliance: Legal and trade records, including any legal cases or convictions from the last three years, including and not limited to discovery of

any labor, safety and environmental records or cases, as well as compliance with anti-corruption and anti-bribery laws

We perform a comprehensive assessment of all new suppliers during their registration and pre-qualification review, including financial and legal reviews, and pinpoint potential risks related to supply chain management and ESG. In the event a potential supplier cannot provide appropriate documentation or cannot meet our governance requirements, they will not qualify to participate in a tender. We also conduct interviews for additional due diligence where appropriate, and in some cases suppliers are excluded from pursuing tenders or entering into contracts with us on the basis of additional information learned through such interviews.

To foster ongoing improvement, we carry out regular performance evaluations of our suppliers. We also disqualify existing suppliers in some circumstances. For example, we will disqualify a supplier if we learn of a serious breach of integrity, or if there are significant performance issues on an existing or prior contract, or if the supplier is experiencing severe financial difficulties or has declared bankruptcy.

Construction suppliers on our master tender list (discussed below) meet our requirements for technical competence, track record, and financial and legal considerations, and we regularly review our suppliers on this list with reference to these considerations.

While commercial considerations are of primary importance in our tenders, in recent years we have had some procurements where the ESG performance of suppliers was a factor in the supplier selection and contract award. In addition, we have selected both operational and construction suppliers because of their capacity to deliver better ESG performance.

Recent examples in operational procurement include:

- Procuring renewable energy in five of our Mainland properties, where the vendor is required to guarantee delivery of a minimum percentage of renewable energy to our properties;
- Our tender for a new staff uniform for all our properties in both Hong Kong and mainland China, where 5% of the score is tied to the vendor's capacity to provide recycled content in the uniform;

- Our tender for suppliers' copy paper in mainland China, where 8% of the score is tied to whether the supplier can provide recovered fiber or postconsumer fiber, and suppliers must provide evidence of forestry certification(s) or green labels awarded to the brand product or manufacturer such as Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forestry Certification (PEFC);
- For information technology equipment, it must comply with local energy efficiency standards and have a suitable energy efficiency recognition label, as well as comply with relevant requirements to restrict hazardous substances in electronic equipment. In addition, its packaging must not contain chlorine-based plastics and must be easily biodegradable.

Recent examples in construction procurement include:

- Procuring lower carbon concrete in our Westlake 66 project, where the vendor was selected because of its capacity to reduce carbon emissions from concrete at an acceptable cost; and
- Procuring lower carbon steel in our Plaza 66 Pavilion extension and our Westlake 66 projects, where the vendor was selected because of its capacity to reduce carbon emissions from steel at an acceptable cost.

We also regularly update our supplier evaluation criteria in consideration emerging ESG risks and opportunities.

Supplier ESG Engagement Program

We endeavor to advance our sustainability aims across our value chain through proactive engagement with suppliers, including building capacity and collaborating on initiatives. In 2023, and continuing into 2024, we launched a sustainable procurement and supplier engagement program to manage critical ESG risks, improve supplier performance, and meet our decarbonization and sustainability targets. Key aspects of the initiative include:

Risk Assessment and Prioritization

We partnered with Sedex to conduct a Sustainable and Responsible Supply Chain (SRSC) Maturity Assessment in 2024.

This evaluation identified opportunities for improvement within our supply chain, current management strategies, and in our supplier engagement strategy including



enhancements related to human rights and labor standards, diversity and equal opportunities, and supplier evaluation and performance monitoring. We are implementing key enhancements in 2025.

We also engaged an independent consultant to assess our procurement policies and practices to enhance our sustainable procurement strategy in 2024. The recommendations cover areas such as nature conservation and biodiversity, labor rights protection and community empowerment, and efficient and effective processes to manage sustainable procurement operations.

These recommendations are shaping improvements in our sustainable procurement strategy to help meet evolving stakeholder expectations and move us towards global best practices. We are reviewing these recommendations for potential implementation into our procurement governance framework in 2025.

Supply Chain Mapping and Evaluation

We conduct annual performance reviews for our suppliers, utilizing predefined ESG KPIs to monitor progress and identify areas for improvement. For more detailed information, please refer to the sections [Construction Supplier Management](#) and [Operational Supplier Management](#).

In 2024, we executed a supply chain mapping exercise to identify high-impact suppliers based on spending categories and sustainability significance. This process uncovered 34 critical suppliers in our construction and operations, including 10 in Hong Kong and 24 in mainland China. These critical suppliers together represent a substantial share of our supply chain expenditures and provide significant opportunities for sustainability impact. More than 90% of these key suppliers completed a self-assessment using Sedex's Self-Assessment Questionnaire (SAQ), which measures performance across environmental, social, ethical, and governance aspects. The assessment results guide our engagement efforts, address gaps, and promote continuous improvement.

We are broadening our supply chain mapping to include more suppliers and categories in 2025.

Capacity Building for Suppliers and Employees

We understand that enhancing supplier capacity is vital for achieving our sustainability objectives. In July 2024, we held an online training session for key suppliers focused on our supplier ESG engagement plan and decarbonization targets for 2025 and 2030. More than 80% of key suppliers participated. This session also shared best practices for sustainable procurement and improving ESG performance, including buyer-supplier collaboration and ensuring compliance while optimizing operational efficiency.

We also conducted three "Sustainable and Responsible Supply Chain (SRSC)" training sessions for 246 colleagues across nine procurement-related departments, empowering them to manage ESG risks and opportunities effectively. The sessions covered topics such as our overall sustainable supply chain targets and implementation plan, sustainable sourcing practices and supplier ESG performance evaluation. Participants provided feedback that they gained a clear understanding of SRSC principles and implementation models, as well as insights into how to deepen their knowledge of sustainable supply chain practices.

We will review and improve our supplier training and capacity building programs as we roll out our supplier ESG engagement plan.

Collaboration for Decarbonization

We also collaborated with key suppliers on project-level decarbonization efforts using low-carbon and recycled materials. For more details, please see the case studies on [low carbon emissions steel](#) and [gypsum board recycling](#).

Construction Supplier Management

We maintain a master tenderer list for contractors, suppliers, and consultants. All potential vendors undergo a pre-qualification process to meet expectations in compliance, professionalism, health and safety, sustainability, and green building capabilities.

In 2024, we collaborated with Sedex to engage key suppliers in the construction side of our business including main contractors, curtain wall contractors, fit-out contractors, E&M contractors, and safety and sustainability consultants. The SAQ analysis revealed that working conditions, community and human rights, and business ethics are areas our key suppliers need to improve, while we could enhance their diligence related to oversight of labour issues when reviewing our key suppliers' management practices.

In our construction in 2024, we worked with approximately 104 suppliers in Hong Kong and 483 suppliers in mainland China, totaling 587 suppliers. We reviewed suppliers as part of our annual performance review. We selected these suppliers for review because of competence and job relevance.

Our management of construction suppliers also includes engaging independent safety consultants to monitor contractor performance on all construction projects, as mentioned earlier in our discussion of Project Safety Management.

Operational Supplier Management

Since 2022, all new suppliers undergo an ESG review during registration. Existing suppliers are also reviewed upon contract renewal and periodically thereafter to ensure alignment with our Code of Conduct for Contractors. This code outlines our expectations regarding compliance with laws, integrity,

health and safety, prohibitions of child or forced labor, environmental conservation, and data protection. We periodically examine suppliers' records and practices to identify sustainability risks and necessary mitigation measures.

In 2024, we collaborated with Sedex to also evaluate our operational suppliers. The SAQ analysis identified environmental compliance as strengths, while freely chosen employment, communities and human rights, and discrimination were noted as areas needing improvement in our key suppliers' management practices, or at least in their disclosures related to such practices as part of the evaluation process.

In our operations in 2024, we worked with approximately 2,800 suppliers in Hong Kong and 6,000 suppliers in mainland China, sourcing about 90% of our procurement locally to reduce transportation emissions and support local communities. In Hong Kong, our Central Procurement worked with various departments to review a total of 166 suppliers under its performance review process. It selected these suppliers for review to determine whether they would be considered for future contracts.

We also monitor the safety practices of operational suppliers working in our properties, including through dedicated safety engineers at each Mainland property.

External Recognitions

Our initial collaboration with suppliers has earned recognition with the Group nominated as a finalist in the 2024 Sedex Supply Chain Award, in the Driving Change category. Additionally, our IPE's Green Supply Chain Corporate Information Transparency Index (CITI) rose from 20.3 to 28.8 in 2024.

CASE STUDY

First Gypsum Board Recycling Initiative in China

Significant waste is generated during demolition, construction, and renovation processes in the built environment. Materials like gypsum board, which is commonly known as drywall or plasterboard, have significant potential for recycling and reuse because its core materials are chemically stable, can be separated during renovations and demolitions, and are in such common use.

Together with our gypsum board suppliers, Knauf and Saint-Gobain, and innovation partner TRASHAUS, we piloted two gypsum board recycling projects in mainland China in 2024. The pilot projects collected and recycled over 680 kg from a store fit-out renovation at Grand Gateway 66, Shanghai and more than three tonnes of gypsum scrap from the landlord area of our new construction project at Westlake 66, Hangzhou.



CASE STUDY (CONTINUED)

Additionally, we are exploring opportunities to reuse gypsum board scrap from Knauf during the Plaza 66 Pavilion Extension project in Shanghai, and in upcoming tenant fitouts and renovations in our properties.

A Memorandum of Understanding, signed by the Group, LVMH, Knauf, Saint-Gobain, and TRASHAUS in April 2024, envisions a 'Circularity Accelerator' to enhance recycling, reuse, and data collection in the built environment.





Tenants

	Status
2025 Target 100% of leases incorporate sustainability provisions	On track
2024 KPI Collaborate with at least eight tenants in Hong Kong and eight tenants in Mainland under Tenant Partnership Program	Completed

Sustainability Provisions in Leases

We introduced a sustainability addendum for our standard leases in 2024 to strengthen opportunities to work with our tenants on sustainability. Commencing in 2025, this addendum is being integrated into leases for all new tenants and those renewing agreements across our properties in Hong Kong and mainland China.

In 2024, we collaborated with a banking and financial services tenant to pioneer the sustainability addendum for its lease in conjunction with the opening of its new office at Center 66, Wuxi. This addendum promotes regular discussions on data exchange and potential enhancements in energy efficiency, underscoring the tenant's commitment to sustainable practices. This partnership exemplifies our approach to working with tenants and facilitating their transition towards more sustainable operations.

Tenant Handbook and Fit-out Guide

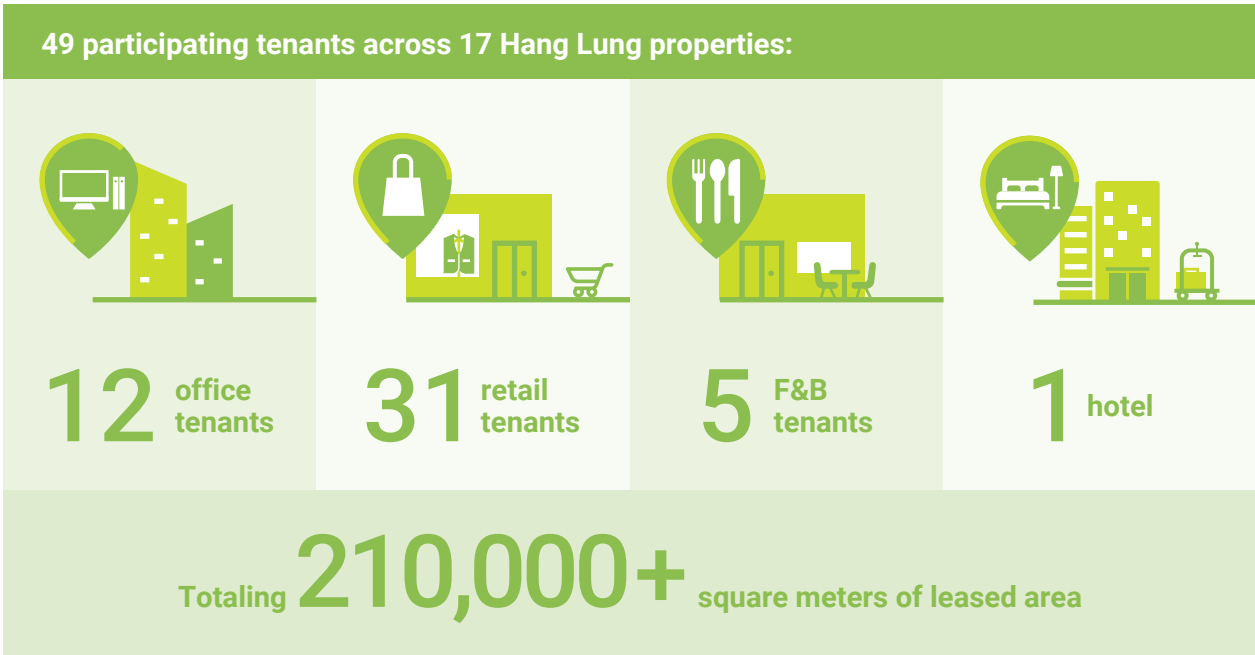
The Tenant Handbook and Fitting-out Guideline guide tenants in managing their leased spaces effectively and sustainably. Through these documents we set expectations, provide operational guidance, and encourage collaboration between landlords and tenants to ensure smooth operations and alignment with our sustainability goals.

Both the Tenant Handbook and Fitting-out Guideline focus on five sustainability areas for collaboration: Climate Resilience, Resource Management, Wellbeing, Sustainable Transactions, Communication and Progress Reviews, and Encouraging Tenant Collaboration. We actively engage with tenants to drive progress in several key areas:

Energy Efficiency – We encourage tenants to install energy sub-meters to monitor electricity usage for HVAC systems, lighting, and small equipment (e.g., computers, photocopiers, and televisions, etc.) and to share energy, water, and waste data to improve operating practices.

Sustainable Practices – Tenants are encouraged to adopt sustainable procurement and cleaning practices, and we work to implement sustainable food practices with our F&B tenants, promoting healthy and environmentally friendly operations.

Community and Wellbeing – We partner with tenants on initiatives related to social impact, wellbeing, and other shared priorities to have a positive impact beyond our properties and in our broader communities.



Tenant Partnerships

We foster collaboration with tenants on our sustainability vision through two innovative partnerships – our first-of-its-kind sustainability partnership with LVMH Group and the *Changemakers: Tenant Partnerships on Sustainability Program*. As of December 2024, Hang Lung has collaborated with 49 tenants from various sectors in these initiatives, including office, retail, food and beverage, and hospitality, across 17 properties, totaling over 210,000 square meters of leased area.

Sustainability Partnership with LVMH Group

Our sustainability partnership with LVMH Group, initiated in October 2022, has successfully completed its second year. Throughout this period, the groups advanced sustainability efforts by collaborating with experts to conduct research and pilots across various actions from the 20 joint sustainability initiatives outlined in the initial Common Charter. The publication of the second edition of the [Common Charter](#) in September 2024 provided a transparent progress report on our efforts, achievements, lessons learned, stakeholder perspectives, and evolving plans.



Summary of key actions in the Common Charter 2024

In April 2024, the second Real Estate & Climate Forum between Hang Lung and LVMH Group was held in Shanghai. Over 150 colleagues from both organizations and invited guests participated in person and online, sharing valuable lessons, celebrating progress, and engaging in team-building activities. The event featured 23 esteemed speakers who shared insights and expertise on sustainability challenges and best practices in the real estate and retail sectors.



Second Real Estate & Climate Forum in Shanghai

Additionally, in September 2024, we launched the [Changemakers Circle Podcast](#) as another initiative under our partnership. This series features expert discussions on topics including renewable energy procurement, the impact of interior environments on wellbeing, climate-resilient building practices, accessible and inclusive buildings, and the importance of pragmatic optimism in sustainable development. More episodes will be released in early 2025, continuing to spark insightful conversations about sustainable practices in China's real estate and retail sectors.



Changemakers Program for All Tenants

Launched in December 2023, our nationwide *Changemakers: Tenant Partnerships on Sustainability Program* included 21 participants, collectively occupying over 150,000 square meters of leased space by the end of 2024. This initiative is open to tenants of all sizes across sectors such as office, retail, F&B, and hospitality in Hong Kong and mainland China.

The program provides a variety of sustainability actions designed to reduce carbon emissions, minimize waste, promote circularity, and enhance community wellbeing. Participants can choose to engage at either the "Foundational" or "Advanced" level, accessing capacity building resources, energy performance benchmarking, technical support, volunteering opportunities, and recognition for their ESG efforts. Tenants who took part in the 2024 pilot will receive an insights report analyzing their energy performance, providing tips for ongoing improvement in sustainability practices. They will also be invited to attend the Tenant Award Ceremony scheduled for April 2025 where we will acknowledge their sustainability achievements and share best practices among members of the Changemakers tenant community.

Building on the success and lessons learned from our 2024 pilot, the program will be strengthened in 2025 with new and refined actions and criteria. In addition, the report submission process will be streamlined to assist tenants in implementing the program more effectively and reaping more tangible benefits.



The pilot Changemakers Program participants united for an engaging introduction session

Collaboration with Centre for Asian Philanthropy and Society (CAPS)

As a prominent office tenant engaged in the Advanced level of our Changemakers Program, CAPS illustrated several best practices, including: an embodied carbon assessment for their office relocation project; reusing office furniture; reducing landfill waste; and installing submeters. Their dedication to advancing sustainability in their leased premises is exemplary.

[LEARN MORE >>](#)

Capacity Building for Tenants

In 2024, we launched a series of capacity building sessions on sustainability for our tenants across various business sectors in Hong Kong and mainland China. These sessions were designed to empower tenants with the knowledge and tools to implement sustainability initiatives. Key topics included waste management and circularity, embodied carbon, and healthy building certification, providing actionable insights to drive environmental and social impact. Through these programs, we engaged approximately 100 tenant representatives, fostering collaboration and shared commitment to sustainable practices.



Changemakers Insights Series #1: Waste and Circularity Information Session tailored for our F&B tenants in Hong Kong



WELL Certification Sharing Sessions in Shanghai and Wuhan in collaboration with the International WELL Building Institute (IWBI)

Sustainability E-newsletter for Tenants and other Stakeholders

Since its launch in December 2023, our dedicated tenant sustainability e-newsletter, *Changemakers*, has served as an effective and transparent communication channel to keep our tenants informed about our sustainability initiatives, progress, and achievements. Additionally, we have collaborated with participating tenants in our Changemakers Program, such as Credit Agricole in Shanghai, and CAPS in Hong Kong, to showcase their sustainable best practices as [case studies](#), aiming to inspire our tenant community.



Changemakers - our quarterly sustainability e-newsletter for tenants

Tenant Feedback

We regularly seek tenant feedback to better understand and meet their needs. Our feedback channels include meetings, phone calls, emails, interviews and surveys. We are also exploring ways to establish an open feedback loop. This approach enables more agile decision-making and enhances the overall customer experience. We will broaden our approach and conduct a tenant feedback survey for all our core properties in 2025.

Customers

Maintaining Quality Standards

We are committed to putting customers first by delivering products and services that meet the highest quality standards. Our operations manuals for our property management services teams provide clear, standardized procedures for managing our properties in Hong Kong and mainland China, ensuring consistent service excellence across all locations.

To uphold these standards, we conduct annual inspections to identify and address any defects or deficiencies in building facilities, as well as electrical and mechanical systems. To ensure uninterrupted services and the safety of building occupants, we perform regular maintenance on critical facilities such as HVAC systems, fire services systems, elevators, and electrical systems.

During major renovations of existing properties, we refresh the design, layout, and customer circulation of our malls and offices. These upgrades aim to enhance customer experience while maintaining design quality. Most contractor works include a one- to two-year defects liability period (DLP) to ensure quality, and major equipment comes with warranties of five to ten years beyond the DLP.

We continually upgrade building systems to improve functionality and safety. For example, lift modernization for Gala Place and 9 Wing Hong Street was completed in 2024 or earlier; lift modernization for Standard Chartered Bank Building, Hollywood Plaza, 1 Duddell Street, Printing House, Baskerville House have been scheduled for completion in 2025 or later.

Maintaining high standards of hygiene is another key priority. We implement revamp projects and arrange for regular training for frontline staff, equipping them with the latest cleaning techniques and safety protocols. This ensures they are well-prepared to address hygiene challenges effectively and maintain consistently high service quality. Additionally, we closely monitor the performance of cleaning service providers through daily checks and monthly inspections, ensuring our properties meet the expectations of our customers.

Through these practices, we strive to deliver safe, high-quality environments that enhance the experience of our customers and stakeholders.

Enhancing Customer Experience

We are eager to continually improve customer experience and loyalty throughout our operations in mainland China and Hong Kong.

In mainland China, our HOUSE 66 customer relationship management program links members across ten malls in eight cities, providing a range of tailored privileges and rewards. We consistently strive to create exceptional experiences that enhance customer engagement and strengthen our status as a leading destination for retail and lifestyle.

In 2024, our annual HOME TO LUXURY gala at Plaza 66, Shanghai, showcased its strongest lineup to date. Guests enjoyed access to over 100 exclusive, first-release collections, immersive brand animations, and a gourmet experience crafted by Michelin-starred chefs. The three-day event set new attendance records with around 6,000 guests. Similarly, during November, Heartland 66 in Wuhan welcomed nearly 170,000 visitors over three weekends for its annual celebration. By integrating art and commerce, the event offered multi-sensory experiences that resonated with modern consumers. At Spring City 66 in Kunming, the mall's fifth anniversary celebration, themed "Spring Into Life," exemplified innovation with cabaret performances, engaging activities, and exclusive customer privileges.

These signature events across our flagship properties demonstrate our continued effort to provide unique experiences that deepen customer relationships and elevate our properties as vibrant urban landmarks that drive social and economic vitality.



HOME TO LUXURY event in 2024

In 2024, the hello Hang Lung Malls Rewards Program continued to grow in Hong Kong, with participation from over 600 tenants across seven malls and our Central portfolio. Using the Hang Lung Malls app, we collaborate closely with our tenants to deliver a seamless and enhanced shopping experience tailored to diverse customer preferences and lifestyles. Members enjoy exclusive, time-limited offers such as shopping discounts, surprise gifts, and rewards for purchases across our portfolio. The program also provides access to unique lifestyle activities including handicraft workshops at Peak Galleria, exclusive sales events, shop previews, and grand openings, offering exceptional experiences that deepen customer loyalty and engagement.

In line with our commitment to sustainable practices, we continued our collaboration with Fill n'Go to promote "naked purchasing" in our Hong Kong shopping malls. Self-service smart refill stations for shampoo, handwash, and other personal care products were installed at Fashion Walk, Kornhill Plaza, and Amoy Plaza, supporting waste reduction and environmentally conscious consumption. These initiatives reflect our dedication to not only enhancing customer experiences but also fostering sustainability within our operations.

Measuring Customer Satisfaction

Customer feedback is essential for understanding expectations and driving continuous improvement. Our ongoing customer survey evaluates both the Net Promoter Score (NPS) and qualitative feedback on areas such as brand mix, marketing mix, and facilities, using verbatim analysis to gain deeper insights. By analyzing customer feedback word-by-word to create a statistical summary, we gain a clear and measurable understanding of customer sentiment. In 2024, we achieved an overall NPS score of 73.7 points in mainland China, reflecting a +2.1 increase compared to the previous year.

*Survey conducted from January to December 2024, with over 33,000 customers interviewed in mainland China.



The survey revealed that staff services are a key factor in customer satisfaction. To enhance service quality, we launched a new Customer Experience Initiative (CEI) to guide our service standards in 2023. In 2024, we further implemented the CEI Assessment, which monitors compliance with these standards across our property management services frontline staff to ensure consistent delivery of high-quality service.

We also collect customer feedback from other channels, including our WeChat Official Account, HOUSE 66 mini-program, hello App, concierge, email, and through phone calls. We regularly improve public areas based on customer feedback. Recent enhancements include better temperature and ventilation control, cleaner and tidier restrooms, upgraded nursery rooms with improved amenities, and more effective car park management to enhance the overall customer experience.

To address customer complaints, we have established standardized procedures for complaint handling to ensure timely and consistent responses. Dedicated staff log, manage, and investigate complaints within an appropriate timeframe, maintaining close communication with customers throughout the resolution process. Our PMS team regularly reviews complaint cases to strengthen their problem-solving and complaint-handling skills. Additionally, we provide ongoing service level training to our property management staff to ensure delivery of high-quality service at all times.

Written Complaints

Hong Kong

Interim reply within three working days

Formal reply within 14 working days

Mainland China

Formal reply within seven working days

Sustainable Marketing

	Status
2025 Target 100% of marketing events evaluated for their sustainability impacts	On track
2024 KPI Define evaluation criteria for local marketing events' sustainability impacts and evaluate the sustainability impacts of at least 50% of local marketing events in Mainland and Hong Kong	Completed

We have established sustainable marketing guidelines applicable to all properties. The guidelines articulate principles for organizing sustainable events and outline essential considerations, including marketing promotion, venue setup, waste management, and environmentally-friendly transportation options. Additionally, the guidelines encompass recommendations for sustainable procurement of marketing collateral, as well as defined metrics—such as electricity consumption and carbon footprint—to assess the sustainability impact of an event. We improved the guideline in 2024 with an update of carbon emissions calculators, including the addition of standardized emissions factors, predetermined unit measurements, and specific data input categories. In 2024, more than 50% of marketing events were evaluated based on this revised guideline.



Heartland 66 'Carmen' Musical

Protecting Customer Data Privacy

As our business engages in numerous daily transactions with tenants and customers, we are committed to managing their personal and business information in compliance with all relevant laws and regulations. Doing so is not just a legal matter; it is also an imperative for fostering trust and sustaining strong stakeholder relationships. We have established internal policies and measures for collecting, using, and protecting personal data. All measures, rules, and policies are periodically reviewed to maintain compliance with applicable laws and regulations. A Data Security Management Committee (DSMC) was established in 2023 as the decision-making body for the Group's data security management. The DSMC leads the overall governance of data security matters and monitors potential breaches of relevant personal data protection laws and regulations. All business scenarios involving the collection of personal information must be reviewed by the DSMC prior to implementation to ensure compliance.

There were no substantiated complaints received concerning breaches of customer privacy and losses of customer data during the reporting period.

In Hong Kong, we manage tenant and customer personal data under our Privacy Statement, adhering to the Personal Data (Privacy) Ordinance. In mainland China, our privacy policies align with local personal information protection related laws. Since the 2021 implementation of mainland China's Personal Information Protection Law, we have updated the HOUSE 66 program's terms and conditions, as well as the privacy policies. We will also seek consent from customers in mainland China before collecting their personal information and have taken corresponding measures to reduce cross-border transfer of personal information.

Next Steps

We will continue to embed sustainability into all stages of our business transactions with a focus on advancing tenant partnerships, supplier engagement, and investor collaboration. Among key actions in 2025:

- We will streamline and improve our tenant partnership programs with the second year of the Changemakers Program, with a target to engage 40 tenants in 2025. We will also pursue key actions in the third year of our LVMH partnership.
- We will deepen supplier engagement by conducting on-site audits for selected key suppliers, focusing on high-impact areas such as environmental performance and labor practices. To further align with our decarbonization goals, we will explore with banks on how to support Scope 3 reductions.
- We will enhance our overall sustainable building certifications approach and aim to increase the ratio of our certified building portfolio with well-recognized international green, health and wellness certifications for all our properties.



APPENDIX

Appendix 1 - Key Sustainability Trends

Key Trends and Synopsis	Relevance to Our Business
<h3>1. Climate Resilience</h3>	
<p>Frequent extreme weather events (acute climate conditions) and changes in mean weather patterns (chronic climate conditions) highlight the urgent need for immediate and comprehensive climate action. As part of their climate mitigation and net-zero strategies, many nations and sub-national jurisdictions are intensifying their efforts to expand renewable energy while companies are increasingly exploring technological solutions for carbon removal.</p> <p>Investor sentiment remains divided. While some financial institutions and asset managers face growing political pressure, particularly in the United States, to scale back ESG-related commitments (see our discussion of Emerging Risks in 2024), others continue to prioritize decarbonization and sustainable business practices, recognizing the long-term financial and operational risks posed by climate change. As the regulatory environment evolves, companies are expected to strengthen their greenhouse gas management and accounting systems to meet investor and stakeholder expectations. Although the current political circumstances in the United States indicate a short-term move away from decarbonization efforts at the federal level, initiatives are continuing there at the state and city levels, and among other actors apart from the public sector. In the medium to long-term, we expect decarbonization efforts to remain a significant global trend as the climate crisis worsens.</p>	<p>According to the International Energy Agency (IEA), the building and construction sector accounts for nearly 40% of energy and process-related greenhouse gas emissions globally. Reducing carbon emissions in the construction and operation of buildings is crucial to achieving net zero emissions. In China specifically, the country has outlined in its 14th Five-year national plan clear policy directions and medium-term targets to direct emissions reduction efforts at provincial and city levels nationwide.</p> <p>Decarbonization is both a strategic priority for our business and the right thing to do for our planet. It presents opportunities and risks for our business, depending on how effectively we manage climate-related issues and decarbonization actions, including adapting to and mitigating physical and transition risks. We published our net zero targets validated by SBTi in January 2023 to help guide our emissions reduction investments and efforts across our operations and value chain, and we are publishing a detailed discussion paper of our scenarios and actions to net zero by 2050 in tandem with this report. As part of our net zero commitment, we are exploring sustainable practices to meet evolving market expectations and enhance our climate resilience, such as adopting renewable energy sources, implementing efficiency measures, and leveraging technology and innovations to manage our carbon footprint. We also collaborate with stakeholders on initiatives such as the Changemakers Program to advance decarbonization efforts.</p> <p>Additionally, recognizing that the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations have been incorporated into the ISSB Standards, we have integrated ISSB's recommendations into our climate-related financial disclosures, as reflected in our sustainability reports for 2023 and 2024. We are also preparing to comply with HKEX's new climate disclosure requirements and HKFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and HKFRS S2 Climate-related Disclosures (HKFRS Sustainability Disclosure Standards or HKFRS SDS) published by the Hong Kong Institute of Public Accountants. We are committed to enhancing the quality of our climate-related disclosures annually.</p> <p>Please read more about our work on these issues in Climate Resilience and Appendix 8.</p>



Key Trends and Synopsis

Relevance to Our Business

2. Talent Development and Workplace Dynamics

Organizations are increasingly recognizing the strategic importance of incorporating sustainability practices into their human capital management frameworks. This recognition involves the systematic measurement and evaluation of social and human capital as key drivers of long-term success. The focus on workforce wellbeing, including the integration of comprehensive health and safety protocols into human capital management, has become a priority, with industry standards and practices evolving to support employee resilience and productivity.

However, the broader discourse on workplace dynamics has become more complex. While many organizations continue to consider social justice, equity, and inclusion issues as part of their corporate and human resources strategies these efforts have also become politically charged, particularly in certain markets. The backlash against so-called "woke" corporate policies has led some companies to recalibrate how they approach – or at least, how they speak publicly about – their diversity, equity, and inclusion efforts (if any). As a result, the implementation of workplace policies now requires more nuanced navigation to ensure alignment with business objectives, divided public opinion and quickly evolving sentiment, and regulatory landscapes.

The COVID-19 pandemic underscored the critical importance of employee wellbeing, leading to the widespread adoption of remote and flexible working arrangements that are anticipated to persist in the long-term. Concurrently, organizations are placing greater emphasis on aligning their corporate purpose with the values and expectations of their employees and the broader societal context, an alignment which may enhance overall workforce engagement and productivity.

Hang Lung's capacity to compete and thrive in an increasingly complex market environment hinges on how effectively we can attract, retain, and develop the right talent. Talent attraction, retention, and development are among the top issues essential to our financial performance and longer-term enterprise value.

Recognizing the strategic importance of human capital management, including planning, managing, and developing the composition and competence of our workforce, is essential for us to remain competitive amid the rapid pace of technological development, changing market environments, and evolving workplace dynamics. Prioritizing effective hiring practices, comprehensive health and safety protocols, nurturing employee wellbeing, and integrating sustainability into our human capital strategies are crucial for fostering a resilient workforce.

At the same time, we recognize that workplace culture and employee engagement are evolving amid external pressures and shifting societal expectations. While we continue to integrate sustainability into our human capital strategies, we do so with a pragmatic approach, ensuring that our policies remain both relevant and responsive to our business needs, workforce priorities, and broader stakeholder considerations.

Our corporate culture, employment practices, and procurement policies and norms directly impact the potential for decent work for our employees and suppliers. By emphasizing responsible employment, workforce wellbeing (including scientific research into wellbeing), and adaptability to workplace trends, we are positioning Hang Lung for long-term success in an increasingly dynamic and sometimes polarized global business environment.

Please read more about our work in [Wellbeing](#).

Key Trends and Synopsis

Relevance to Our Business

3. Nature and Biodiversity Dependencies

The importance of nature-based considerations within the corporate sphere is on the rise, driven by the proliferation of environmental regulations and the emergence of voluntary sustainability standards. Notably, organizations are transitioning from making broad, vague commitments towards setting specific, actionable targets aimed at nature conservation.

The adoption of the recommendations put forth by the Taskforce on Nature-related Financial Disclosures (TNFD) is gaining traction, with 416 companies across 50 jurisdictions committing to align their reporting practices with these guidelines. Concurrently, governments are implementing policies to bolster the protection of natural ecosystems, exemplified by Denmark's announcement of the first-ever carbon tax on the agricultural sector, slated for implementation in 2030.

Additionally, businesses are demonstrating an increasingly sophisticated understanding of the interconnectedness between biodiversity and climate change, spurring the development of integrated strategies to address these interrelated challenges. Furthermore, companies are scaling up their deployment of sustainable agricultural practices, as evidenced by Archer-Daniels-Midland's expansion of its regenerative agriculture program by over 2.8 million acres in 2023, with a target of 3.5 million acres in 2024. Meanwhile, large-scale carbon removal initiatives are gaining traction, leveraging nature-based solutions to address both climate and biodiversity goals. In early 2025, Google signed one of the world's largest biochar transactions to date with Indian supplier Varaha, purchasing 100,000 tonnes of carbon removal credits by 2030 from its local biochar-based facility.

In short, companies are placing a growing emphasis on nature-related considerations, driven by a combination of regulatory pressures, voluntary sustainability initiatives, and a deepening recognition of the critical linkages between biodiversity, climate change, and long-term business resilience.

Property development and operations can have significant negative impacts on the environment through pollution, land use changes, deforestation, and destruction of natural habitats. To protect natural habitats and biodiversity, we aim to minimize the environmental impacts of our developments through responsible planning and design, and responsible procurement practices that give preferences where feasible to products and raw materials from sustainable sources and with lower ecological footprints.

Financial institutions are increasingly focusing on nature-based considerations to promote nature conservation and combat biodiversity loss. The TNFD, established in 2021, published its recommendations in September 2023 to provide a global framework for organizations to report on risks from biodiversity loss and ecosystem degradation. In 2024, we conducted analyses according to the approaches recommended by TNFD and are offering our first TNFD responses in this report. We will continue to explore integrated strategies to future-proof our operations, drive positive environmental outcomes, and strengthen our overall resilience.

Please read more about our work in [Resource Management](#) and [TNFD Content Index](#).



Key Trends and Synopsis

Relevance to Our Business

4. Responsible Consumption and Circularity

Organizations are placing greater emphasis on embracing circular economy principles and developing more sustainable product offerings. The concept of closed-loop, circular systems for products and materials is gaining traction in an effort to overcome the pollution and resource depletion issues arising from the traditional linear "take-make-waste" economic model.

In Europe, there are now increasingly stringent regulations in place that provide close oversight of corporate sustainability claims, providing a defense against greenwashing. Similarly, in China, the central government has taken significant steps to promulgate a circular economy. In 2024, China established the China Resource Recycling Group, a state-owned enterprise headquartered in Tianjin, dedicated to enhancing recycling across various industries, including steel, base metals, plastics, and chemicals. Consumers are also demonstrating heightened scrutiny of product labels and corporate sustainability claims. Regulatory requirements and consumer demand for transparent, substantive sustainability efforts are exerting pressure on organizations to align their marketing claims and product development with credible environmental and social practices.

Public awareness and regulatory requirements concerning waste management are increasing in Hong Kong and other cities in mainland China. As an owner and operator of commercial real estate with office, retail, and food and beverage tenants, providing adequate facilities and implementing robust programs to support our tenants and visitors in waste reduction and recycling is a growing priority for us to foster responsible practices and circularity among our operations.

Implementing circular principles in the decision-making process in procurement, design, construction, and building operations can significantly reduce both operational and embodied carbon emissions, as well as other types of pollution. In addition, embracing and pursuing circular economy principles and developing sustainable products are important initiatives to show alignment with government policy, demonstrate a leadership offering to our stakeholders, and future-proof our business. Progress in these areas will also help reduce our reliance on virgin raw materials, thereby reducing our environmental impact and enhancing our resilience to potential supply chain disruptions.

Please read more about our circularity work in [Resource Management](#).

Key Trends and Synopsis

Relevance to Our Business

5. Stakeholder Health and Wellbeing

As workplaces continue to evolve after the COVID-19 pandemic, many companies are transitioning back to in-office work, either fully or in hybrid models. This shift has brought challenges, including employee stress, work-life balance concerns, and the need for workplaces that support social connection and mental wellbeing.

Meanwhile, many employees are experiencing a lack of workplace connections and feelings of loneliness at work, as well as uncertainties and insecurities about their careers, all of which are negatively impacting employee wellbeing. These feelings and perceptions present challenges for organizations as younger generations enter the workforce, requiring adjustments in management and in leadership styles to address these evolving dynamics.

Beyond issues of workplace culture and management policies, the indoor environment also plays a vital role in the wellbeing of employees, tenants and customers. With people spending more time indoors, creating healthy, engaging, and comfortable environments is essential. Rising economic uncertainties and mental health challenges further emphasize the need for organizations to consider how their spaces contribute to physical and mental wellness, ensuring that buildings promote a sense of connection, security, and overall quality of life.

Addressing the evolving needs of the workforce, promoting wellbeing, and fostering a supportive work environment have become an increasing focus following the COVID-19 pandemic for workplace offices of all kinds, including real estate companies. Prioritizing meaningful connections, mental health support, and inclusive workplace practices is crucial to the satisfaction and retention of our workforce while driving productivity, creativity, and innovation.

In addition, the attributes of our built environment directly or indirectly impact many aspects of human health, wellbeing and quality of life. In its Health and Wellbeing Framework, the World Green Building Council (WorldGBC) outlines six principles for a healthy and sustainable built environment. This framework guides the building and construction sector in addressing its responsibilities concerning the quality of the indoor environment, mental and physical health, and behavioral influences. It also emphasizes the importance of embracing the people and environment involved at all stages of the building lifecycle.

The building and construction sector, including Hang Lung, can actively protect and enhance the health, wellbeing and safety of its stakeholders. In addition, it can safeguard the health and safety of workers, as well as preventing illness and promoting wellness for all stakeholders. Additionally, the sector should minimize adverse environmental impacts through responsible sourcing, construction, and operational practices, and prioritize the holistic health and wellbeing of our stakeholders.

Please see our chapter on [Wellbeing](#) for more information.



Key Trends and Synopsis

Relevance to Our Business

6. Geoeconomic Fragmentation

The geopolitical environment has become increasingly volatile, and in the short term at least, it will be increasingly difficult to advance global public goods through multilateral cooperation.

With populist movements rising around the world, sustainability policies and efforts – which require short-term adjustment to achieve long-term goals, have been made more challenging. Most notably, the newly elected Trump administration has (once again) withdrawn US support for the Paris Agreement, and is reversing many previously introduced US policies and initiatives that provided federal support for climate science, greenhouse gas emissions reduction efforts and deployment of clean technologies.

Concurrently, escalating trade tensions – marked by new US tariffs against several other countries, including China, with ensuing retaliatory measures by those countries – are increasing global economic uncertainties. Meanwhile, ongoing conflicts in Ukraine and the Middle East raise geopolitical risks. The knock-on effects of rapid changes in any region in this turbulent environment could manifest themselves in unpredictable ways in other parts of the world.

These political and trade-related developments will also impact supply chains. Companies will need to evaluate how changes in their supply chains may impact their business offering and decarbonization strategies.

Geoeconomic fragmentation can lead to supply chain disruptions, policy and socioeconomic instabilities, and uncertainties clouding business and investment decisions. To a greater extent than in the past, companies will need to navigate geopolitical uncertainties, monitor political and trade-related developments, and make efforts to deepen supply chain resilience in an increasingly fragmented global landscape.

By staying abreast of regulatory changes, geopolitical shifts, and trade dynamics, we can mitigate risks, seize opportunities, and maintain operational continuity. Agile supply chain management, compliance with evolving regulations, and selected strategic partnerships can help us build resilience, enhance transparency, and fortify our business against geopolitical disruptions.

A rigorous approach to foresight and preparedness is vital to bolster business resilience to longer-term risks and chart a path forward for sustainable development. Embracing sustainability practices, fostering strategic engagements with tenants and suppliers, and ensuring supply chain visibility can help future-proof our operations in this increasingly complex and dynamic business environment.

Key Trends and Synopsis

Relevance to Our Business

7. AI-Driven Innovation and Cybersecurity

The Chinese government has intensified its provision of incentives to spur the development of green and low-carbon technologies, focusing on non-fossil energy, construction, industry, advanced power grids and energy storage, and carbon capture. Support includes central budget investments, financial policies, and tax benefits to drive progress toward carbon peak and neutrality goals.

The emergence of innovative advancements in AI has garnered significant attention, owing to both the perceived risks and opportunities in such technologies. AI-driven innovations may also help bolster companies' sustainability initiatives. These innovations also present cybersecurity threats, with significant potential financial implications for businesses.

To advance sustainability progress, digitization, leveraging AI-driven innovations, and prioritizing cybersecurity measures, are becoming increasingly important in driving sustainable growth and operational efficiency while ensuring effective risk management. To drive AI adoption across the organization, the Group has established an AI Taskforce to oversee strategic implementation, organize capacity building workshops, and refine the Group's AI strategy. Additionally, our "AI Elite Group," composed of representatives from all departments, explores AI use cases, facilitates adoption, and identifies opportunities to leverage AI for innovation and operational excellence. Furthermore, AI-related technologies are being explored in diverse areas, such as biodiversity assessments, where our collaboration with a UK-based AI startup is helping us measure biodiversity value and connectivity through deep learning, alongside applications in energy efficiency.

Our business operations involve many direct and indirect interactions with our stakeholders, including employees, suppliers, tenants, customers and other business partners. Protecting the company's networks and systems against cyber threats, including phishing attacks, malware and ransomware, is vital for safeguarding business-sensitive information and the personal data of our stakeholders.

Cybersecurity is one of the principal risks monitored under our ERM framework. In February 2023, the Group established a Data Security Management Committee to oversee and manage our data security management and governance, including data security management, data classification and categorization, data retention and the handling of data security incidents. Prioritizing cybersecurity while leveraging technological innovations helps ensure data protection while driving sustainable business practices in an increasingly digital and interconnected world. By mitigating cyber risks, we ensure that our focus on digitization aligns with our sustainability goals.

For more information on how we manage cybersecurity risks, please see [Sustainability Governance](#).



Key Trends and Synopsis

Relevance to Our Business

8. Misinformation and Disinformation

Misinformation and disinformation pose significant reputational risks for businesses, particularly in industries where transparency and regulatory compliance are critical. Inaccurate narratives can distort public perception, misrepresent ESG commitments, and undermine trust in disclosures. Given the complexity of ESG reporting and the need to align with multiple disclosure standards and benchmarks, it is essential for companies to prioritize data accuracy, maintain transparency, and ensure consistent messaging to counteract the potential impact of false narratives.

As a related challenge, companies need to maintain consistent and accurate data to conform to the expanding requirements of multiple ESG disclosure standards and benchmarks. To meet these requirements, companies must continually improve their data collection systems, mitigate sources of uncertainty, and standardize underlying data measurement approaches, thereby ensuring the reliability and quality of disclosed information.

Ensuring data accuracy, maintaining transparency, and adhering to disclosure standards are critical for building trust, enhancing stakeholder confidence, and driving accountability in our reporting practices.

The widespread dissemination of misinformation and disinformation relating to our industry, peers and our company could impact our overall business environment and our brand reputation. The Group has a risk mitigation strategy to address the growing threats of disinformation and misinformation. We maintain regular and authentic two-way communication with our stakeholders via various engagement channels. A crisis management and communication plan is in place to allocate appropriate resources and predefined actions for crisis management to address incidents related to the spread of falsified information.

For more information on how we manage risks related to misinformation and disinformation, please see [Sustainability Governance](#).

9. Rural Vitalization

The development of China's distinctive Rural Vitalization strategy has catalyzed initiatives to bolster infrastructure services and industry growth in rural areas. This strategy entails the construction and enhancement of rural infrastructure, including the development of schools and hospitals. Additionally, the strategy supports the growth of unique rural tourism industries rooted in local cultural assets. These efforts aim to facilitate the integrated development between urban and rural regions, and to strengthen economic linkages. The strategy is in line with the United Nations Sustainable Development Goal 1, which aims to eliminate poverty in all its forms worldwide. It also aligns with China's National No. 1 Central Document for 2024, which emphasizes the importance of rural revitalization, aiming to improve regional living standards and expand the availability of government-subsidized housing in rural areas.

Corporate support for Rural Vitalization initiatives, infrastructure services, and local industry development can help contribute to regional economic growth, strengthen community resilience, promote social equity, and drive positive social impact.

The building and construction sector, including Hang Lung, can play a role in supporting infrastructure services and industry growth in rural areas, enhancing regional development. We will explore opportunities to drive positive development impacts in rural regions and support China's national Rural Vitalization initiatives to improve the local economy, culture, ecology and community wellbeing.

Appendix 2 - Memberships, Charters and External Recognitions

The Group actively supports government bodies, sustainability organizations and industry associations that have positive impacts on society. In 2024, the overall contributions and membership fees to trade/industry associations were around HK\$1 million. The trade/industry associations with the highest contributions and/or membership fees that year were Urban Land Institute, United Nations Global Compact and Hong Kong Green Building Association.

Our Climate Change Policy Position and Our Related Work with Relevant Associations

We are committed to reducing our carbon footprint in line with climate science, a commitment endorsed by our Board, and support the policy objectives of the Paris Agreement. We also support China's dual carbon goals.

Our top management regularly reviews our trade association memberships and advocacy activities to ensure that they reflect our Group values and commitment, including the above-mentioned commitment about making climate reductions in line with science. This system is maintained and updated as needed.

Our governance framework for public policy engagement is covered by our Corporate Communications Policy, which provides a clear mechanism and principles for approval of: public speaking and engagement activities, including qualified representatives to speak on behalf of the Group; vetting and pre-approval of content for public speaking engagements; approval for our trade association memberships and any other memberships; and media engagement. We monitor this governance framework on an annual basis and make any updates as appropriate. Any misalignment between the climate change policy positions of a trade association to which we belong and our own aforementioned commitment would result in our making efforts to remedy the misalignment, and in the absence of such a remedy, our departure from the association.

We have expanded on our commitment to reducing our carbon emissions in line with science through our SBTi validated targets, our support for ULI Greenprint's net zero carbon operations goal, the [Climate Resilience](#) chapter of this report, and [Our Journey to Net Zero](#) paper. Our Deputy Director – Sustainability is also Co-Chair of the ULI Asia Pacific Net Zero Council.

The following table summarizes our memberships and charters participated, as well as external recognitions received in 2024.



List of Major ESG Membership

Organization	Membership
Environmental	
Business Environment Council	Council Member
Hong Kong Green Building Council	Platinum Patron Member
Hong Kong Green Finance Association	Corporate Member
GRESB	Participant Member
Urban Land Institute	Asia Pacific Corporate Partnership and Greenprint Programs
The Climate Group	SteelZero Member
United Nations Global Compact (UNGC)	Participant
Taskforce on Nature-related Financial Disclosures (TNFD)	TNFD Forum Member
Social	
Agency for Volunteer Service	Group Member
Asia Society	Asia Corporate Member
Business for Societal Impact	Corporate Member
Employers' Federation of Hong Kong	Member
Hong Kong Institute of Human Resource Management	Corporate Member
Industry and Professional	
Business and Professionals Federation of Hong Kong	Corporate Member
China Real Estate Developers and Investors Association	Executive Member
Hong Kong Management Association	Chartered Member
Hong Kong Public Relations Professionals' Association Limited	Corporate Member
The Chamber of Hong Kong Listed Companies	Full Member
The Hong Kong Institute of Directors	Member
The Hong Kong Construction Association Ltd	Member
The Real Estate Developers Association of Hong Kong	Corporate Member

List of Major ESG External Charters

Name of External Charter	Organization	Participating Entity/Properties
Environmental		
Carbon Neutrality Partnership	Environment Bureau	Hang Lung Properties Limited
Charter on External Lighting	Environment Bureau	<ul style="list-style-type: none"> • Amoy Plaza • Fashion Walk • Gala Place • Grand Plaza • Hang Lung Centre • Kornhill Plaza • Peak Galleria • Standard Chartered Bank Building
Energy Saving Charter and 4T Charter	Environment Bureau and Electrical and Mechanical Services Department	<p><u>Shopping Mall:</u> Amoy Plaza, Fashion Walk, Grand Plaza, Hollywood Plaza, Kornhill Plaza, Peak Galleria</p> <p><u>Office Building/Commercial Building/Industrial Building:</u> 1 Duddell Street, 228 Electric Road, 9 Wing Hong Street, Baskerville House, Gala Place, Grand Centre, Grand Plaza Office Tower One & Two, Hanford Commercial Centre, Hang Lung Centre, Hollywood Plaza, Kornhill Plaza Office Tower, Printing House, Standard Chartered Bank Building</p>
Food Wise Charter	Environment Bureau	Hang Lung Properties Management Limited
Glass Container Recycling Charter	Environmental Protection Department	<ul style="list-style-type: none"> • Amoy Plaza • Fashion Walk • Grand Plaza • Hollywood Plaza • Kornhill Plaza
BEC Net-zero Carbon Charter: Science-aligned Signatory	Business Environment Council	Hang Lung Properties Limited
Power Up Coalition Member	Business Environment Council	Hang Lung Properties Limited
No Shark Fin Corporate Pledge	WWF-Hong Kong	Hang Lung Properties Limited
Waste Reduction and Recycling Charter	Environmental Protection Department	Hang Lung Property Management Limited: Amoy Gardens Phase 1 to Phase 4
Carbon Neutrality (Waste Reduction) Charter	30 • 50 FoodSmart Partnership Programme	Hang Lung Management Services (HK) Ltd.
Social		
Joyful@Healthy Workplace Charter	Department of Health and Occupational Safety and Health Council	Hang Lung Properties Limited
Mental Health Workplace Charter	Department of Health, Labour Department and Occupational Safety and Health Council	<ul style="list-style-type: none"> • Hang Lung (Administration) Limited • Hang Lung Management Services (HK) Ltd • Hang Lung Property Management Limited
Talent-Wise Employment Charter	Labour and Welfare Bureau	Hang Lung Properties Limited



Name of External Charter	Organization	Participating Entity/Properties
Charter for Age-Friendly Shopping Malls of Jockey Club Age-Friendly City Project	The Hong Kong Jockey Club Charities Trust	Peak Galleria
Racial Diversity and Inclusion Charter for Employers	Equal Opportunities Commission	Hang Lung Properties Limited

List of Major ESG External Recognitions Received

Name of Award/ Certification	Award Organization	Participating Entity/Properties
Environmental Awards		
ESG 50 Most to Watch List in China 2025 – Leading Champion	Bloomberg Green	Hang Lung Properties Limited
NEXX Sustainability & ESG Award 2024 – ESG Innovation & Project Award	NEXX, CITYU GLOBAL EMBA	Hang Lung Properties Limited
2nd China Corporate Carbon Neutral Performance Ranking – Energy Saving and Carbon Reduction Award	Yicai	Hang Lung Properties Limited
Smart Energy Award – Energy Management Excellence Award	CLP Power Hong Kong Limited	Hang Lung Properties Limited
Environmental Certifications		
Energywi\$e Certification	Hong Kong Green Organisation	<p><u>Excellent Level</u>: 228 Electric Road, Amoy Plaza, Gala Place, Hang Lung Centre, Hollywood Plaza, One Grand Tower, Two Grand Tower, Standard Chartered Bank Building</p> <p><u>Good Level</u>: Peak Galleria, 1 Duddell Street, Burnside Villa, Fashion Walk, Hanford Commercial Centre, Kornhill Apartments, Kornhill Plaza, Printing House, The Long Beach</p> <p><u>Basic Level</u>: 9 Wing Hong Street, AquaMarine, Canton Road Carpark, Grand Centre, Kornhill Recreational Club</p>
Wastewi\$e Certification	Hong Kong Green Organisation	<p><u>Excellent Level</u>: Amoy Plaza</p> <p><u>Good Level</u>: 1 Duddell Street, 9 Wing Hong Street, Amoy Gardens, Baskerville House, Burnside Villa, Fashion Walk, Gala Place, Grand Centre, Grand Plaza, Hanford Commercial Centre, Hang Lung Centre, Hollywood Plaza, Kornhill Apartments, Kornhill Plaza, Peak Galleria, Printing House, The Summit</p> <p><u>Basic Level</u>: Kornhill Recreation Club</p>
Quality Water Supply Scheme for Buildings – Fresh Water Certification	Water Supplies Department	<p><u>Gold Certificate (Comply scheme standard > 6 years)</u>: Grand Centre, Hollywood Plaza, One Grand Tower, Two Grand Tower, Amoy Gardens, Hang Lung Centre</p> <p><u>Silver Certificate (Comply scheme standard between 4 <= years < 6)</u>: Hanford Commercial Centre, Kornhill Plaza, Kornhill Apartments, The Summit</p>
Quality Water Supply Scheme for Buildings – Flushing Water Certification	Water Supplies Department	<p><u>Gold Certificate (Comply scheme standard > 6 years)</u>: Kornhill Plaza, Kornhill Apartments, The Summit, Amoy Gardens</p>



Name of Award/ Certification	Award Organization	Participating Entity/Properties
Indoor Air Quality Certificate	Environmental Protection Department	<u>Excellent Class</u> : Standard Chartered Bank Building, Grand Centre <u>Good Class</u> : Grand Plaza Office Tower 1, Grand Plaza Office Tower 2, Kornhill Apartments - Clubhouse, Peak Galleria, The Long Beach
Social Certifications		
10 Years Plus Caring Company Logo	Hong Kong Council of Social Service	Hang Lung Properties Limited
2024-2025 Breastfeeding Friendly Workplace	United Nations Children's Fund (UNICEF)	<ul style="list-style-type: none"> • Hang Lung Properties Limited • Amoy Plaza • Kornhill Plaza • Peak Galleria
2024-2025 Breastfeeding Friendly Premises (Gold Label)	United Nations Children's Fund (UNICEF)	<ul style="list-style-type: none"> • Kornhill Plaza • Peak Galleria • Amoy Plaza
Social Awards		
"Excellence in Leadership Development" Special Award	Hong Kong Management Association – Award for Training and Development 2024	Leadership Development Program
HR Asia Best Companies to Work for in Asia 2024 (Hong Kong edition)	Business Media International and HR Asia	Hang Lung Properties Limited
JobsDB – The Hong Kong HR Awards 2023/24	JobsDB	Hang Lung Properties Limited
Hong Kong Volunteer Award 2023 – Corporate (Volunteer Hours) Silver Award	Agency For Volunteer Service	Hang Lung Properties Limited
AED Anywhere for Anyone Program – Big Heart Outstanding Performance Award	Hong Kong Fire Services Department	Hang Lung Properties Limited
2023 ESG Pioneer Enterprise Award	13 th China Philanthropy Festival	Hang Lung Properties Limited
2023 Annual Education Philanthropy Contribution Award	13 th China Philanthropy Festival	Hang Lung Properties Limited
Social Enterprise Supporter Award 2023	Fullness Social Enterprises Society	Hang Lung Properties Limited
Appreciation Award	Social Welfare Department	Hang Lung Properties Limited
2024 Service Talent Award – Outstanding Flagship Service Brand	The Hong Kong Retail Management Association	Fashion Walk
2024 Service Talent Award – Outstanding Flagship Service Brand	The Hong Kong Retail Management Association	Peak Galleria

Name of Award/ Certification	Award Organization	Participating Entity/Properties
Honour 2024 Sustainable Development Contribution Enterprises	Social Responsibility Conference	Hang Lung Properties Limited
Hong Kong Volunteer Award 2024: Corporate – Top 10 Highest Volunteer Hour Award (100-999 full-time employees)	Agency For Volunteer Service	Hang Lung Properties Limited
Hong Kong Volunteer Award 2024: Corporate – Gold Award (10,000-29,999 service hours)	Agency For Volunteer Service	Hang Lung Properties Limited
Governance and Reporting Award		
The 10th Investor Relations Awards 2024 - Best IR Company – Mid Cap	Hong Kong Investor Relations Association	Hang Lung Properties Limited
The 10th Investor Relations Awards 2024 - Best IRO – Mid Cap	Hong Kong Investor Relations Association	Hang Lung Properties Limited
The 10th Investor Relations Awards 2024 - Best IR Team – Mid Cap	Hong Kong Investor Relations Association	Hang Lung Properties Limited
The 10th Investor Relations Awards 2024 - Best Investor Presentation Material – Mid Cap	Hong Kong Investor Relations Association	Hang Lung Properties Limited
2024 HKMA Best Annual Reports Awards – Excellence Report Award	The Hong Kong Management Association	Hang Lung Properties Limited
2024 HKMA Best Annual Reports Awards – Certificate in Environmental, Social and Governance Reporting	The Hong Kong Management Association	Hang Lung Properties Limited
2024 Best Corporate Governance and ESG Awards – ESG Award – Hang Seng Index	Hong Kong Institute of Certified Public Accountants	Hang Lung Properties Limited
2024 Best Corporate Governance and ESG Awards – Non-Hang Seng Index (Medium Market Capitalization) Category	Hong Kong Institute of Certified Public Accountants	Hang Lung Group Limited
ESG Communication Award	Master Insight X the Hang Seng University of Hong Kong"	Hang Lung Properties Limited
Hong Kong Occupational Safety and Health Award – OSH Report Award	Occupational Safety & Health Council	Hang Lung Properties Limited
Best Annual Report – Silver Stevie Award (Publicly-held Corporations)	2024 International Business Awards	Hang Lung Properties Limited
"Muse Creative Awards – Marketing & Promotional	International Awards Associate Inc.	Hang Lung Properties Limited
Advert Calendar – Gold award		
Corporate Calendar – Sliver award		



Name of Award/ Certification	Award Organization	Participating Entity/Properties
Quality and Innovation		
Best Loyalty Program	Asia Best E-tailing Awards 2024	Hang Lung Properties Limited
Best Mobile APP – Shopping Mall	Asia Best E-tailing Awards 2024	Hang Lung Properties Limited
Best Innovation	Asia Best E-tailing Awards 2024	Hang Lung Properties Limited
博鰲論壇·2024 年度中國最具品牌影響力地產企業	2024 China Real Estate Fashion Brand Award	Kunming Hengying Real Estate Development Co. Ltd
Asia International Best Habitat Example Houses Prize 2024	-	Grand Hyatt Residences
表現力指數·2024 商辦資產運營表現	Guandian	Plaza 66, Shanghai
China Best Managed Companies 2024	Deloitte Best Managed Companies (BMC) Program	Hang Lung Properties Limited

Appendix 3 – Sustainability Goals, Targets and ESG KPIs

25 x 25 Sustainability Targets Progress Update

25 x 25 Sustainability Targets	Progress
Climate Resilience	
40% cumulative reduction in GHG intensity (kg CO ₂ e/m ²) relative to 2018.	Obtained a 51% reduction in GHG intensity (kgCO ₂ e/m ²) in 2024 relative to 2018.
18% cumulative reduction in electricity intensity (kWh/m ²) relative to 2018.	Obtained a 19% cumulative reduction in electricity intensity (kWh/m ²) in 2024 relative to 2018.
25% of our mainland China portfolio electricity demand met by renewable energy.	48% of our mainland China portfolio's electricity demand was met by renewable energy in 2024.
Wherever feasible exceed local regulations for the provision of parking spaces installed with EV charging facilities across our portfolio.	In mainland China, 74 new EV chargers have been installed in Grand Gateway 66 in Shanghai, two in Palace 66 in Shenyang, two in Parc 66 in Jinan, and three in Riverside 66 in Tianjin. An additional 282 EV chargers are planned for the Westlake 66 project in Hangzhou. In Hong Kong, four new superfast 60kW chargers were installed in the Hang Tung Building.
Demonstrate best efforts to achieve at least 10% reduction in embodied carbon intensity (kg CO ₂ e/m ²) for new development project that begin in 2022 or later, compared to typical practice in an equivalent building.	In 2024, the Plaza 66 Pavilion Extension project in Shanghai achieved a 35% reduction in steel-related emissions by utilizing nearly 100% low carbon emissions steel for all above-ground structural plates and reinforcing bars.
15% reduction in GHG intensity (kg CO ₂ e/m ²) from tenants' electricity consumption for our properties in mainland China, relative to 2018.	39% reduction in GHG intensity (kg CO ₂ e/m ²) from tenants' electricity consumption for our properties in mainland China in 2024, relative to 2018.
Complete technical analysis for climate adaptation measures for all properties.	As of 2024, 90% of all core properties and projects have completed technical analysis for climate adaptation measures.
Resource Management	
60% of construction waste diverted from landfill for new projects starting in 2022 with maximized recycling.	Our diversion rate for construction waste was 92% in 2024.
Demonstrate best efforts to maximize the use of recycled, reused and bio-based materials on all new projects.	In 2024, we partnered with Knauf and Saint-Gobain, two leading gypsum board manufacturers, alongside our innovation partner TRASHAUS, completed two pilot gypsum board recycling projects. This initiative closed the loop on gypsum waste by transforming it into new materials, reducing landfill dependency, and lowering the carbon footprint of our projects. Conducted waste concrete pilot research project in Westlake 66 in collaboration with CLEANCO2 which reused Westlake 66's waste concrete as aggregate and processed it into low carbon recycled concrete aggregate (RCA) through a carbon dioxide mineralization process.
10% reduction in water intensity (m ³ /m ² /year) relative to 2018.	Have implemented various water saving initiatives, e.g., water restrictors and water recycling, and achieved a 12.2% reduction in water intensity in 2024 relative to 2018.
70% of operational waste diverted from landfill.	Including both incineration and recycling efforts, our diversion rate for 2024 is 62%.



25 x 25 Sustainability Targets	Progress
Wellbeing	
Achieve an employee engagement rating greater than or equal to the 75 th percentile.	Achieved an employee engagement rating in the 79 th percentile in our 2024 survey.
Maintain Female-to-Male pay ratio of 1:1.	Female-to-Male pay ratio was 1:0.957 in 2024.
Conduct an audit of all our properties and corporate practices on how to enhance wellbeing and opportunities for persons with disabilities.	Engaged a consultant to develop tailored audit checklists in 2024 and will conduct a self-audit based on the checklist in 2025.
Obtain local or international health and wellness certification for all our existing Mainland properties.	Obtained WELL Health and Safety Rating for 87% of our existing Mainland properties in 2024.
Obtain WELL Gold certificate or equivalent for at least one new property in Hong Kong and mainland China.	228 Electric Road in Hong Kong has obtained WELL Gold rating in 2021. Westlake 66 in mainland China is applying for WELL certification and targets obtaining it in Q3 2025.
Deliver priority ESG training targeted to all departments and seniority levels.	Delivered 1,009 hours of ESG training for specific departments in 2024 (completed plans for all priority training).
Maintain a Lost Time Injury Rate of 1.5 or below for employees.	Lost Time Injury Rate for employees was 0.79 in 2024.
Maintain zero work-related fatalities for employees and contractors.	Maintained zero work-related fatalities for employees and contractors in 2024.
Work with youth on wellbeing community initiatives at all properties by 2025.	56% of volunteering activities were related to youth development in 2024, including activities in all properties.

25 x 25 Sustainability Targets	Progress
Sustainable Transactions	
Embrace technology to build a robust digital platform for assessing suppliers' ESG performance.	Leveraged platform provided by Sedex to assess suppliers' ESG performance and gain insights into potential improvements.
100% of marketing events evaluated for their sustainability impacts.	In 2024, we evaluated the sustainability impacts of all central-led 66 Brand campaign and signature events, and more than 50% of marketing events.
100% of leases incorporate sustainability provisions.	Introduced a sustainability addendum for our standard leases in 2024 to be added to all new leases and renewal agreements across our properties in Hong Kong and mainland China. The addendum complements existing sustainability provisions in our Tenant Handbook and Fitting-out Guideline.
50% of total debts and available facilities from sustainable finance.	60% of total debts and available facilities from sustainable finance by the end of 2024.
100% of potential asset acquisitions include ESG due diligence.	The due diligence framework has been integrated into our asset acquisition process in both mainland China and Hong Kong.



2024 Strategic ESG KPIs Progress Update

2024 KPIs	Results
Climate Resilience	
Meet or exceed 35% cumulative reduction in GHG intensity (kg CO ₂ e/m ²) relative to 2018	Obtained a 51% reduction in GHG intensity (kgCO ₂ e/m ²) relative to 2018.
Meet or exceed 16% cumulative reduction in electricity intensity (kWh/m ²) relative to 2018	Obtained a 19% cumulative reduction in electricity intensity (kWh/m ²) relative to 2018.
22% of our mainland China portfolio's electricity demand from renewable energy	48% of our mainland China portfolio's electricity demand from renewable energy.
Further develop our EV charging plan across 100% of our portfolio	EV charging has been developed across the portfolio (see summary against 2025 target).
All development projects (including renovation projects) to demonstrate best efforts to reduce embodied carbon intensity ((kg CO ₂ e/m ²) by at least 10% through materials substitution or design improvements	The Plaza 66 Pavilion Extension project, launched in 2024, has incorporated low carbon emissions steel, resulting in a 35% absolute reduction and a 53% decrease in embodied carbon intensity compared to baseline steel emissions. As the project progresses, we will continue to explore additional methods to further reduce its embodied carbon intensity.
Implement energy management platform and start benchmarking tenants' electricity consumption	The energy management platform has been launched and we are in discussions with key tenants regarding their potential participation in the platform.
Conduct a technical deep-dive analysis for climate adaptation for one property in mainland China or Hong Kong, and implement adaptation measures in at least two properties in mainland China or Hong Kong	We conducted a technical deep-dive analysis for climate adaptation in Grand Gateway 66 and Heartland 66 in 2024, and implemented adaptation measures in Fashion Walk, Standard Chartered Bank Building, 228 Electric Road in Hong Kong and all mainland properties in 2024.
Resource Management	
Complete one construction waste audit in one of the Mainland development projects	We carried out a comprehensive construction waste study for both Mainland China and Hong Kong development projects in 2024. All development projects' construction waste data and recycling records have been thoroughly reviewed. Additionally, we conducted one site visit and interviews with two main contractors at the Westlake 66 development project in Hangzhou to review data, verify on-site waste recycling practices and gain a deeper understanding of downstream recycling practices and rates.
Improve construction and renovation waste source sorting, recycling and circularity and identify at least one pilot waste stream for upcycling	We partnered with Knauf and Saint-Gobain and our innovation partner TRASHAUS, recycled gypsum board scrap in two projects and closed the loop on gypsum waste by transforming it into new materials. Additionally, we have recycled 100 tonnes of waste concrete from Westlake 66 into low-carbon recycled concrete aggregate (RCA) and used RCA to produce low carbon concrete bricks, which were reintegrated into Westlake 66's landscape areas.
Apply water saving measures in at least two Hong Kong properties	Hang Lung Centre and Fashion Walk potable water faucet are equipped with water restrictor to reduce water flowrate by over 50%.
Have water recycling systems in use in at least six Mainland properties by the end of 2024	In 2024, we implemented a fire service system water recycling at Olympia 66. As of 2024, a total of six properties on the Mainland (Grand Gateway 66, Parc 66, Center 66, Spring City 66, Heartland 66 and Olympia 66) have installed water recycling systems.

2024 KPIs	Results
<p>Improve recycling rate for Hong Kong properties by engaging tenants and customers through at least two reduce and recycle initiatives in operations in Hong Kong</p>	<p>EPD's food waste collection services have been implemented at Amoy Plaza and Kornhill Plaza since September 2024.</p> <p>We also completed a three-month take back program with Redress in January 2024 at the same two properties, with over 3.5 tonnes of used clothing recycled.</p>
<p>Explore at least two innovative solutions to improve waste data reporting and circularity</p>	<p>Plastic bottle vending machine has been adopted at Amoy Plaza from Jan 2024 and smart recycling bins at Peak Galleria from Nov 2024.</p>
<p>Improve source separation for Mainland properties by engaging tenants through at least one reduce and recycle initiative in Mainland operations</p>	<p>In 2024, we launched a food packaging waste recycling pilot initiative at Plaza 66, Shanghai, which ran for five weeks with participation from five selected tenants, including four office tenants and one retail tenant.</p>
Wellbeing	
<p>Coordinate a process for each department to develop and implement at least three employee engagement measures that reflect feedback from employees in our engagement survey</p>	<p>Following our 2023 employee engagement survey results, all projects and departments have identified and implemented three employee engagement measures in 2024.</p>
<p>Design and implement at least three initiatives related to culture, age, gender and/or people with disabilities to enable a more diverse and open workplace</p>	<p>We implemented three relevant initiatives including an unconscious bias quiz game for all colleagues, disability etiquette training for customer facing colleagues, and the purchase of gifts for colleagues from social enterprises supporting ethnic minorities or people with disabilities.</p>
<p>Develop a toolkit to enhance accessibility and service performance of our properties for people with disabilities</p>	<p>We engaged a consultant to develop an accessibility assessment checklist for properties and a disability etiquette guideline for customer-facing colleagues.</p>
<p>Obtain WELL HSR rating for 15 Hong Kong buildings and maintain the WELL HSR rating for at least 10 mainland buildings</p>	<p>We obtained a WELL HSR rating for 15 Hong Kong buildings and 18 Mainland buildings in 2024.</p>
<p>Formulate a checklist for the design of healthy buildings in the Mainland with reference to the results of WELL, BREEAM and China Healthy Building certifications in Westlake 66</p>	<p>The checklist has been formulated and in 2025 will be developed for implementation in new projects.</p>
<p>Develop and deliver at least 500 hours of targeted ESG training</p>	<p>Developed and delivered 1,009 hours of ESG training for specific departments.</p>
<p>Provide health and safety training to 100% of employees in mainland China and Hong Kong</p>	<p>Provided health and safety training to 100% of employees in mainland China and Hong Kong.</p>
<p>Provide health and safety training to 100% of main contractors in mainland China and Hong Kong, including through Safety Production Month in mainland China</p>	<p>Provided health and safety training to 100% of main contractors in mainland China and Hong Kong.</p>
<p>Pilot a social impact assessment in at least one community investment program</p>	<p>Conducted a pilot social impact evaluation for our Love.No.Limit Dementia Friendly Program and our Future Women Leaders Program.</p>



2024 KPIs

Results

Sustainable Transactions

Evaluate at least 80% of key suppliers' ESG performance

We identified 34 key suppliers in construction and operations, representing a substantial share of our supply chain expenditure and significant opportunities for enhanced sustainability impact. Over 90% of these 34 suppliers completed a self-assessment using Sedex's Self-Assessment Questionnaire (SAQ), which measures performance across environmental, social, ethical and governance aspects.

Define evaluation criteria for local marketing events' sustainability impacts and evaluate the sustainability impacts of at least 50% of local marketing events in Mainland and Hong Kong

In 2024, we evaluated the sustainability impacts of all central led 66 Brand campaign and signature events, more than 50% of marketing events .

Collaborate with at least eight tenants in Hong Kong and eight tenants in Mainland under Tenant Partnership Program

By the end of 2024, we collaborated with nine tenants in Hong Kong and 12 tenants in mainland China as part of the Changemakers: Tenant Partnerships on Sustainability Program. We also continued our collaboration with 28 LVMH brands through the innovative sustainability partnership with the LVMH Group, which began in October 2022.

Achieve 60% of total debts and available facilities from sustainable finance by end of 2024

60% of total debts and available facilities from sustainable finance by the end of 2024.

Work to enhance ESG due diligence in potential asset acquisition projects through ESG factor checklist in Hong Kong and project management manual in Mainland

The due diligence framework has been integrated into our asset acquisition process in both mainland China and Hong Kong.

List of 2025 Strategic ESG KPIs

2025 KPIS	
Climate Resilience	Resource Management
Conduct asset-level energy use intensity benchmarking for our mainland China and Hong Kong properties wherever feasible.	Explore local governments' water savings / recycling incentive programs and pursue opportunities where appropriate.
Develop a case study on embodied carbon reduction from Plaza 66 Pavilion Extension project.	Pilot water footprint accounting for key construction materials (including steel, concrete, aluminum), paving the way for value chain water accounting.
Implement energy management platform and start benchmarking tenants' electricity consumption.	Implement recommendations from at least one study to improve waste management and recycling in Hong Kong.
Complete a climate value at risk study that incorporates building resilience principles and practices.	Conduct first pilot study of biodiversity net gain in at least one of our properties.
Wellbeing	Sustainable Transactions
Deliver at least 500 hours of priority ESG training targeted to all departments and seniority levels.	Continue engagement with key suppliers including a workshop on sustainable and responsible procurement practices and best practice sharing.
Develop guidelines on how to minimize or avoid red-listed chemicals in our operations and new projects.	Deepen ESG performance evaluation of selected key suppliers through on-site audits.
Provide health and safety training to 100% of employees in mainland China and Hong Kong.	Collaborate on sustainability with at least 40 tenants across our portfolio through our Changemakers Program.
Provide health and safety training to 100% of main contractors in mainland China and Hong Kong, including through Safety Production Month in mainland China.	
Refine our community investment strategy to enhance our social impact.	



Appendix 4 – List of Sustainable Building Certificates

Hong Kong Portfolio

Existing Buildings

Property	Scope	Type of Certification	Rating
Standard Chartered Bank Building	Entire Property	BEAM Plus Existing Building V2.0	Platinum
		WELL Health-Safety Rating	-
Peak Galleria	Entire Property	BEAM Plus Existing Building V2.0	Platinum
		WELL Health-Safety Rating	-
Grand Plaza	Shopping Mall	BEAM Plus Existing Building V2.1 (Selective scheme)	Energy Excellent
		BEAM Plus Existing Building V2.1 (Selective scheme)	Energy Excellent
	Shopping Mall, Office Tower 1 and Office Tower 2	WELL Health-Safety Rating	-
228 Electric Road	Entire Property	LEED BD+C: Core and Shell v4	Platinum
		WELL V2 Core	Gold
		BEAM Plus New Building V1.2	Platinum
The Aperture	Residential Tower	BEAM Plus New Building V1.2	Gold (Pre-Cert)
Fashion Walk	Shopping Mall	WELL Health-Safety Rating	-
Amoy Plaza	Shopping Mall	WELL Health-Safety Rating	-
Gala Place	Entire Property	EDGE	EDGE Certified
		WELL Health-Safety Rating	-
Hollywood Plaza	Entire Property	WELL Health-Safety Rating	-
Grand Centre	Entire Property	WELL Health-Safety Rating	-
Kornhill Plaza	Entire Property	WELL Health-Safety Rating	-
Hanford Commercial Centre	Entire Property	WELL Health-Safety Rating	-
Hang Lung Centre	Entire Property	WELL Health-Safety Rating	-
1 Duddell Street	Entire Property	WELL Health-Safety Rating	-
Printing House	Entire Property	WELL Health-Safety Rating	-
Baskerville House	Entire Property	WELL Health-Safety Rating	-

Mainland Portfolio

Existing Buildings

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



Property	Scope	Type of Certification	Rating
Riverside 66, Tianjin	Entire Property	LEED BD+C: Core and Shell v2	Gold
	Entire Portfolio	WELL Health-Safety Rating	-
Olympia 66, Dalian	Entire Property	LEED BD+C: Core and Shell v3	Gold
	Entire Portfolio	WELL Health-Safety Rating	-
Spring City 66, Kunming	Shopping Mall	LEED BD+C: Core and Shell v3	Gold
	Office Tower 1	LEED BD+C: Core and Shell v3	Gold
	Hotel / Serviced Apartment	LEED BD+C: Core and Shell v3	Gold
	Entire Portfolio	WELL Health-Safety Rating	-
Heartland 66, Wuhan	Shopping Mall	LEED BD+C: Core and Shell v3	Gold
	Office Tower 1	LEED BD+C: Core and Shell v3	Gold
	Serviced Apartment 1	LEED BD+C: Core and Shell v3	Gold
	Serviced Apartment 2	LEED BD+C: Core and Shell v3	Gold
	Serviced Apartment 3	LEED BD+C: Core and Shell v3	Gold
	Shopping Mall, Office Tower 1	WELL Health-Safety Rating	-

Projects under Development (Pre-certification)

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



Appendix 5 – Performance Tables

List of Major Properties Covered in the Environmental KPIs¹

Hong Kong

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

Notes:

- (1) The Summit has no resource consumption data available due to ongoing renovations that began in September 2023.

Mainland China

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

Notes:

- (1) Included in Scope 3 Category 13 Downstream Leased Assets calculation.

¹ To ensure the disclosed data reflects normal operating conditions, unless otherwise specified, the reported environmental KPIs exclude new properties that have been operated by the Group for less than one year. The Aperture is not included in our operational data disclosure boundary because it only commenced operation in July 2024.

List of Project Sites Covered in the Environmental KPIs

Hong Kong

The Aperture	The Summit	Shouson Hill Road Redevelopment
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Mainland China

Westlake 66, Hangzhou	Center 66 Phase 2, Wuxi	Pavilion extension at Plaza 66, Shanghai	The remaining phases of Forum 66, Shenyang
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Parc 66 renovation through the Asset Enhancement Initiative (AEI), Jinan

List of Sold Properties Covered in the Environmental KPIs

Hong Kong

The Aperture

Mainland China

Heartland Residences	Grand Hyatt Residences Kunming
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Scope 3 Emissions Data Reporting Methodology

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

No.	Scope 3 Category	Applicability	Methodology / Exclusion Statement	Calculation Method	Emission Factor Data Source
1a	Purchased goods and services (product)	Yes	<p>This category includes all upstream emissions from the production of construction materials purchased or acquired by Hang Lung Properties (embodied carbon from development projects). The calculation follows Life Cycle Assessment (LCA) modelling analysis.</p> <p>The emissions from energy consumption during the construction process are also included in this category.</p>	<p>Material emission = Purchased amount × Emission factor of purchased material</p> <p>Construction emissions = Fuel/energy consumption × Full lifecycle emission factor</p>	<ul style="list-style-type: none"> GB/T 51366-2019 Standard for Building Carbon Emission Calculation China Products Carbon Footprint Factors Database (2022) China Products Carbon Footprint Factors Database (CPCD) <p>The fuel and energy related factors are derived from:</p> <ul style="list-style-type: none"> How to prepare an ESG Report? Appendix 2: Reporting Guidance on Environmental KPIs (HKEX) UK Government GHG Conversion Factors for Company Reporting (DEFRA, 2024) National electricity carbon footprint factor of 2023 from the Ministry of Ecology and Environment of the People's Republic of China Hong Kong's local utility companies' emission intensity were adopted, together with Life Cycle Upstream Emission Factors from IEA (2023).
1b	Purchased goods and services (non-product)	Yes	<p>The emissions include extraction, production and transportation of goods and services purchased or acquired by Hang Lung Properties that are not directly related to products (excluding embodied carbon).</p>	<p>Financial spend × USEEIO Emission factor</p>	<p>US Environmentally-Extended Input-Output (USEEIO) Models</p>

No.	Scope 3 Category	Applicability	Methodology / Exclusion Statement	Calculation Method	Emission Factor Data Source
2	Capital goods	Yes	The emissions are mainly from capital goods expenditure including extraction, production and transportation of goods of high value purchased or acquired by Hang Lung Properties.	Financial spend × USEEIO Emission factor	US Environmentally-Extended Input-Output (USEEIO) Models
3	Fuel and energy related activities	Yes	The category includes extraction, production and transportation of fuels and energy purchased or acquired by Hang Lung Properties, not already accounted for in Scope 1 or Scope 2 reporting.	Fuel/Energy consumption × Upstream emission factor	<ul style="list-style-type: none"> UK Government GHG Conversion Factors for Company Reporting (DEFRA, 2024) IEA (2023), Life Cycle Upstream Emission Factors
4	Upstream transportation & distribution	Yes	The category includes the transportation and distribution emissions related to building products and materials.	Weight of purchased material × transport distance × Emission factor of the transportation type	<ul style="list-style-type: none"> GB/T 51366-2019 Standard for Building Carbon Emission Calculation UK Government GHG Conversion Factors for Company Reporting (DEFRA, 2024)
5	Waste generated in operations	Yes	The category includes emissions from the disposal and treatment of waste generated from operations and construction of projects.	Waste amount × Emission factor by waste type and waste treatment method	<ul style="list-style-type: none"> UK Government GHG Conversion Factors for Company Reporting (DEFRA, 2024)
6	Business travel	Yes	The category includes business air travel related emissions (calculated based on travel distance), and non-air travel emissions including taxis, cars and accommodation (calculated based on financial spend).	<ol style="list-style-type: none"> Air travel: Travel distance × Full lifecycle emission factor Other travel: Financial spend × USEEIO Emission factor 	<ul style="list-style-type: none"> UK Government GHG Conversion Factors for Company Reporting (DEFRA, 2024) US Environmentally-Extended Input-Output (USEEIO) Models
7	Employee commuting	Yes	<p>Emissions from transportation of all employees between their homes and their worksites were included in this category.</p> <p>An online survey was carried out with all staff to collect accurate data.</p>	Number of total employees × % of employee using mode of transport × Commuting days × commuting distance × emission factor of transportation mode	<ul style="list-style-type: none"> UK Government GHG Conversion Factors for Company Reporting (DEFRA, 2024)



No.	Scope 3 Category	Applicability	Methodology / Exclusion Statement	Calculation Method	Emission Factor Data Source
8	Upstream leased assets	Yes	Emissions related to operation of assets leased by the Group.	Electricity consumption × Lifecycle Emission factor	<ul style="list-style-type: none"> National Full life-cycle electricity emission factor of 2023 from the Ministry of Ecology and Environment of the People's Republic of China
9	Downstream transportation & distribution	No	Category excluded. Hang Lung Properties' business mode does not involve the distribution of raw materials or finished products to end customers.	N/A	N/A
10	Processing of sold products	No	<p>Category excluded. There is no further processing of sold products by Hang Lung Properties.</p> <p>Refurbishment activities by third party owners of any sold products are excluded.</p>	N/A	N/A
11	Use of sold products	Yes	This category includes the lifetime emissions from the use of properties sold by Hang Lung Properties in the reporting year.	Annual fuel/energy consumption of the sold properties × Designed lifetime (Year) × Relevant emission factor	<ul style="list-style-type: none"> For mainland China, the National Grid Emission Factors from the Ministry of Ecology and Environment of the People's Republic of China was adopted. The fuel emission factors were from the Guidelines on GHG Accounting Methodology and Reporting for Enterprises Operating Public Buildings (Trial) released by the Chinese government. For Hong Kong, local utility companies' emissions factors were adopted. When calculating forward looking location-based emissions from electricity use during the whole lifecycle of the sold building, the grid decarbonization is considered.
12	End-of-life treatment of sold products	Yes	This category includes the emissions from waste disposal and treatment of products sold by Hang Lung Properties in the reporting year at the end of their life	Sold CFA × Emission intensity of end-of-life stage of buildings	<ul style="list-style-type: none"> Zujian Huang, Hao Zhou, Zhijian Miao, Hao Tang, Borong Lin, Weimin Zhuang. Life-Cycle Carbon Emissions (LCCE) of Buildings: Implications, Calculations, and Reductions. Engineering, Volume 35, 2024, Pages 115-139, ISSN 2095-8099

No.	Scope 3 Category	Applicability	Methodology / Exclusion Statement	Calculation Method	Emission Factor Data Source
13	Downstream leased assets	Yes	<p>Operation of assets owned by Hang Lung Properties and leased to other entities. This category of data includes electricity and energy usage from our tenants' operations.</p> <p>When there is no actual data received from tenants, emissions are calculated based on the total leased area of tenant space by a local appropriate energy use benchmark.</p>	Electricity consumption × Lifecycle Emission factor	<ul style="list-style-type: none"> For mainland China, the National Grid Emission Factors from the Ministry of Ecology and Environment of the People's Republic of China and Shanghai Municipal Bureau of Ecology and Environment were adopted. For Hong Kong, local utility companies' emissions factors and government's specific energy use benchmarks were adopted as proxy estimations. Upstream emission factors were from IEA (2023), Life Cycle Upstream Emission Factors.
14	Franchises	No	Not applicable to Hang Lung Properties' operations	N/A	N/A
15	Investments	Yes	This category includes operation of investments (including equity and debt investment and project finance) by Hang Lung Properties in the reporting year.	Revenue of investee appointed to Hang Lung × USEEIO Emission factor	The US Environmentally-Extended Input-Output (USEEIO) Models



Economic

HK: Hong Kong, MC: Mainland China

Indicator	Unit	HK			MC			Total		
		2022	2023	2024	2022	2023	2024	2022	2023	2024
Economic value generated										
Revenue	HK\$ million	3,595	3,349	4,531	6,752	6,967	6,711	10,347	10,316	11,242
Interest Income		N/A	N/A	N/A	N/A	N/A	N/A	63	71	42
Economic value distributed										
Operating costs ⁽¹⁾		N/A	N/A	N/A	N/A	N/A	N/A	2,134	2,043	3,912
Employee wages and benefits		N/A	N/A	N/A	N/A	N/A	N/A	1,855	1,856	1,844
Total borrowing costs		N/A	N/A	N/A	N/A	N/A	N/A	1,512	1,959	2,109
Dividends paid	HK\$ million	N/A	N/A	N/A	N/A	N/A	N/A	3,509	3,509	2,479
Dividends paid to non-controlling interests		N/A	N/A	N/A	N/A	N/A	N/A	510	514	544
Income taxes to government		349	293	255	986	1,026	1,016	1,335	1,319	1,271
Community investments		N/A	N/A	N/A	N/A	N/A	N/A	62	12	5
Number of cities of operation	Number	1	1	1	9	9	9	10	10	10
Economic value retained or invested										
Economic value retained or invested	HK\$ million	N/A	N/A	N/A	N/A	N/A	N/A	(507)	(825)	(880)

Notes:

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

Environmental

HK: Hong Kong MC: mainland China

Indicator	Unit	HK			MC			Total		
		2022	2023	2024	2022	2023	2024	2022	2023	2024
Greenhouse Gas (GHG) Emissions ^{(1), (2), (3), (4), (5), (6), (7)}										
Total GHG Emissions (Scope 1 & 2)										
Total emissions (Scope 1 and 2) - location-based ⁽⁸⁾	Tonnes CO ₂ e	38,636	38,765	35,684	149,358	151,266	139,646	187,994	190,031	175,330
Carbon emission intensity (Scope 1 and 2) - location-based	kg CO ₂ e/m ² /year	53.4	53.7	48.6	41.2	41.7	38.5	43.2	43.7	40.2
Total emissions (Scope 1 and 2) - market based ⁽⁹⁾	Tonnes CO ₂ e	38,636	38,765	35,684	134,127	125,600	93,676	172,763	164,365	129,360
Carbon emission intensity (Scope 1 and 2) - market-based	kg CO ₂ e/m ² /year	53.4	53.7	48.6	37.0	34.6	25.8	39.7	37.8	29.7
GHG Emissions (Scope 1 & 2) - building operations only										
Total emissions (Scope 1 and 2) - location-based ⁽⁸⁾	Tonnes CO ₂ e	38,586	38,704	35,634	149,259	151,126	139,536	187,845	189,830	175,170
Carbon emission intensity (Scope 1 and 2) - location-based	Tonnes CO ₂ e/m ² /year	0.0534	0.0536	0.0485	0.0412	0.0417	0.0385	0.0432	0.0437	0.0402
Total emissions (Scope 1 and 2) - market based ⁽⁹⁾	Tonnes CO ₂ e	38,586	38,704	35,634	134,028	125,460	93,565	172,614	164,164	129,199
Carbon emission intensity (Scope 1 and 2) - market-based	Tonnes CO ₂ e/m ² /year	0.0534	0.0536	0.0485	0.0370	0.0346	0.0258	0.0397	0.0377	0.0296



Indicator	Unit	HK			MC			Total		
		2022	2023	2024	2022	2023	2024	2022	2023	2024
GHG Emissions - by scope and type										
Gross direct emission (Scope 1)	Tonnes CO ₂ e	51	575	50	3,890	3,459	4,242	3,942	4,034	4,292
Building operation ⁽¹⁰⁾	Tonnes CO ₂ e	0.6	514	0	3,791	3,319	4,132	3,792	3,833	4,132
Company vehicles and vessels ⁽¹¹⁾	Tonnes CO ₂ e	51	61	50	99	140	110	150	201	160
Gross indirect emission (Scope 2) - location-based ⁽⁸⁾	Tonnes CO ₂ e	38,585	38,190	35,634	145,468	147,807	135,403	184,053	185,997	171,037
Building operation	Tonnes CO ₂ e	38,585	38,190	35,634	145,468	147,807	135,403	184,053	185,997	171,037
Gross indirect emission (Scope 2) - market-based ⁽⁹⁾	Tonnes CO ₂ e	38,585	38,190	35,634	130,237	122,141	89,433	168,822	160,331	125,067
Building operation	Tonnes CO ₂ e	38,585	38,190	35,634	130,237	122,141	89,433	168,822	160,331	125,067
Gross indirect emission (Scope 3)	Tonnes CO ₂ e	107,112	93,651	128,158	336,260	716,928	306,887	443,372	810,580	435,045
Purchased goods & services (Cat 1)	Tonnes CO ₂ e	31,844	21,748	51,615	219,950	558,443	182,726	251,794	580,191	234,340
1a. Product	Tonnes CO ₂ e	18,615	5,783	18,324	196,852	528,264	156,860	215,467	534,047	175,184
1b. Non-product	Tonnes CO ₂ e	13,229	15,965	33,290	23,098	30,179	25,866	36,327	46,144	59,156
Capital goods (Cat 2)	Tonnes CO ₂ e	1,096	1,293	1,123	1,254	4,323	11,623	2,350	5,616	12,746
Fuel and energy related activities (Cat 3)	Tonnes CO ₂ e	1,409	10,937	10,439	15,118	30,473	19,236	16,527	41,410	29,675
Upstream transportation and distribution (Cat 4) ⁽¹²⁾	Tonnes CO ₂ e	N/A	1,178	151	N/A	9,932	1,767	N/A	11,110	1,918
Waste generated in operations (Cat 5)	Tonnes CO ₂ e	13,340	7,311	7,773	12,921	6,076	1,694	26,261	13,387	9,467
Business travel (Cat 6)	Tonnes CO ₂ e	218	937	775	224	942	875	442	1,879	1,650

Indicator	Unit	HK			MC			Total		
		2022	2023	2024	2022	2023	2024	2022	2023	2024
Employee commuting (Cat 7)	Tonnes CO ₂ e	455	472	444	1,061	1,123	1,078	1,516	1,595	1,522
Upstream leased assets (Cat 8)	Tonnes CO ₂ e	N/A	0	0	N/A	172	157	N/A	172	157
Use of sold products (Cat 11)	Tonnes CO ₂ e	0	0	5,173	0	0	2,117	0	0	7,290
End-of-life treatment of sold products (Cat 12)	Tonnes CO ₂ e	62	0	94	0	0	36	62	0	130
Downstream leased assets (Cat 13)	Tonnes CO ₂ e	43,293	49,657	50,497	85,732	105,444	85,578	129,025	155,101	136,075
Investments (Cat 15) ⁽¹³⁾	Tonnes CO ₂ e	15,395	118	75	0	0	0	15,395	118	75
Energy Consumed and Generated⁽¹⁴⁾										
Total Energy										
Total energy consumed	GJ	247,196	252,030	241,900	1,085,671	1,087,339	1,045,573	1,332,867	1,339,369	1,287,473
Total energy intensity ⁽⁷⁾	MJ/m ² /year	342	349	329	299	300	288	306	308	295
Direct Energy Consumed by type										
Gas and Liquid Fuels										
Total natural gas		0	0	0	45,386	32,743	38,631	45,386	32,743	38,631
Total liquid fuels		659	802	641	1,493	2,139	1,864	2,152	2,941	2,505
Petrol (for vehicles)		398	474	417	1,218	1,726	1,359	1,616	2,200	1,776
Diesel (for vehicles and vessels)	GJ	253	311	224	0	0	0	253	311	224
Diesel (for emergency generators)		8	17	0	275	413	504	283	430	504



Indicator	Unit	HK			MC			Total		
		2022	2023	2024	2022	2023	2024	2022	2023	2024
Indirect Energy Consumed by type										
Electricity										
Total electricity consumed	GJ	246,537	251,228	241,259	832,667	862,078	824,680	1,079,204	1,113,306	1,065,939
Total electricity consumed	MWh	68,483	69,786	67,016	231,296	239,466	229,078	299,779	309,252	296,094
Electricity purchased from non-renewable source	MWh	68,483	69,786	67,016	203,931	193,826	118,834	272,414	263,612	185,850
Electricity purchased from renewable source	MWh	0	0	0	26,707	45,005	109,644	26,707	45,005	109,644
Electricity self-generated (solar PV) and consumed	MWh	N/A	N/A	N/A	659	635	600	659	635	600
Electricity self-generated (solar PV) and exported (for Feed-in Tariff)	MWh	18	18	17	N/A	N/A	N/A	18	18	17
Electricity intensity of buildings in use ⁽⁷⁾	kWh/m ² /year	94.83	96.63	91.28	63.60	65.86	63.17	68.78	70.97	67.90
District Heating										
Hot water	GJ	N/A	N/A	N/A	175,483	157,883	146,839	175,483	157,883	146,839
Steam	GJ	N/A	N/A	N/A	30,642	32,495	33,560	30,642	32,495	33,560
Water Consumed										
Total Water Consumed										
Total municipal water ^{(15),(16)}	000 m ³	469	502	520	1,641	1,839	1,734	2,110	2,341	2,254
Water intensity ⁽⁷⁾	m ³ /m ² /year	0.65	0.69	0.71	0.45	0.51	0.48	0.49	0.54	0.52
Wastewater Reused and Discharged										
Wastewater discharged	000 m ³	422	452	468	1,477	1,655	1,560	1,899	2,107	2,028
Wastewater recycled for reuse ⁽¹⁷⁾	m ³	N/A	N/A	N/A	46,986	58,665	69,634	46,986	58,665	69,634

Indicator	Unit	HK			MC			Total		
		2022	2023	2024	2022	2023	2024	2022	2023	2024
Waste Disposal and Recycling										
Total Hazardous Waste										
Total waste collected ⁽¹⁸⁾	tonnes	0.58	3.35	13.15	0.53	0.79	0.78	1.11	4.14	13.93
Hazardous waste intensity ⁽⁷⁾	kg/m ² /year	0.0008	0.0046	0.0179	0.0001	0.0002	0.0002	0.0003	0.0010	0.0032
Total Non-Hazardous Waste										
Total waste collected	tonnes	22,053	20,413	23,244	29,955	38,275	37,216	52,008	58,688	60,460
Total waste diverted from landfill ⁽¹⁹⁾	tonnes	331	385	389	28,894	38,275	37,216	29,225	38,660	37,605
Diversion rate (from landfill)	%	2%	2%	2%	96%	100%	100%	56%	66%	62%
Waste intensity ⁽⁷⁾	kg/m ² /year	30.5	28.3	31.7	8.3	10.6	10.3	12.0	13.5	13.9
Waste Disposed or Diverted - by type										
Municipal solid waste - Disposed	tonnes	21,722	20,029	22,854	21,886	26,738	24,953	43,608	46,767	47,807
Hazardous waste - Disposed ⁽²⁰⁾	tonnes	0.58	3.35	13.15	0.53	0.79	0.78	1.11	4.14	13.93
Recycled waste										
Food waste	kg	213,053	258,419	249,173	7,939,128	11,208,469	11,875,481	8,152,181	11,466,888	12,124,654
Paper	kg	103,148	110,810	105,724	76,598	234,629	267,091	179,746	345,439	372,815
Metal	kg	2,865	843	335	19,669	49,293	51,584	22,534	50,136	51,919
Plastics	kg	1,247	1,482	17,848	16,613	25,332	30,437	17,860	26,814	48,285
Glass	kg	10,900	12,241	14,519	12,182	19,986	38,710	23,082	32,227	53,229
Textiles / Clothing	kg	123	1,548	1,867	5,000	156	309	5,123	1,704	2,176
WEEE	pieces	88	66	25	0	474	1,683	88	540	1,708
Floor Area										
Gross Floor Area	m ²	554,896	554,896	564,651	2,362,639	2,362,639	2,362,639	2,917,535	2,917,535	2,927,290
Construction Floor Area	m ²	722,185	722,185	734,185	3,626,621	3,626,621	3,626,621	4,348,806	4,348,806	4,360,806

Notes:

(1) The coverage of energy, greenhouse gas emissions, material, water and waste data in 2022 and 2023 includes 25 properties in Hong Kong and ten properties in mainland China (Plaza 66, Grand Gateway 66, Palace 66, Parc 66 and Forum 66 (Mall and Office Tower of Phase 1), Center 66 (Mall, Office Tower 1 and Office Tower 2), Riverside 66, Olympia 66, Spring City 66 (Mall and Office Tower 1), and Heartland 66. 228 Electric Road is excluded as it opened in July 2023. For scope 3 emissions, the data boundary also covers

projects in Hong Kong and mainland China, including 228 Electric Road Redevelopment, The Aperture, Westlake 66, Center 66 Phase 2, Spring City 66, Heartland 66, Forum 66 Phase 3 and renovation project in Parc 66.

(2) Please refer to "Appendix 5 - List of Major Properties Covered in the Environmental KPIs" for the coverage of energy, greenhouse gas emissions, material, water and waste data in 2024.



- (3) Emissions of NO_x, SO_x and other pollutants are considered not significant to our operations. In 2024, the total emissions of NO_x, SO_x and PM from vehicles were estimated to be 27kg, 0.8kg, and 2kg respectively.
- (4) We did not have any biogenic CO₂ emissions during the reporting year.
- (5) Calculation standards and methodologies for carbon emissions:
- Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 edition) published by the Environmental Protection Department (EPD) and the Electrical and Mechanical Services Department (EMSD) of the Hong Kong Government.
 - Emission intensity published by CLP Power Hong Kong Limited in 2025 and Hongkong Electric in 2024
 - 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Chapter 2: Stationary Combustion (Commercial Institutional)
 - National Development and Reform Commission's Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions from Public Building Operating Enterprises (Trial)
 - Emission factors issued by the Ministry of Ecology and Environment and local Regulations issued by local Municipality of Environmental Protection
- (6) Carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and hydrofluorocarbons (HFCs) are included in greenhouse gas (GHG) calculations. Perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃) are not applicable.
- (7) The GHG emission, energy, water and waste intensity figures in this table are calculated per unit construction floor area.
- (8) Location-based method is a method to quantify scope 2 GHG emissions based on average energy generation emission factors for defined geographic locations, including local, subnational, or national boundaries.
- (9) Market-based method is a method to quantify the scope 2 GHG emissions of a reporter based on GHG emissions emitted by the generators from which the reporter contractually purchases electricity bundled with contractual instruments, or contractual instruments on their own.
- (10) Although we have not disclosed emissions from HCFCs in the table above as it falls outside our GHG accounting and reporting boundary, the emissions are calculated to be around 32 tCO₂e in 2024.
- (11) This only covers vehicles and vessels that are entirely owned and operated by the Group, excluding any vehicles and vessels operated by our service providers.
- (12) In 2022, Scope 3 Category 4 emissions were included in Category 1a - purchased goods and services (product). We reported the emissions separately from Category 1a in 2023.
- (13) Between 2020 and 2022, the Scope 3 Category 15 investments emissions include operation of investments (including equity and debt investment and project finance) by both Hang Lung Properties and Hang Lung Group in the reporting year. From 2023, we improved the accounting method and reported emissions only include investment emissions from Hang Lung Properties in the reporting year.
- (14) The conversion factors from volumetric units of petrol, diesel and natural gas consumption to energy units are referenced from Technical Note: Conversion of fuel data to MWh published by CDP in 2020.
- (15) This only covers total municipal potable water.
- (16) In December 2024, the water meter at Palace 66 in Shenyang experienced an error, resulting to an incomplete reading of water consumption that was significantly lower than the data recorded during the same period in 2023. The figure presented in the Performance Table reflects the available but incomplete data, as we were unable to retrieve the actual water consumption data for that month. The difference in the water use intensity for 2024 was insignificant, when comparing the use of available recorded data, to the adjusted data, which replicated the December 2023 data.
- (17) This includes grey water, condensation water, fire service water, cooling tower bleed off water, etc.
- (18) We started to collect the amount of medical waste in 2023.
- (19) We have started to disclose our municipal waste sent to incineration in 2022, following the urban domestic waste classification and treatment facilities plan jointly issued by the National Development and Reform Commission and the Ministry of Housing and UrbanRural Development of PRC in 2021.
- (20) Currently, all non-hazardous waste of our Hong Kong portfolio is disposed of offsite at public landfills, while the hazardous waste is diverted from landfill. In mainland China, our non-hazardous waste is disposed of offsite at incineration facilities, while the hazardous waste is disposed of in compliance with government requirements. The reported quantity of recyclables only reflects those being disposed of directly at our designated collection points. Data on recyclables that have been handled through informal channels, e.g., collected by individual recyclers, cannot be captured. The Group's operations did not involve significant generation of hazardous waste.

Social

HK: Hong Kong MC: mainland China

Indicator	Unit	HK			MC			Total		
		2022	2023	2024	2022	2023	2024	2022	2023	2024
Profile of workforce⁽¹⁾										
Total workforce (employees and supervised workers)	Number	1,116	1,017	978	3,229	3,287	3,125	4,345	4,304	4,103
Supervised workers ^{(2), (3)}		70	49	50	26	42	49	96	91	99
Employees by gender										
Male	Number (%)	592 (56.6%)	541 (55.9%)	518 (55.8%)	1,913 (59.7%)	1,923 (59.3%)	1,846 (60.0%)	2,505 (59.0%)	2,464 (58.5%)	2,364 (59.0%)
Female		454 (43.4%)	427 (44.1%)	410 (44.2%)	1,290 (40.3%)	1,322 (40.7%)	1,230 (40.0%)	1,744 (41.0%)	1,749 (41.5%)	1,640 (41.0%)
Employees by age group										
Under 30	Number (%)	97 (9.3%)	74 (7.7%)	72 (7.7%)	429 (13.4%)	393 (12.1%)	303 (9.8%)	526 (12.4%)	467 (11.1%)	375 (9.4%)
30 – 50		555 (53.0%)	527 (54.4%)	473 (51.0%)	2,498 (78.0%)	2,519 (77.6%)	2,447 (79.6%)	3,053 (71.8%)	3,046 (72.3%)	2,920 (72.9%)
Over 50		394 (37.7%)	367 (37.9%)	383 (41.3%)	276 (8.6%)	333 (10.3%)	326 (10.6%)	670 (15.8%)	700 (16.6%)	709 (17.7%)
Employees by employment contract										
Permanent Full Time	Number	1,021	955	917	3,203	3,245	3,070	4,224	4,200	3,987
Male		581	534	511	1,913	1,923	1,845	2,494	2,457	2,356
Female		440	421	406	1,290	1,322	1,225	1,730	1,743	1,631
Permanent Part time	Number	5	4	3	0	0	0	5	4	3
Male		0	0	0	0	0	0	0	0	0
Female		5	4	3	0	0	0	5	4	3
Contract / Temporary	Number	20	9	8	0	0	6	20	9	14
Male		11	7	7	0	0	1	11	7	8
Female		9	2	1	0	0	5	9	2	6
Employees by employee category										
Executive staff	Number (%)	166 (15.9%)	166 (17.1%)	157 (16.9%)	176 (5.5%)	192 (5.9%)	185 (6.0%)	342 (8.1%)	358 (8.5%)	342 (8.6%)
Administrative staff		412 (39.4%)	386 (39.9%)	369 (39.8%)	1,408 (44.0%)	1,452 (44.8%)	1,418 (46.1%)	1,820 (42.8%)	1,838 (43.6%)	1,787 (44.6%)
Operational staff		468 (44.7%)	416 (43.0%)	402 (43.3%)	1,619 (50.5%)	1,601 (49.3%)	1,473 (47.9%)	2,087 (49.1%)	2,017 (47.9%)	1,875 (46.8%)



Indicator	Unit	HK			MC			Total		
		2022	2023	2024	2022	2023	2024	2022	2023	2024
Employees by ethnic group⁽⁴⁾										
Han Chinese	Number (%)	N/A	N/A	870 (93.8%)	N/A	N/A	2,928 (95.2%)	N/A	N/A	3,798 (94.9%)
Other Chinese		N/A	N/A	0 (0%)	N/A	N/A	141 (4.6%)	N/A	N/A	141 (3.5%)
Non-Chinese		N/A	N/A	58 (6.2%)	N/A	N/A	7 (0.2%)	N/A	N/A	65 (1.6%)
New hires										
Total number and rate of new hires	Number (%)	208 (19.9%)	144 (14.9%)	123 (13.3%)	410 (12.8%)	360 (11.1%)	247 (8.0%)	618 (14.5%)	504 (12.0%)	370 (9.2%)
Percentage of open positions filled by internal candidates (internal hires) ⁽⁴⁾	%	N/A	N/A	0%	N/A	N/A	1.2%	N/A	N/A	0.8%
By gender										
Male	Number (%)	91 (15.4%)	74 (13.7%)	67 (12.9%)	195 (10.2%)	181 (9.4%)	139 (7.5%)	286 (11.4%)	255 (10.3%)	206 (8.7%)
Female		117 (25.8%)	70 (16.4%)	56 (13.7%)	215 (16.7%)	179 (13.5%)	108 (8.8%)	332 (19.0%)	249 (12.4%)	164 (10.0%)
By age group										
Under 30	Number (%)	52 (53.6%)	31 (41.9%)	25 (34.7%)	141 (32.9%)	126 (32.1%)	63 (20.8%)	193 (36.7%)	157 (33.6%)	88 (23.5%)
30 – 50		139 (25.0%)	98 (18.6%)	78 (16.5%)	260 (10.4%)	224 (8.9%)	180 (7.4%)	399 (13.1%)	322 (10.6%)	258 (8.8%)
Over 50		17 (4.3%)	15 (4.3%)	20 (5.2%)	9 (3.3%)	10 (3.0%)	4 (1.2%)	26 (3.9%)	25 (3.6%)	24 (3.4%)
Turnover⁽⁵⁾										
Total number and rate of turnover	Number (%)	250 (23.9%)	237 (24.5%)	204 (22.0%)	485 (15.1%)	384 (11.8%)	445 (14.5%)	735 (17.3%)	621 (14.7%)	649 (16.2%)
By gender										
Male	Number (%)	117 (19.8%)	135 (25.0%)	115 (22.2%)	284 (14.8%)	204 (10.6%)	237 (12.8%)	401 (16.0%)	339 (13.8%)	352 (14.9%)
Female		133 (29.3%)	102 (23.9%)	89 (21.7%)	201 (15.6%)	180 (13.6%)	208 (16.9%)	334 (19.2%)	282 (16.1%)	297 (18.1%)
By age group										
Under 30	Number (%)	33 (34.0%)	37 (50.0%)	20 (27.8%)	99 (23.1%)	89 (22.6%)	62 (20.5%)	132 (25.1%)	126 (27.0%)	82 (21.9%)
30 – 50		150 (27.0%)	127 (24.1%)	116 (24.5%)	337 (13.5%)	248 (9.8%)	315 (12.9%)	487 (16.0%)	375 (12.3%)	431 (14.8%)
Over 50		67 (17.0%)	73 (19.9%)	68 (17.8%)	49 (17.8%)	47 (14.1%)	71 (21.8%)	116 (17.3%)	120 (17.1%)	139 (19.6%)

Indicator	Unit	HK			MC			Total		
		2022	2023	2024	2022	2023	2024	2022	2023	2024
Diversity										
Gender ratio by employee category										
Executive staff	Number (%) of female	76 (45.8%)	75 (45.2%)	73 (46.5%)	59 (33.5%)	66 (34.4%)	68 (36.8%)	135 (39.5%)	141 (39.4%)	141 (41.2%)
Administrative staff		265 (64.3%)	245 (63.5%)	227 (61.5%)	827 (58.7%)	847 (58.3%)	794 (56.0%)	1,092 (60.0%)	1,092 (59.4%)	1,021 (57.1%)
Operational staff		113 (24.1%)	107 (25.7%)	110 (27.4%)	404 (25.0%)	409 (25.5%)	368 (25.0%)	517 (24.8%)	516 (25.6%)	478 (25.5%)
Percentage of female in junior management positions ⁽⁴⁾	%	N/A	N/A	46.8%	N/A	N/A	40.1%	N/A	N/A	43.0%
Gender ratio by job function										
STEM-related positions	% of female	35%	38%	28%	11%	16%	15%	20%	24%	19%
Executive staff in revenue-generating functions (e.g., sales, leasing)	% of female	49%	47%	52%	34%	41%	52%	42%	44%	52%
Management positions by ethnic group⁽⁴⁾										
Han Chinese	% of total management workforce	N/A	N/A	92.4%	N/A	N/A	94.1%	N/A	N/A	93.3%
Other Chinese		N/A	N/A	0%	N/A	N/A	2.2%	N/A	N/A	1.2%
Non-Chinese		N/A	N/A	7.6%	N/A	N/A	3.8%	N/A	N/A	5.6%
Ratio of basic salary of women to men by employee category										
All staff	Ratio	1:0.992	1:1.015	1:0.96	1:1.031	1:1.009	1:0.949	1:0.978	1:0.977	1:0.957
Executive staff		1:1.285	1:1.238	1:1.126	1:1.245	1:1.229	1:1.152	1:1.214	1:1.182	1:1.137
Administrative staff		1:1.173	1:1.189	1:1.152	1:1.18	1:1.137	1:1.109	1:1.121	1:1.109	1:1.14
Operational staff		1:1.152	1:1.168	1:1.179	1:1.04	1:1.034	1:1.041	1:1.105	1:1.092	1:1.146
Ratio of basic salary of women to men by management level⁽⁴⁾										
Executive level	Ratio	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1:1.125
Management level		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1:1.127
Non-management level		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1:0.911
Ratio of base salary and other cash incentives of women to men by management level⁽⁴⁾										
Executive level	Ratio	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1:1.165
Management level		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1:1.116



Indicator	Unit	HK			MC			Total		
		2022	2023	2024	2022	2023	2024	2022	2023	2024
Non-management level		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1:0.917
Parental leave ^{(6), (7)}										
Total number of employees entitled to parental leave	Number	1,046	968	928	3,203	3,245	3,076	4,249	4,213	4,004
Male	Number	592	541	518	1,913	1,923	1,846	2,505	2,464	2,364
Female		454	427	410	1,290	1,322	1,230	1,744	1,749	1,640
Total number of employees took parental leave	Number	11	16	20	89	71	72	100	87	92
Male	Number	5	8	8	33	26	28	38	34	36
Female		6	8	12	56	45	44	62	53	56
Total number of paid parental leave offered ⁽⁴⁾	Number of weeks	N/A	N/A	211	N/A	N/A	1,536	N/A	N/A	1,746
Male	Number of weeks	N/A	N/A	8	N/A	N/A	80	N/A	N/A	88
Female		N/A	N/A	203	N/A	N/A	1,456	N/A	N/A	1,658
Return to work rate by gender										
Male	%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Female		100%	100%	100%	100%	100%	98%	100%	100%	98%
Employee training ⁽⁸⁾										
Total hours of employee training	Hours	15,959	16,430	15,948	85,865	110,274	121,049	101,824	126,704	136,997
Average hours of employee training	Hours per employee	15.3	17.0	17.2	26.8	34.0	39.4	24.0	30.1	34.2
Average amount spent on training and development per employee ⁽⁴⁾	HK\$	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,967
Average training hours by gender										
Male	Hours	15.2	15.4	16.0	26.6	32.2	40.1	23.9	28.5	34.8
Female	Hours	15.3	19.0	18.6	27.1	36.6	38.3	24.1	32.3	33.4
Average training hours by employee category										
Executive staff	Hours	27.9	25.8	22.7	36.3	35.2	31.9	32.2	30.9	27.7
Administrative staff	Hours	10.5	18.0	17.1	20.9	28.5	31.0	18.5	26.3	28.1
Operational staff	Hours	15.0	12.5	15.1	30.9	38.8	48.4	27.3	33.4	41.2

Indicator	Unit	HK			MC			Total		
		2022	2023	2024	2022	2023	2024	2022	2023	2024
Percentage of employee trained by gender⁽⁸⁾										
Male	%	99.3%	99.3%	99.4%	99.6%	99.7%	99.8%	99.5%	99.6%	99.7%
Female	%	99.8%	99.5%	99.8%	99.8%	99.7%	99.9%	99.8%	99.7%	99.9%
Percentage of employee trained by employee category⁽⁸⁾										
Executive staff	%	100.0%	99.4%	99.4%	99.4%	99.0%	100.0%	99.7%	99.2%	99.7%
Administrative staff	%	99.5%	100.0%	99.7%	99.9%	99.8%	99.9%	99.8%	99.8%	99.9%
Operational staff	%	99.4%	98.8%	99.5%	99.4%	99.7%	99.7%	99.4%	99.5%	99.7%
Training by Topics										
Training hours by topics										
Occupational health and safety	Hours	4,603	3,825	2,841	9,210	15,599	17,845	13,813	19,424	20,686
Data privacy and cyber security	Hours	1,461	1,779	2,252	2,854	5,841	7,353	4,315	7,620	9,605
Crisis management	Hours	1,193	1,094	1,089	3,864	8,097	7,770	5,057	9,191	8,859
Anti-corruption Training	Hours	1,613	1,092	1,046	3,391	3,981	3,249	5,004	5,073	4,295
Percentage of employee received anti-corruption training by employee category⁽⁹⁾										
Executive staff	%	96%	96%	94%	99%	99%	99%	98%	97%	97%
Administrative staff	%	99%	100%	99%	99%	99%	99%	99%	99%	99%
Operational staff	%	99%	98%	99%	98%	99%	99%	98%	99%	99%
Percentage of employee received occupational health and safety training by employee category^{(9), (4)}										
Executive staff	%	N/A	N/A	97%	N/A	N/A	100%	N/A	N/A	99%
Administrative staff	%	N/A	N/A	100%	N/A	N/A	100%	N/A	N/A	100%
Operational staff	%	N/A	N/A	99%	N/A	N/A	100%	N/A	N/A	100%
Employees receiving regular performance and career development reviews										
Percentage of total employees	%	100%	100%	100%	100%	100%	100%	100%	100%	100%
By gender										
Male	%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Female	%	100%	100%	100%	100%	100%	100%	100%	100%	100%
By employee category										
Executive staff		100%	100%	100%	100%	100%	100%	100%	100%	100%
Administrative staff	%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Operational Staff		100%	100%	100%	100%	100%	100%	100%	100%	100%



Indicator	Unit	HK			MC			Total		
		2022	2023	2024	2022	2023	2024	2022	2023	2024
Employees covered by collective contracts										
Percentage of total employees	%	0%	0%	0%	39%	39%	38%	N/A	N/A	N/A
Occupational health and safety (employee) ⁽¹⁰⁾										
Total hours worked	Hours	2,352,395	2,380,526	2,141,026	6,459,487	6,553,524	6,468,543	8,811,882	8,934,050	8,609,569
Fatalities ⁽¹¹⁾	Number	0	0	0	0	0	0	0	0	0
Fatalities rate	%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Work-related injuries	Number	20	23	14	32	22	23	52	45	37
Injury rate (per 100 employees)	N/A	1.70	1.93	1.31	0.99	0.67	0.71	1.18	1.01	0.86
Lost-time work-related injuries	Number	19	21	14	14	20	20	33	41	34
Rate of lost-time work-related injuries / Lost-time injury rate (LTIR) ⁽¹²⁾	N/A	1.62	1.76	1.31	0.43	0.61	0.62	0.75	0.92	0.79
Lost-time injury frequency rate (LTIFR)	Number of injuries/ million hours worked	8.08	8.82	6.54	2.17	3.05	3.09	3.74	4.59	3.95
High-consequence work-related injuries ⁽¹³⁾	Number	0	2	0	3	0	2	3	2	2
Rate of high-consequence work-related injuries (per 100 employees)	N/A	0.00	0.17	0	0.09	0.00	0.06	0.07	0.04	0.05
Lost days due to work-related injuries	Days	387	1,040	998	962	402	1,078	1,349	1,442	2,075
Lost day rate (per 100 employees)	N/A	32.90	87.38	93.18	29.78	12.27	33.33	30.61	32.28	48.21
Absentee rate ⁽¹⁴⁾	%	2.00%	2.32%	2.36%	1.56%	1.50%	1.27%	1.67%	1.72%	1.53%
Construction health and safety (contractor)										
Number of active construction sites	Number	2	2	2	6	6	6	8	8	8
Total man-hours	Hours	881,970	823,830	568,401	6,388,380	8,747,407	7,798,114	7,270,350	9,571,237	8,366,515
Number of fatalities	Number	0	0	0	0	0	0	0	0	0
Number of accidents	Number	1	1	0	0	1	0	1	2	0

Indicator	Unit	HK			MC			Total		
		2022	2023	2024	2022	2023	2024	2022	2023	2024
Number of near-misses	Number	0	2	1	0	4	5	0	6	6
Number of lost-time injuries ⁽⁴⁾	Number	N/A	N/A	0	N/A	N/A	0	N/A	N/A	0
Number of accidents per 100,000 man-hours	Number of accidents per 100,000 hours worked	0.113	0.121	0	0	0.011	0	0.014	0.021	0
Lost-time injury frequency rate (LTIFR) ⁽⁴⁾	Number of injuries/ million hours worked	N/A	N/A	0	N/A	N/A	0	N/A	N/A	0

Notes:

- (1) The profile of workforce data was compiled based on the number of employees and number of workers as of the end of each reporting year, provided by our Human Resources Department.
- (2) Supervised workers are workers who are not employees under Hang Lung but whose work is controlled by the organization. The Group does not report data of supervised workers by gender and age. Supervised workers do not cause significant variation in the Group's workforce and activities. Most of the supervised workers are responsible for providing cleaning and security services.
- (3) There was no significant variation in the number of non-supervised workers in the reporting period or between the current and last reporting period.
- (4) We started disclosing this data point in 2024.
- (5) The turnover rates cover voluntary resignations, retirements, and involuntary separation during the corresponding reporting periods.
- (6) We are not reporting the total number of employees that returned to work after parental leave ended and that were still employed 12 months after their return to work as this particular data is not tracked. In the meantime, we do track the number of ex-colleagues who consider "family responsibility" as one of the reasons for resignation.
- (7) For Hong Kong staff, female employees with are entitled to 14 weeks of maternity leave while male employees receive 5 days of paternity leave, which can be taken from 4 weeks before to 14 weeks after the child's birth. For our staff in mainland China, female employees are entitled to 98 days of maternity leave for a normal birth, with an additional 15 to 90 days depending on local legislation and individual circumstances, while male employees receive 7 to 30 days of paternity leave, varying by location.
- (8) Training categories include: onboarding programs, language skills, customer service, professional development, leadership development, occupational health and safety, and regulatory compliance. All our employees were required to receive either induction or refresher training courses on integrity and crisis management during the reporting period, and all employees with company email addresses received cybersecurity training. The percentage of employees trained could not reach 100% since some of the employees had long leave or newly joined in the year-end and they could not participate in training.
- (9) The percentage of employees trained could not reach 100% since some of the employees had long leave or newly joined in the year-end and they could not participate in training.
- (10) Our occupational health and safety data reported in the performance table covers our office and frontline operations. This includes our employees and supervised workers. We do not report data on the occupational disease rate as we encounter difficulties in data collection. We do not further break down our occupational health and safety data by gender because we consider such data insignificant for reporting.
- (11) Fatalities refer to work-related fatalities of employees as defined by HKEX and GRI.
- (12) Loss day injuries are equivalent to recordable work-related injuries as defined by GRI. The injury rates, rates of high-consequence workrelated injuries, rates of recordable work-related injuries and lost day rates were calculated on 200,000 hours worked. The factor 200,000 is the annual hours worked by 100 employees, based on 40 hours per week for 50 weeks a year.
- (13) Major work-related hazards that may cause high-consequence work-related injuries include falls, slips and falls at same level, the use of machines with moving parts, hot & electrical work, and manual handling. Major types of injury include scratches, being struck by objects, fractures and cuts.
- (14) Absentee days are defined as the sum of non-work-related sick leave (i.e., sick leave not caused by a work-related accident/ injury/ illness).

Appendix 6 – Independent Assurance Opinion Statement



ASSURANCE STATEMENT

SGS HONG KONG'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE HANG LUNG PROPERTIES LIMITED SUSTAINABILITY REPORT 2024

NATURE OF THE ASSURANCE

SGS Hong Kong Limited (hereinafter referred to as SGS) was commissioned by the Hang Lung Properties Limited (hereinafter referred to as Hang Lung Properties) to conduct an independent assurance of the contents of the *Sustainability Report 2024* (hereinafter referred to as the Report).

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all Hang Lung Properties' stakeholders.

RESPONSIBILITIES

The information in the Report and its presentation are the responsibility of Hang Lung Properties. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance with the intention to inform all Hang Lung Properties' stakeholders.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognised assurance guidance and standards, and the guidance on levels of assurance contained within the AA1000 Assurance Standard and Assurance Engagements Other Than Audits or Reviews of Historical Financial Information is based on the International Standard on Assurance Engagements (ISAE) 3000 (Revised), issued by the International Auditing and Assurance Standards Board.

The assurance of this report has been conducted according to the following Assurance Standard:

Assurance Standard Options	Level of Assurance
ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information	Limited

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance data and information included the text and data in accompanying tables contained in the Report. Data and information were included in this assurance process during the period from 1 January 2024 to 31 December 2024.

Reporting Criteria Options	
1	Appendix C2 Environmental, Social and Governance Reporting Code ("ESG Reporting Code") in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "HKEx Listing Rules")
2	Global Reporting Initiative ("GRI") Sustainability Reporting Standards 2021 (In Accordance with)

SPECIFIED PERFORMANCE DATA AND INFORMATION INCLUDED IN SCOPE

Environmental Data

- Energy consumption
- Electricity purchased from renewable sources

Social Data

- Absentee Rate
- Fatalities

- Electricity use intensity
- GHG emission (Scope 1 & 2) - location-based
- GHG emission (Scope 1 & 2) - market-based
- GHG (Scope 3) - Category 1 Purchased Goods and Services
- GHG (Scope 3) - Category 13 Downstream Leased Assets
- Water consumption
- Waste generated
- Recycled waste
- Lost-Time Injury Frequency Rate (LTIFR)

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, data sampling, documentation and record review, calculating and reporting the specified performance data and information. Raw data and supporting evidence of the specified performance data and information were examined during the verification process. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

LIMITATIONS AND MITIGATION

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process. Note here any other specific limitations for the assurance engagement and actions taken to mitigate those limitations.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from Hang Lung Properties being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with IRCA EMS Principal Auditor, ISO 26000, nominated tutor of GRI Standards and experience on the SRA assurance service provisions.

ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, nothing has come to our attention that causes us to believe that the specified performance data and information included in the scope of assurance is not fairly stated and prepared, in all material respects, in accordance with the above mentioned reporting criteria.

We believe that Hang Lung Properties has chosen an appropriate level of assurance for this stage in their reporting.

Signed:

For and on behalf of SGS Hong Kong Limited



Miranda Kwan
Director
Business Assurance
17 March 2025



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



羅兵咸永道

Independent practitioner’s limited assurance report

To the Board of Directors of Hang Lung Properties Limited

We have been engaged to perform a limited assurance engagement in respect of the selected sustainability information of Green Bond, Green Loan and the Allocation disclosed on pages 118 to 120 of the 2024 Sustainability Report of Hang Lung Properties Limited (the "Company") as at 31 December 2024 (the "Identified Sustainability Information").

Identified Sustainability Information

The Identified Sustainability Information disclosed on pages 118 to 120 of the 2024 Sustainability Report as at 31 December 2024 is summarised below:

- amount of Green Loan drawn and allocated to the eligible green projects as at 31 December 2024;
- amount of Green Bond issued and allocated to the eligible green projects as at 31 December 2024; and
- the amount of Pending for Allocation as at 31 December 2024.

Our assurance was with respect to the year ended 31 December 2024 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the 2024 Sustainability Report and, therefore, do not express any conclusion thereon.

Criteria

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

Company’s Responsibility

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



羅兵咸永道

Independent practitioner's limited assurance report

To the Board of Directors of Hang Lung Properties Limited (Continued)

Our Independence and Quality Management

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

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

Practitioner's Responsibility

It is our responsibility to express a conclusion on the Identified Sustainability Information based on our work performed and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our limited assurance engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the HKICPA. This standard requires that we plan and perform our work to form the conclusion.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. The extent of procedures selected depends on the practitioner's judgment and our assessment of the engagement risk. Within the scope of our work we performed amongst others the following procedures:

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



羅兵咸永道

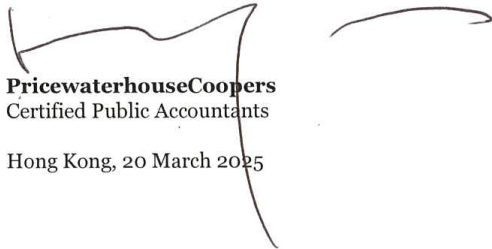
Independent practitioner's limited assurance report
To the Board of Directors of Hang Lung Properties Limited (Continued)

Inherent limitations

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

Limited Assurance Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Identified Sustainability Information as at 31 December 2024 is not prepared, in all material respects, in accordance with the Reporting Criteria.



PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 20 March 2025

Appendix 1 — Reporting Criteria

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



Appendix 8 – Content Indices for Reporting Guidelines

HKEX ESG Reporting Guide Content Index

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

Aspects	KPI	Disclosure	Section/ Explanation
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Climate Resilience – Climate Mitigation Resource Management – Energy Management
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Resource Management – Waste and Circularity
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Resource Management
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Performance Tables – Environmental
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Performance Tables – Environmental
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Resource Management – Energy Management
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Resource Management – Water and Circularity During the reporting period, we did not encounter any problems in sourcing water for our operations.
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	This KPI is not applicable to our business.
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Resource Management
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Resource Management
A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Resilience Appendix 8 – IFRS S2 Climate-related Disclosures Content Index
	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Resilience Appendix 8 – IFRS S2 Climate-related Disclosures Content Index



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

Aspects	KPI	Disclosure	Section/ Explanation
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Sustainable Transactions – Suppliers
	KPI B5.1	Number of suppliers by geographical region.	Sustainable Transactions – Suppliers
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Sustainable Transactions – Suppliers
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Sustainable Transactions – Suppliers
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Sustainable Transactions – Suppliers
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Sustainable Transactions We ensure our marketing and promotional materials comply with relevant laws and regulations, and avoid making any misrepresentation, exaggeration or overstatement of the Group's capabilities. There were no confirmed incidents of non-compliance with laws and regulations relevant to health and safety, advertising, labelling and privacy matters relating to our products and services that had a significant impact on the Group during the reporting period.
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	This KPI is not applicable to our business.
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Sustainable Transactions – Measuring Customer Satisfaction There were no materially significant complaints received relating to the provision and use of products and services during the reporting period.
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	We have relevant policy in place to observe and protect intellectual property rights. Our Staff Handbook provides guidelines on respecting intellectual property rights. Employees using infringing copies of copyright works in the course of their employment may incur disciplinary action or summary dismissal.



Aspects	KPI	Disclosure	Section/ Explanation
	KPI B6.4	Description of quality assurance process and recall procedures.	Sustainable Transactions – Maintaining Quality Standards Product recall procedures are not considered as material to the Group's operations.
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Our Sustainability Strategy – Data Privacy and Cybersecurity Sustainable Transactions – Protecting Customer Data Privacy
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Our Sustainability Strategy – Ethics and Integrity There were no confirmed incidents of non-compliance with laws and regulations relating to bribery, extortion, fraud, conflicts of interest and money laundering that had a significant impact on the Group during the reporting period.
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	There were no concluded legal cases regarding corrupt practices brought against the Group or its employees during the reporting period.
	KPI B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	Our Sustainability Strategy – Ethics and Integrity Annual Report 2024 P.116 Whistleblowing Mechanism
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	Our Sustainability Strategy – Sustainability Governance Performance Tables – Social
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Wellbeing – Community Wellbeing
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Wellbeing – Community Wellbeing
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Wellbeing – Community Wellbeing

GRI Content Index

Hang Lung Properties has reported in accordance with the GRI Standards for the period January 1, 2024 to December 31, 2024.

GRI Standard	GRI	Disclosure	Section/ Explanation
GRI 1: Foundation 2021			
Reporting in accordance to the GRI Standards	1-R7	Publish a GRI content index	About this Report Content Indices for Reporting Guidelines
	1-R8	Provide a statement of use	Hang Lung Properties has reported in accordance with the GRI Standards for the period January 1, 2024 to December 31, 2024.
GRI 2: General Disclosures 2021			
The Organization and its reporting practices	2-1	Organizational details	About this Report About Hang Lung Properties Annual Report 2024 P.3 (Corporate Profile)
	2-2	Entities included in the organization's sustainability reporting	About this Report We report on our principal subsidiaries in our Annual Report as required by the Listing Rules. A list of our principal subsidiaries is outlined in the Annual Report 2024 (P.202-205).
	2-3	Reporting period, frequency and contact point	About this Report This Report was published in March 2025.
	2-4	Restatements of information	Performance Tables
	2-5	External assurance	About this Report Independent Assurance Opinion Statement
Activities and workers	2-6	Activities, value chain and other business relationships	About Hang Lung Properties Our Sustainability Strategy Sustainable Transactions – Sustainability Issues Across Our Value Chain Annual Report 2024 P.3, 24-63 (Corporate Profile, Review of Operations) There were no significant changes in the Group's business activities, its value chain, or its business relationships compared to the previous reporting period.
	2-7	Employees	Performance Tables – Social The Group did not employ non-guaranteed hours employees during the reporting period.
	2-8	Workers who are not employees	Performance Tables – Social



GRI Standard	GRI	Disclosure	Section/ Explanation
Governance	2-9	Governance structure and composition	Our Sustainability Strategy – Sustainability Governance Annual Report 2024 P.89-125 (Corporate Governance Report, Profile of the Directors)
	2-10	Nomination and selection of the highest governance body	Annual Report 2024 P.103-104 (Corporate Governance Report – (II) Delegation by the Board - Nomination and Remuneration Committee)
	2-11	Chair of the highest governance body	Our Sustainability Strategy – Sustainability Governance Annual Report 2024 P.98-99
	2-12	Role of the highest governance body in overseeing the management of impacts	Our Sustainability Strategy – Sustainability Governance Joint Statement on Oversight and Management of Environmental, Social and Governance Issues
	2-13	Delegation of responsibility for managing impacts	Our Sustainability Strategy – Sustainability Governance Annual Report 2024 P.116 (Corporate Governance Report – Code of Conduct)
	2-14	Role of the highest governance body in sustainability reporting	Our Sustainability Strategy – Materiality Assessment
	2-15	Conflicts of interest	Our Sustainability Strategy – Ethics and Integrity Annual Report 2024 P.116 (Corporate Governance Report – Code of Conduct)
	2-16	Communication of critical concerns	Our Sustainability Strategy – Sustainability Governance Annual Report 2024 P.116 (Corporate Governance Report – Code of Conduct)
	2-17	Collective knowledge of the highest governance body	Annual Report 2024 P.92-95 (Corporate Governance Report – Effective and Qualified Board)
	2-18	Evaluation of the performance of the highest governance body	Annual Report 2024 P.103-104 (Corporate Governance Report – Effective and Qualified Board)
	2-19	Remuneration policies	Wellbeing - Employee Wellbeing Annual Report 2024 P.103-104 (Corporate Governance Report) Annual Report 2024 P.168-169 (Notes to the Financial Statement – Emoluments of Directors and Senior Management) Terms of Reference of Nomination and Remuneration Committee
	2-20	Process to determine remuneration	Annual Report 2024 P.103-104 (Corporate Governance Report - Nomination and Remuneration Committee)
	2-21	Annual total compensation ratio	Annual Report 2024 P.169 (Emoluments of Directors and Senior Management) We do not disclose the annual total compensation ratio due to confidentiality constraints. The Group will consider disclosing relevant figures in the future.

GRI Standard	GRI	Disclosure	Section/ Explanation
Strategy, policies and practices	2-22	Statement on sustainable development strategy	Our Sustainability Strategy
	2-23	Policy commitments	Our Sustainability Strategy – Sustainability Governance Hang Lung's Sustainability Policy Hang Lung Code of Conduct for Contractors
	2-24	Embedding policy commitments	Our Sustainability Strategy – Sustainability Governance Hang Lung's Sustainability Policy
	2-25	Processes to remediate negative impacts	Our Sustainability Strategy – Ethics and Integrity Whistleblowing Mechanism
	2-26	Mechanisms for seeking advice and raising concerns	Our Sustainability Strategy – Ethics and Integrity Whistleblowing Mechanism
	2-27	Compliance with laws and regulations	There were no significant fines or non-monetary sanctions for non-compliance with environmental laws and/or regulations, or laws and/or regulations in the social and economic area, that had a significant impact on the Group during the reporting period.
	2-28	Membership associations	Appendix 2 - Memberships, Charters and External Recognitions
Stakeholder engagement	2-29	Approach to stakeholder engagement	Our Sustainability Strategy – Stakeholder Engagement
	2-30	Collective bargaining agreements	The Group does not have a formal collective bargaining agreement in place. In mainland China, 38% of our employees are represented by trade unions in 2024, which have established collective contracts on behalf of the staff with the Group. In Hong Kong, we respect the rights and freedom of all employees to form and join trade unions. Our Code of Conduct for Contractors sets out our expectations for suppliers in relation to association. The contractors are expected to respect all rights of their employees to associate, organize and bargain collectively in a lawful and peaceful manner, without penalty or interference.
GRI 3: Material Topics 2021			
Materiality assessment	3-1	Process to determine material topics	Our Sustainability Strategy – Materiality Assessment
	3-2	List of material topics	Our Sustainability Strategy – Materiality Assessment



GRI Standard	GRI	Disclosure	Section/ Explanation
Material Topics (Economic)			
Economic Performance			
GRI 3: Material Topics 2021	3-3	Management of material topics	Message from the Chair Our Sustainability Strategy – Materiality Assessment Annual Report 2024 P.14-19 (Chair’s Letter to Shareholders)
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Performance Tables – Economics
	201-2	Financial implications and other risks and opportunities due to climate change	Climate Resilience
	201-3	Defined benefit plan obligations and other retirement plans	Annual Report 2024 P.164, 189-193 (Notes to the Financial Statements – Employee Benefits)
Procurement Practices			
GRI 3: Material Topics 2021	3-3	Management of material topics	About this Report Our Sustainability Strategy – Materiality Assessment Sustainable Transactions – Suppliers Sustainable Procurement Policy
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Sustainable Transactions – Suppliers
Anti-corruption			
GRI 3: Material Topics 2021	3-3	Management of material topics	About this Report Our Sustainability Strategy – Materiality Assessment Our Approach to Sustainability – Ethics and Integrity
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Our Sustainability Strategy – Sustainability Governance Structure Our Sustainability Strategy – Ethics and Integrity Our Sustainability Strategy – Risk and Crisis Management We do not disclose the total number and percentage of operations assessed for risks related to corruption due to confidentiality constraints.
	205-2	Communication and training about anti-corruption policies and procedures	Our Approach to Sustainability – Ethics and Integrity Performance Tables – Social
	205-3	Confirmed incidents of corruption and actions taken	There were no concluded legal cases regarding corrupt practices brought against the Group or its employees during the reporting period.

GRI Standard	GRI	Disclosure	Section/ Explanation
Material Topics (Environmental)			
Energy			
GRI 3: Material Topics 2021	3-3	Management of material topics	About this Report Our Sustainability Strategy – Materiality Assessment Resource Management – Energy Management Appendix 1 – Key Sustainability Trends
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Resource Management – Energy Management Performance Tables – Environmental
	302-2	Energy consumption outside of the organization	We do not disclose the energy consumption outside the organization as we have accounted for the energy consumption outside the organization in our Scope 3 calculation and relevant figures are disclosed in Performance Table – Environmental .
	302-3	Energy intensity	Performance Tables – Environmental
	302-4	Reduction of energy consumption	Performance Tables – Environmental Resource Management – Energy Management
Water and Effluents			
GRI 3: Material Topics 2021	3-3	Management of material topics	About this Report Our Sustainability Strategy – Materiality Assessment Resource Management – Water and Circularity Appendix 1 – Key Sustainability Trends Hang Lung’s Sustainability Policy
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Resource Management – Water and Circularity All of our properties are located in prime locations in cities. The Group’s operations involve the use of municipal water.
	303-2	Management of water discharge-related impacts	Resource Management – Water and Circularity We comply with local laws and regulations in effluent discharge.
	303-3	Water withdrawal	Performance Tables – Environmental
	303-4	Water discharge	Performance Tables – Environmental Water discharged from our operations was transported to local municipal wastewater systems for treatment. We adopted various measures in our operations, including water-efficient fixtures and water recycling to enhance our water management and help reduce wastewater discharged.
	303-5	Water consumption	Performance Tables – Environmental



GRI Standard	GRI	Disclosure	Section/ Explanation
Biodiversity			
GRI 3: Material Topics 2021	3-3	Management of material topics	About this Report Our Sustainability Strategy – Materiality Assessment Resource Management – Biodiversity Appendix 1 – Key Sustainability Trends
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Resource Management – Biodiversity All of our properties are located in prime locations in cities. Although we expect our operations to have a limited impact on natural ecosystems and biodiversity, in our Sustainability Policy we set out our commitments to biodiversity conservation, such as avoiding the development of projects and operational activities in ecologically sensitive and nationally protected sites deemed critical for biodiversity.
	304-2	Significant impacts of activities, products and services on biodiversity	
	304-3	Habitats protected or restored	
Emissions			
GRI 3: Material Topics 2021	3-3	Management of material topics	About this Report Our Sustainability Strategy – Materiality Assessment Climate Resilience – Climate Mitigation Appendix 1 – Key Sustainability Trends
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Performance Tables – Environmental
	305-2	Energy indirect (Scope 2) GHG emissions	Performance Tables – Environmental
	305-3	Other indirect (Scope 3) GHG emissions	Performance Tables – Environmental
	305-4	GHG emissions intensity	Performance Tables – Environmental
	305-5	Reduction of GHG emissions	About this Report Climate Resilience – Climate Mitigation

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



GRI Standard	GRI	Disclosure	Section/ Explanation
Material Topics (Social)			
Employment			
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Sustainability Strategy – Materiality Assessment Our Sustainability Strategy – Sustainability Governance Wellbeing – Employee Wellbeing Appendix 1 – Key Sustainability Trends
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Performance Tables – Social
	401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	Wellbeing – Employee Wellbeing
	401-3	Parental leave	Performance Tables – Social
Occupational Health and Safety			
GRI 3: Material Topics 2021	3-3	Management of material topics	About this Report Our Sustainability Strategy – Materiality Assessment Wellbeing – Employee Health and Safety Sustainable Transactions – Project Safety Management Appendix 1 – Key Sustainability Trends
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Wellbeing – Employee Health and Safety Sustainable Transactions – Project Safety Management Sustainable Transactions – Environmental, Healthy and Safety Management
	403-2	Hazard identification, risk assessment, and incident investigation	Wellbeing – Employee Health and Safety Sustainable Transactions – Project Safety Management
	403-3	Occupational health services	Wellbeing – Employee Health and Safety Sustainable Transactions – Project Safety Management
	403-4	Worker participation, consultation, and communication on occupational health and safety	Our Sustainability Strategy – Sustainability Governance Structure Wellbeing – Employee Health and Safety Sustainable Transactions – Project Safety Management
	403-5	Worker training on occupational health and safety	Wellbeing – Employee Health and Safety Sustainable Transactions – Project Safety Management
	403-6	Promotion of worker health	Wellbeing – Employee Health and Safety Sustainable Transactions – Project Safety Management
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Wellbeing – Employee Health and Safety Sustainable Transactions – Project Safety Management

GRI Standard	GRI	Disclosure	Section/ Explanation
	403-8	Workers covered by an occupational health and safety management system	Wellbeing – Employee Health and Safety Sustainable Transactions – Project Safety Management
	403-9	Work-related injuries	Performance Tables – Social
	403-10	Work-related ill health	We do not collect relevant data as our operations do not involve exposure to significant work-related hazards that cause ill health.
Training and Education			
GRI 3: Material Topics 2021	3-3	Management of material topics	About this Report Our Sustainability Strategy – Materiality Assessment Wellbeing – Learning and Development Appendix 1 – Key Sustainability Trends
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Performance Tables – Social
	404-2	Programs for upgrading employee skills and transition assistance programs	Wellbeing – Learning and Development We have a guideline in place for providing support to employees who are retiring.
	404-3	Percentage of employees receiving regular performance and career development reviews	Performance Tables – Social
Diversity and Equal Opportunity			
GRI 3: Material Topics 2021	3-3	Management of material topics	About this Report Our Sustainability Strategy – Materiality Assessment Wellbeing – Diversity and Inclusion Hang Lung's Sustainability Policy
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Performance Tables – Social Annual Report 2024 (P.92-95) (Corporate Governance Report – (I) Effective and Qualified Board – Board Diversity)
	405-2	Ratio of basic salary and remuneration of women to men	Performance Tables – Social
Non-discrimination			
GRI 3: Material Topics 2021	3-3	Management of material topics	About this Report Our Sustainability Strategy – Materiality Assessment Wellbeing – Diversity and Inclusion Whistleblowing Mechanism
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	There were no confirmed incidents of non-compliance with the laws and regulations relating to discrimination that had a significant impact on the Group during the reporting period.



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

IFRS S1 and S2 Content Index

Starting in 2018, we have disclosed our approach to addressing climate-related issues in alignment with the Task Force on Climate-related Financial Disclosures' (TCFD) recommendations. Following the International Financial Reporting Standards (IFRS) Foundation's International Sustainability Standards Board (ISSB) issuing sustainability standards in June 2023, we have disclosed our climate-related financial information with reference to the recommendations of ISSB in Sustainability Report 2023 and then again in this report. We are also preparing to comply with the new climate disclosure requirements of HKEX's ESG Reporting Code, as well as the HKFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and S2 Climate-related Disclosures published by the Hong Kong Institute of Public Accountants. We welcome stakeholder feedback and look forward to improving our disclosures in the years ahead.

IFRS S1 General Requirements for the Disclosure of Sustainability-related Financial Information Content Index

Reference Paragraph	Disclosure Description	Reference and/or Response
Governance		
26	The objective of sustainability-related financial disclosures on governance is to enable users of general purpose financial reports to understand the governance processes, controls and procedures an entity uses to monitor, manage and oversee sustainability-related risks and opportunities.	-
27	To achieve this objective, an entity shall disclose information about: <ul style="list-style-type: none"> (a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of sustainability-related risks and opportunities. Specifically, the entity shall identify that body(s) or individual(s) and disclose information about <ul style="list-style-type: none"> (i) how responsibilities for sustainability-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s); (ii) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to sustainability-related risks and opportunities; (iii) how and how often the body(s) or individual(s) is informed about sustainability-related risks and opportunities; (iv) how the body(s) or individual(s) takes into account sustainability-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; and (v) how the body(s) or individual(s) oversees the setting of targets related to sustainability-related risks and opportunities, and monitors progress towards those targets, including whether and how related performance metrics are included in remuneration policies. 	Joint Statement on Oversight and Management of Environmental, Social and Governance Issues Sustainability Governance – Board Involvement, ERM Working Group Climate Resilience – Climate Governance Wellbeing – ESG-linked Compensation



Reference Paragraph	Disclosure Description	Reference and/or Response
	<p>(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee sustainability-related risks and opportunities, including information about:</p> <p>(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and</p> <p>(ii) whether management uses controls and procedures to support the oversight of sustainability-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.</p>	<p>Our Sustainability Strategy – Sustainability Governance Structure Terms of Reference of the Sustainability Steering Committee Climate Resilience – Climate Governance</p>
Strategy		
28	The objective of sustainability-related financial disclosures on strategy is to enable users of general purpose financial reports to understand an entity's strategy for managing sustainability-related risks and opportunities.	-
29	Specifically, an entity shall disclose information to enable users of general purpose financial reports to understand:	Our Sustainability Strategy – Sustainability Risk Management
	(a) the sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects;	
	(b) the current and anticipated effects of those sustainability-related risks and opportunities on the entity's business model and value chain;	Our Sustainability Strategy – Sustainability Risk Management
	(c) the effects of those sustainability-related risks and opportunities on the entity's strategy and decision-making;	Our Sustainability Strategy – Sustainability Risk Management
	(d) the effects of those sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those sustainability-related risks and opportunities have been factored into the entity's financial planning; and	We are taking initial steps to study this potential disclosure.
	(e) the resilience of the entity's strategy and its business model to those sustainability-related risks.	Our Sustainability Strategy – Sustainability Risk Management

Reference Paragraph	Disclosure Description	Reference and/or Response
Sustainability-related risks and opportunities		
30	<p>An entity shall disclose information that enables users of general purpose financial reports to understand the sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Specifically, the entity shall:</p> <p>(a) describe sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects;</p> <p>(b) specify the time horizons—short, medium or long term—over which the effects of each of those sustainability-related risks and opportunities could reasonably be expected to occur; and</p> <p>(c) explain how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.</p>	<p>Our Sustainability Strategy – Sustainability Risk Management</p> <hr/> <p>Our Sustainability Strategy – Sustainability Risk Management</p> <hr/> <ul style="list-style-type: none"> • Short term: 0-2 years – Under our sustainability framework and governance, we see the 1-2 year horizon as a short-term horizon. We set strategic ESG KPIs annually and review them regularly over the year, with adjustments as needed the following year to ensure that we are making progress in attaining our medium term target. • Medium term: 3-10 years – We have defined a set of 25 sustainability targets for 2025 and 4 goals and 10 targets for 2030 under our sustainability framework to support our long term vision. • Long term: 10-30 years – We have defined our long-term vision beyond a 10 year horizon: we have set a target to reach net zero value chain emissions by 2050, and published a paper, "Our Journey to Net Zero," that discusses our understanding of scenarios and actions to reduce our greenhouse gas emissions to 2050.



Reference Paragraph	Disclosure Description	Reference and/or Response
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Business model and value chain

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| 32 | An entity shall disclose information that enables users of general purpose financial reports to understand the current and anticipated effects of sustainability-related risks and opportunities on the entity's business model and value chain. Specifically, the entity shall disclose: (a) a description of the current and anticipated effects of sustainability-related risks and opportunities on the entity's business model and value chain; and | Our Sustainability Strategy – Sustainability Risk Management |
| | (b) a description of where in the entity's business model and value chain sustainability-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets). | Our Sustainability Strategy – Sustainability Risk Management |

Strategy and decision-making

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| 33 | An entity shall disclose information that enables users of general purpose financial reports to understand the effects of sustainability-related risks and opportunities on its strategy and decision-making. Specifically, the entity shall disclose information about: | Our Sustainability Strategy – Sustainability Risk Management |
| | (a) how the entity has responded to, and plans to respond to, sustainability-related risks and opportunities in its strategy and decision-making; | |
| | (b) the progress against plans the entity has disclosed in previous reporting periods, including quantitative and qualitative information; and | Appendix 3 – Sustainability Goals, Targets and ESG KPIs. |
| | (c) trade-offs between sustainability-related risks and opportunities that the entity considered (for example, in making a decision on the location of new operations, an entity might have considered the environmental impacts of those operations and the employment opportunities they would create in a community). | Our Sustainability Strategy – Sustainability Risk Management |

Financial position, financial performance and cash flows

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| 34 | An entity shall disclose information that enables users of general purpose financial reports to understand: | We are still at an initial stage in assessing the current effects of sustainability-related risks and opportunities on the Group's financial position, financial performance and cash flows, including consideration of the level of uncertainty, potential commercial sensitivity, and potential usefulness of any disclosures associated with such assessments. |
| | (a) the effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects); and | |
| | (b) the anticipated effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how sustainability-related risks and opportunities are included in the entity's financial planning (anticipated financial effects). | Our Sustainability Strategy – Sustainability Risk Management |

Reference Paragraph	Disclosure Description	Reference and/or Response
35	Specifically, an entity shall disclose quantitative and qualitative information about:	We will review the feasibility of disclosing such quantitative and qualitative information in the future.
	(a) how sustainability-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period;	
	(b) the sustainability-related risks and opportunities identified in paragraph 35(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements;	We are reviewing methodologies and processes that will help to enhance our understanding of potential material adjustments arising from climate-related risks and opportunities.
	(c) how the entity expects its financial position to change over the short, medium and long term, given its strategy to manage sustainability-related risks and opportunities, taking into consideration:	We are taking initial steps to study this potential disclosure.
	(i) its investment and disposal plans (for example, plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas, and asset retirements), including plans the entity is not contractually committed to; and	
(ii) its planned sources of funding to implement its strategy; and		
	(d) how the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage sustainability-related risks and opportunities.	We are taking initial steps to study this potential disclosure.
Resilience		
41	An entity shall disclose information that enables users of general purpose financial reports to understand its capacity to adjust to the uncertainties arising from sustainability-related risks. An entity shall disclose a qualitative and, if applicable, quantitative assessment of the resilience of its strategy and business model in relation to its sustainability-related risks, including information about how the assessment was carried out and its time horizon. When providing quantitative information, an entity may disclose a single amount or a range.	Our Sustainability Strategy – Sustainability Risk Management



Reference Paragraph	Disclosure Description	Reference and/or Response
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Risk Management		
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43	<p>The objective of sustainability-related financial disclosures on risk management is to enable users of general purpose financial reports:</p> <p>(a) to understand an entity's processes to identify, assess, prioritise and monitor sustainability-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process; and</p> <p>(b) to assess the entity's overall risk profile and its overall risk management process.</p>	<p>Our Sustainability Strategy – Sustainability Risk Management Annual Report 2024 P.106-115 – Corporate Governance Report (Risk Management and Internal Controls)</p> <p>Our Sustainability Strategy – Sustainability Risk Management Annual Report 2024 P.106-115 – Corporate Governance Report (Risk Management and Internal Controls)</p>
44	<p>To achieve this objective, an entity shall disclose information about:</p> <p>(a) the processes and related policies the entity uses to identify, assess, prioritise and monitor sustainability-related risks, including information about:</p> <p>(i) the inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes);</p> <p>(ii) whether and how the entity uses scenario analysis to inform its identification of sustainability-related risks;</p> <p>(iii) how the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria);</p> <p>(iv) whether and how the entity prioritises sustainability-related risks relative to other types of risk;</p> <p>(v) how the entity monitors sustainability-related risks; and</p> <p>(vi) whether and how the entity has changed the processes it uses compared with the previous reporting period;</p>	<p>Our Sustainability Strategy – Sustainability Risk Management Annual Report 2024 P.106-115 – Corporate Governance Report (Risk Management and Internal Controls)</p> <p>Our Sustainability Strategy – Sustainability Risk Management Annual Report 2024 P.106-115 – Corporate Governance Report (Risk Management and Internal Controls)</p>
	<p>(b) the processes the entity uses to identify, assess, prioritise and monitor sustainability-related opportunities; and</p> <p>(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring sustainability-related risks and opportunities are integrated into and inform the entity's overall risk management process.</p>	<p>Our Sustainability Strategy – Sustainability Risk Management Annual Report 2024 P.106-115 – Corporate Governance Report (Risk Management and Internal Controls)</p>

Reference Paragraph	Disclosure Description	Reference and/or Response
Metrics and targets		
45	The objective of sustainability-related financial disclosures on metrics and targets is to enable users of general purpose financial reports to understand an entity's performance in relation to its sustainability-related risks and opportunities, including progress towards any targets the entity has set, and any targets it is required to meet by law or regulation.	-
46	An entity shall disclose, for each sustainability-related risk and opportunity that could reasonably be expected to affect the entity's prospects: (a) metrics required by an applicable IFRS Sustainability Disclosure Standard; and (b) metrics the entity uses to measure and monitor: (i) that sustainability-related risk or opportunity; and (ii) its performance in relation to that sustainability-related risk or opportunity, including progress towards any targets the entity has set, and any targets it is required to meet by law or regulation.	Appendix 8 – SASB Content Index
51	An entity shall disclose information about the targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation. For each target, the entity shall disclose: (a) the metric used to set the target and to monitor progress towards reaching the target; (b) the specific quantitative or qualitative target the entity has set or is required to meet; (c) the period over which the target applies; (d) the base period from which progress is measured; (e) any milestones and interim targets; (f) performance against each target and an analysis of trends or changes in the entity's performance; and (g) any revisions to the target and an explanation for those revisions.	Our Sustainability Strategy – Our Sustainability Goals, Targets and KPIs Appendix 3 – Sustainability Goals, Targets and ESG KPIs.
		Our Sustainability Strategy – Our Sustainability Goals, Targets and KPIs Appendix 3 – Sustainability Goals, Targets and ESG KPIs.
		Our Sustainability Strategy – Our Sustainability Goals, Targets and KPIs Appendix 3 – Sustainability Goals, Targets and ESG KPIs.
		Our Sustainability Strategy – Our Sustainability Goals, Targets and KPIs Appendix 3 – Sustainability Goals, Targets and ESG KPIs.
		Appendix 3 – Sustainability Goals, Targets and ESG KPIs.
		We disclose the progress of our 25 x 25 Sustainability Targets and results achieved in the Appendix 3 – Sustainability Goals, Targets and ESG KPIs.
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IFRS S2 Climate-related Disclosures Content Index

Reference Paragraph	Disclosure Description	Reference and/or Response
Governance		
5	The objective of climate-related financial disclosures on governance is to enable users of general purpose financial reports to understand the governance processes, controls and procedures an entity uses to monitor, manage and oversee climate-related risks and opportunities.	-
6	<p>To achieve this objective, an entity shall disclose information about:</p> <p>(a) The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the entity shall identify that body(s) or individual(s) and disclose information about:</p> <p>(i) how responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s);</p> <p>(ii) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;</p> <p>(iii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;</p> <p>(iv) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; and</p> <p>(v) how the body(s) or individual(s) oversees the setting of targets related to climate-related risks and opportunities, and monitors progress towards those targets including whether and how related performance metrics are included in remuneration policies</p>	<p>Joint Statement on Oversight and Management of Environmental, Social and Governance Issues Sustainability Governance – Board Involvement, ERM Working Group</p> <p>Climate Resilience – Climate Governance Wellbeing – ESG-linked Compensation</p>

Reference Paragraph	Disclosure Description	Reference and/or Response
	<p>(b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:</p> <p>(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and</p> <p>(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.</p>	<p>Sustainability Governance Terms of Reference of the Sustainability Steering Committee Climate Resilience – Climate Governance</p>
Strategy		
8	The objective of climate-related financial disclosures on strategy is to enable users of general purpose financial reports to understand an entity's strategy for managing climate-related risks and opportunities	
9	Specifically, an entity shall disclose information to enable users of general purpose financial reports to understand:	Climate Resilience – Climate-Related Risks and Opportunities
	(a) the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects	
	(b) the current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain	Climate Resilience – Climate-Related Risks and Opportunities
	(c) the effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan	We discuss some climate-related risks and opportunities and some broader strategic issues for our business and for the real estate sector in our paper, " Our Journey to Net Zero ," which discusses our understanding of scenarios and actions to reduce our greenhouse gas emissions to 2050. See especially chapter three of the paper.
	(d) the effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those climate-related risks and opportunities have been factored into the entity's financial planning	We are taking initial steps to study this potential disclosure.



Reference Paragraph	Disclosure Description	Reference and/or Response
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	(e) the climate resilience of the entity's strategy and its business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities	<p>We strive to integrate resilience into our strategy by applying the most rigorous relevant standards and considerations. Regarding physical risks, we assess our adaptive capacity under two scenarios, concentrating on potential risks associated with the higher emissions scenario. We have set and are progressing towards our 2025 target to perform technical analysis of physical risks from climate change across all our properties.</p> <p>For decarbonization, our emissions reduction targets are in line with climate science and SBTi's Net-Zero Standard. In both our new projects and our existing operations, we aim to enhance energy efficiency, invest in renewable energy, and implement measures that provide co-benefits for mitigation and adaptation.</p> <p>Please also see our paper, "Our Journey to Net Zero," which discusses our understanding of scenarios and actions to reduce our greenhouse gas emissions to 2050, including growth in new construction as a key variable impacting on our emissions reductions trajectory.</p>
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Climate-related risks and opportunities

10

An entity shall disclose information that enables users of general purpose financial reports to understand the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Specifically, the entity shall:

[Climate Resilience – Climate-Related Risks and Opportunities](#)

(a) describe climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects;

(b) explain, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk;

[Climate Resilience – Climate-Related Risks and Opportunities](#)

(c) specify, for each climate-related risk and opportunity the entity has identified, over which time horizons—short, medium or long term— the effects of each climate-related risk and opportunity could reasonably be expected to occur; and

[Climate Resilience – Climate-Related Risks and Opportunities](#)

Reference Paragraph	Disclosure Description	Reference and/or Response
	<p>(d) explain how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.</p>	<ul style="list-style-type: none"> • Short term: 0-2 years – Under our sustainability framework and governance, we see the 1-2 year horizon as a short-term horizon. We set strategic ESG KPIs annually and review them regularly over the year, with adjustments as needed the following year to ensure that we are making progress in attaining our medium term target. • Medium term: 3-10 years – We have defined a set of 25 sustainability targets for 2025 and four goals and ten targets for 2030 under our sustainability framework. • Long term: 10-30 years – We have defined our long term vision beyond a 10 year horizon: we have set a target to reach net zero value chain emissions by 2050. We have published a paper, "Our Journey to Net Zero," that discusses our understanding of scenarios and actions to reduce our greenhouse gas emissions to 2050.

Business model and value chain

<p>13</p>	<p>An entity shall disclose information that enables users of general purpose financial reports to understand the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain. Specifically, the entity shall disclose:</p> <p>(a) a description of the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain</p>	<p>Climate Resilience – Climate-Related Risks and Opportunities</p>
	<p>(b) a description of where in the entity's business model and value chain climate-related risks and opportunities are concentrated</p>	<p>We provide some disclosure of these issues in our Climate Resilience chapter in this report, and also explore key decarbonization risks and opportunities in our business model and value chain in our paper, "Our Journey to Net Zero," which discusses our understanding of scenarios and actions to reduce our greenhouse gas emissions to 2050.</p>



Reference Paragraph	Disclosure Description	Reference and/or Response
Strategy and decision-making		
14	<p>An entity shall disclose information that enables users of general purpose financial reports to understand the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the entity shall disclose</p> <p>(a) information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the entity shall disclose information about:</p> <p>(i) current and anticipated changes to the entity's business model, including its resource allocation, to address climate-related risks and opportunities (for example, these changes could include plans to manage or decommission carbon-, energy- or water-intensive operations; resource allocations resulting from demand or supply-chain changes; resource allocations arising from business development through capital expenditure or additional expenditure on research and development; and acquisitions or divestments);</p> <p>(ii) current and anticipated direct mitigation and adaptation efforts;</p> <p>(iii) current and anticipated indirect mitigation and adaptation efforts;</p> <p>(iv) any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity's transition plan relies; and</p> <p>(v) how the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets.</p>	<p>Climate Resilience – Climate Adaptation Climate Resilience – Climate Mitigation</p>
	<p>(b) information about how the entity is resourcing, and plans to resource, the activities disclosed.</p>	<p>Climate Resilience – Climate Adaptation Climate Resilience – Climate Mitigation</p>
	<p>(c) quantitative and qualitative information about the progress of plans disclosed in previous reporting periods.</p>	<p>Climate Resilience – Climate Adaptation Climate Resilience – Climate Mitigation</p>

Reference Paragraph	Disclosure Description	Reference and/or Response
Financial position, financial performance and cash flows		
15	<p>An entity shall disclose information that enables users of general purpose financial reports to understand:</p> <p>(a) the effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period; and</p>	<p>We are taking initial steps to study this potential disclosure. We will review the feasibility of disclosing such information in the future.</p>
	<p>(b) the anticipated effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity's financial planning.</p>	<p>Climate Resilience – Climate-Related Risks and Opportunities Climate Resilience – Carbon Pricing Analysis</p>
16	<p>Specifically, an entity shall disclose quantitative and qualitative information about:</p> <p>(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period;</p>	<p>We are still at an initial stage in assessing the current effects of climate-related risks and opportunities on the Group's financial position, financial performance and cash flows, including consideration of the level of uncertainty, potential commercial sensitivity, and potential usefulness of any disclosures associated with such assessments.</p>
	<p>(b) the climate-related risks and opportunities identified for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements;</p>	<p>We are reviewing methodologies and processes that will help to enhance our understanding of potential material adjustments arising from climate-related risks and opportunities.</p>
	<p>(c) how the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:</p> <p>(i) its investment and disposal plans, including plans the entity is not contractually committed to; and</p> <p>(ii) its planned sources of funding to implement its strategy; and</p>	<p>Climate Resilience – Climate Adaptation Climate Resilience – Climate Mitigation</p>
	<p>(d) how the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.</p>	<p>Climate Resilience – Climate-Related Risks and Opportunities Climate Resilience – Carbon Pricing Analysis</p>



Reference Paragraph	Disclosure Description	Reference and/or Response
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Climate Resilience		
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22

An entity shall disclose information that enables users of general purpose financial reports to understand the resilience of the entity's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities. The entity shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with the entity's circumstances.

In providing quantitative information, the entity may disclose a single amount or a range. Specifically, the entity shall disclose:

(a) the entity's assessment of its climate resilience as at the reporting date, which shall enable users of general purpose financial reports to understand:

(i) the implications, if any, of the entity's assessment for its strategy and business model, including how the entity would need to respond to the effects identified in the climate-related scenario analysis;

(ii) the significant areas of uncertainty considered in the entity's assessment of its climate resilience;

(iii) the entity's capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term, including:

(1) the availability of, and flexibility in, the entity's existing financial resources to respond to the effects identified in the climate-related scenario analysis, including to address climate-related risks and to take advantage of climate-related opportunities;

(2) the entity's ability to redeploy, repurpose, upgrade or decommission existing assets; and

(3) the effect of the entity's current and planned investments in climate-related mitigation, adaptation and opportunities for climate resilience

[Climate Resilience – Climate-Related Risks and Opportunities](#)
[Climate Resilience – Climate Adaptation](#)
[Climate Resilience – Carbon Pricing Analysis](#)

We conducted climate-related scenario analysis for both physical and transition risks. For the scenarios used, assumptions, and the results of the assessment, please refer to our [Climate Resilience](#) chapter.

Our response to physical risks

Following the technical climate-related scenario analysis, we worked with our properties to review the climate adaptation recommendations we formulated together with our consultant. By taking into account the unique characteristics and challenges faced by each property, we were able to identify and prioritize measures for climate adaptation. We examined all recommendations and are planning to implement feasible measures to enhance our adaptive capacity, such as equipment retrofits, installation of flood detection and warning systems, the provision of flood gates at potential water entry points, and the installation of flood sensors, water collection pans and water discharge routes for major plant rooms.

Our response to transition risks

The Group is committed to achieving net zero value chain GHG emissions by 2050, and our near-term and long-term net zero targets are validated by SBTi. Starting in 2021, we implemented an annual greenhouse gases mitigation plan to reduce our portfolio-wide Scope 1 and 2 GHG emissions, with inputs from all properties. By procuring renewable energy and adopting various energy-saving measures, the Group is on track to achieve its GHG emission intensity targets for 2025 and 2030. To drive emission reduction, we have also piloted – and are continuing to develop – the use of internal carbon pricing within the Group to inform our decision making.

To build capacity within the organization, we delivered priority ESG training to identified departments in 2024 on topics including renewable energy, internal carbon pricing, climate adaptation, and net zero emissions. To build capacity within the organization, we delivered priority ESG training to identified departments in 2024 on topics including renewable energy, climate adaptation, and net zero emissions. Lastly, and published a paper, "[Our Journey to Net Zero](#)," that discusses our understanding of scenarios and actions to reduce our greenhouse gas emissions to 2050.

Reference Paragraph	Disclosure Description	Reference and/or Response
	<p>(b) how and when the climate-related scenario analysis was carried out, including:</p> <p>(i) information about the inputs the entity used, including:</p> <p>(1) which climate-related scenarios the entity used for the analysis and the sources of those scenarios;</p> <p>(2) whether the analysis included a diverse range of climate-related scenarios;</p> <p>(3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;</p> <p>(4) whether the entity used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;</p> <p>(5) why the entity decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;</p> <p>(6) the time horizons the entity used in the analysis; and</p> <p>(7) what scope of operations the entity used in the analysis;</p> <p>(ii) the key assumptions the entity made in the analysis, including assumptions about:</p> <p>(1) climate-related policies in the jurisdictions in which the entity operates;</p> <p>(2) macroeconomic trends;</p> <p>(3) national- or regional-level variables;</p> <p>(4) energy usage and mix; and</p> <p>(5) developments in technology; and</p> <p>(iii) the reporting period in which the climate-related scenario analysis was carried out</p>	<p>Climate Resilience – Climate-Related Risks and Opportunities</p> <p>Climate Resilience – Climate Adaptation</p> <p>Climate Resilience – Carbon Pricing Analysis</p> <p>We have conducted climate-related scenario analysis for both physical and transition risks. For details on scenarios used, assumptions, and assessment results, please refer to our Climate Resilience chapter, and our paper, “Our Journey to Net Zero,” which discusses our understanding of scenarios and actions to reduce our greenhouse gas emissions to 2050. The paper also transparently discusses the key assumptions and limitations of the inputs to the decarbonization model behind our scenarios.</p>



Reference Paragraph	Disclosure Description	Reference and/or Response
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Risk Management		
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24	The objective of climate-related financial disclosures on risk management is to enable users of general purpose financial reports to understand an entity's processes to identify, assess, prioritise and monitor climate-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process.	-
25	To achieve this objective, an entity shall disclose information about: <ul style="list-style-type: none"> (a) the processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks, including information about: <ul style="list-style-type: none"> (i) the inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes); (ii) whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) how the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria); (iv) whether and how the entity prioritises climate-related risks relative to other types of risk; (v) how the entity monitors climate-related risks; and (vi) whether and how the entity has changed the processes it uses compared with the previous reporting period; (b) the processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities; and 	- <p>The Group conducts a materiality assessment annually to identify material ESG issues that are relevant to our business.</p> <p>For climate-related risks, we have worked with technical consultants to undertake a physical risk analysis against two climate scenarios and a carbon pricing analysis against six transition scenarios to identify potential climate-related risks relevant to our business. We also consult regularly with stakeholders on policy, technology and regulatory risks, and participate in numerous industry platforms, benchmarks and indices in Hong Kong and mainland China, the Asia-Pacific region, and internationally to benchmark ourselves against our peers and identify emerging trends.</p> <p>Climate-related risks and opportunities are reviewed and monitored through regular meetings of our Enterprise Risk Management Working Group and Sustainability Steering Committee, annual Strategic ESG KPIs related to Climate Resilience, working groups dedicated to implementing specific climate-related KPIs, and monthly reporting of the Sustainability Team to top management. Our executives also regularly discuss climate-related risks and opportunities with peers and other real estate industry stakeholders through relevant organizations and expert meetings.</p>

Reference Paragraph	Disclosure Description	Reference and/or Response
	<p>(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.</p>	<p>Material climate-related risks are identified, managed and disclosed under our corporate Enterprise Risk Management Framework. Our executive leading the Sustainability Team, as the dedicated risk owner of both physical and transition climate-related risks, reports to the ERM Working Group regularly on the status of climate-related risk management to ensure adequate control measures are in place. Please refer to the Corporate Governance Report section in our 2024 Annual Report for detailed information on the overall risk management approach of the Group. In addition, annual Strategic ESG KPIs related to climate resilience are tied to biannual performance reviews for relevant departments and individuals, including the CEO in his reporting to the Board.</p>

Metrics and targets		
27	<p>The objective of climate-related financial disclosures on metrics and targets is to enable users of general purpose financial reports to understand an entity's performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation.</p>	-
28	<p>To achieve this objective, an entity shall disclose:</p>	-
	<p>(a) information relevant to the cross-industry metric categories</p>	<p>Appendix 8 – SASB Content Index</p>
	<p>(b) industry-based metrics that are associated with particular business models, activities or other common features that characterize participation in an industry</p>	<p>Appendix 8 – SASB Content Index</p>
	<p>(c) targets set by the entity, and any targets it is required to meet by law or regulation, to mitigate or adapt to climate-related risks or take advantage of climate-related opportunities, including metrics used by the governance body or management to measure progress towards these targets</p>	<p>Climate Resilience – Net Zero Commitments by 2050 Appendix 3 – Sustainability Goals, Targets and ESG KPIs</p>



Reference Paragraph	Disclosure Description	Reference and/or Response
Climate-related metrics		
29	An entity shall disclose information relevant to the cross-industry metric categories of:	-
	(a) greenhouse gases—the entity shall:	Performance Tables – Environmental
	(i) disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO ₂ equivalent, classified as:	
	(1) Scope 1 greenhouse gas emissions;	
	(2) Scope 2 greenhouse gas emissions; and	
	(3) Scope 3 greenhouse gas emissions;	
	(ii) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions;	Our methodology for calculating GHG emissions is in accordance with the Greenhouse Gas Protocol.
	(iii) disclose the approach it uses to measure its greenhouse gas emissions including:	About this Report Performance Tables – Environmental
	(1) the measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions;	We use the operational control approach to measure and account for our greenhouse gas emissions. For the details of the methodology, please refer to the footnote of our Performance Tables. For further information on our measurement approach, inputs and assumptions for measuring our scope 3 emissions, please see Performance Tables - Scope 3 Emissions Data Reporting Methodology .
	(2) the reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	
	(3) any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	
	(iv) for Scope 1 and Scope 2 greenhouse gas emissions disclosed, disaggregate emissions between:	The reporting boundary of our scope 1 and 2 emissions includes the properties under our operational control. The Group will review the feasibility of disaggregating the greenhouse gas emissions of our associates and joint ventures in future reporting.
	(i) the consolidated accounting group; and	
	(ii) other investees;	
	(v) for Scope 2 greenhouse gas emissions disclosed, disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions; and	Performance Tables – Environmental In 2024, we procured 100% of renewable electricity for both the landlord and tenant areas at Spring City 66 in Kunming, Parc 66 in Jinan, Center 66 in Wuxi, and Plaza 66 and Grand Gateway 66 in Shanghai through PPAs.

Reference Paragraph	Disclosure Description	Reference and/or Response
	<p>(vi) for Scope 3 greenhouse gas emissions disclosed, disclose:</p> <p>(i) the categories included within the entity's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011); and</p> <p>(ii) additional information about the entity's Category 15 greenhouse gas emissions or those associated with its investments (financed emissions), if the entity's activities include asset management, commercial banking or insurance;</p>	<p>Performance Tables – Scope 3 Emissions Data Reporting Methodology</p> <p>Performance Tables – Environmental</p>
	<p>(b) climate-related transition risks—the amount and percentage of assets or business activities vulnerable to climate-related transition risks;</p>	<p>We are taking initial steps to study this potential disclosure.</p>
	<p>(c) climate-related physical risks—the amount and percentage of assets or business activities vulnerable to climate-related physical risks;</p>	<p>Climate Resilience – Climate Adaptation</p> <p>We have presented the residual climate risks faced by our properties in the Climate Adaptation section and will develop this disclosure in future reports.</p>
	<p>(d) climate-related opportunities—the amount and percentage of assets or business activities aligned with climate-related opportunities;</p>	<p>We are taking initial steps to study this potential disclosure.</p>
	<p>(e) capital deployment—the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities;</p>	<p>We are taking initial steps to study this potential disclosure.</p>
	<p>(f) internal carbon prices—the entity shall disclose:</p> <p>(i) an explanation of whether and how the entity is applying a carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis); and</p> <p>(ii) the price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions;</p>	<p>Climate Resilience – Internal Carbon Pricing</p>
	<p>(g) remuneration—the entity shall disclose:</p> <p>(i) a description of whether and how climate-related considerations are factored into executive remuneration and</p> <p>(ii) the percentage of executive management remuneration recognised in the current period that is linked to climate related considerations</p>	<p>Wellbeing – ESG-linked Compensation</p> <p>The Group sets goals, targets and KPIs related to climate resilience, including for GHG emissions reduction, electricity intensity reduction, and conducting climate adaptation technical analysis. These ESG KPIs are directly incorporated into our annual appraisal process for departments and individual employees, including CEO.</p>



Reference Paragraph	Disclosure Description	Reference and/or Response
32	An entity shall disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry.	Appendix 8 – SASB Content Index
Climate-related targets		
33	An entity shall disclose the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the entity shall disclose:	We have committed to setting near-term (2025), medium term (2030) and long-term (2050) targets to reach net zero emissions by 2050, as well as annual Strategic ESG KPIs for climate resilience and resource management in support of these targets. In December 2022, SBTi validated and approved our near- and long-term net zero targets under SBTi's Corporate Net-Zero Standard framework. More details are shared in the Climate Resilience chapter.
	(a) the metric used to set the target;	Climate Resilience – Net Zero Commitments by 2050
	(b) the objective of the target;	Climate Resilience – Net Zero Commitments by 2050
	(c) the part of the entity to which the target applies;	Climate Resilience – Net Zero Commitments by 2050 Our SBTs cover the entire Group.
	(d) the period over which the target applies;	Climate Resilience – Net Zero Commitments by 2050
	(e) the base period from which progress is measured;	Climate Resilience – Net Zero Commitments by 2050
	(f) any milestones and interim targets;	Climate Resilience – Climate Mitigation We also set annual Strategic ESG KPIs and 2025 targets to monitor our progress towards the 2030 and 2050 SBTs. Please refer to the Climate Resilience chapter for the KPI and target progress.
	(g) if the target is quantitative, whether it is an absolute target or an intensity target; and	Climate Resilience – Net Zero Commitments by 2050 Our SBTs adopt the absolute contraction approach, and we also have internal GHG intensity reduction targets for 2025 and 2030.
	(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target	We committed to achieving net zero value chain emissions by 2050. Our near- and long-term net zero targets are endorsed under SBTi's Corporate Net-Zero Standard framework, which is in line with the 1.5°C trajectory.

Reference Paragraph	Disclosure Description	Reference and/or Response
34	<p>An entity shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:</p> <p>(a) whether the target and the methodology for setting the target has been validated by a third party;</p> <p>(b) the entity's processes for reviewing the target;</p> <p>(c) the metrics used to monitor progress towards reaching the target; and</p> <p>(d) any revisions to the target and an explanation for those revisions.</p>	<p>-</p> <p>Climate Resilience – Net Zero Commitments by 2050 Our short-term and long-term GHG emissions reduction targets are approved by SBTi.</p> <p>We review the need for updating the targets by monitoring changes in our target boundary, and the developments of GHG emissions accounting methodologies and target setting guidance, such as the GHG Protocol and SBTi's sector guidance.</p> <p>Climate Resilience – Climate Mitigation We also set annual strategic ESG KPIs and 2025 targets to monitor our progress towards the 2030 and 2050 SBTs. Please refer to the Climate Resilience chapter for the KPI and target progress.</p> <p>No revision has been made.</p>
35	<p>An entity shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance.</p>	<p>Climate Resilience – Climate Mitigation</p>



Reference Paragraph	Disclosure Description	Reference and/or Response
36	For each greenhouse gas emissions target disclosed, an entity shall disclose:	-
	(a) which greenhouse gases are covered by the target.	Carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O) and hydrofluorocarbons (HFCs) are included in greenhouse gas (GHG) calculations. Perfluorocarbons (PFCs), sulphur hexafluoride (SF ₆) and nitrogen trifluoride (NF ₃) are not applicable.
	(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target.	Performance Tables – Environmental Our GHG emissions target covers Scope 1, 2 and 3 emissions.
	(c) whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target	Our targets are gross greenhouse gas emissions targets.
	(d) whether the target was derived using a sectoral decarbonization approach.	Our SBTs are not derived using a sectoral decarbonization approach as the Buildings Sector Science-Based Target-Setting Guidance was not in place at the time we set our targets.
	(e) the entity's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits the entity shall disclose information including:	The Group currently does not have any plan to purchase carbon credits to offset GHG emissions. Our priority is to maximize emission reductions through energy efficiency, renewable energy, and by working with other stakeholders to accelerate the development and availability of lower-carbon building materials, as well as the efficient use of such materials.
	(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	
	(ii) which third-party scheme(s) will verify or certify the carbon credits;	
	(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	
	(iv) any other factors necessary for users of general purpose financial reports to understand the credibility and integrity of the carbon credits the entity plans to use (for example, assumptions regarding the permanence of the carbon offset).	

SASB Content Index

Topic	Code	Accounting Metric	Section/Explanation
Energy Management	IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	100%
	IF-RE-130a.2	(1) Total energy consumed by portfolio area with data coverage	Performance Tables – Environmental
		(2) percentage grid electricity	52%
		(3) percentage renewable, by property subsector	31%
	IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	Performance Tables – Environmental
IF-RE-130a.4	Percentage of eligible portfolio that has an energy rating	Appendix 2 – Memberships, Charters and External Recognitions	
	Percentage of eligible portfolio that is certified to ENERGY STAR, by property subsector	Not applicable to Hong Kong and mainland China.	
IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Resource Management – Energy Management	
Water Management	IF-RE-140a.1	Water withdrawal data coverage as a percentage of total floor area, by property subsector	100%
		Water withdrawal data coverage as a percentage of floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	100%
	IF-RE-140a.2	Total water withdrawn by portfolio area with data coverage, by property subsector	100%
		Total water withdrawn by percentage in regions with High or Extremely High Baseline Water Stress, by property subsector (%)	50%
	IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	Performance Tables – Environmental
IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	Resource Management – Water and Circularity	



Topic	Code	Accounting Metric	Section/Explanation
Management of Tenant Sustainability Impacts	IF-RE-410a.1	Percentage of new leases that contain a cost recovery clause for resource efficiency related capital improvements, by property subsector associated leased floor area, by property subsector	We have the capacity to add such a clause through our Sustainability Addendum and are in exploratory discussions with selected tenants.
	IF-RE-410a.2	Percentage of tenants that are separately metered or sub-metered for grid electricity consumption	68%
		Percentage of tenants that are separately metered or sub-metered for water withdrawals, by property subsector	Not currently tracked.
	IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	Sustainable Transactions - Tenants
Climate Change Adaptation	IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector	Climate Resilience – Climate Adaptation
	IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Climate Resilience – Climate Adaptation

Code	Activity Metric	Section/ Explanation
IF-RE-000.A	Number of assets, by property subsector	About Hang Lung Properties Annual Report 2024 P.60-63
IF-RE-000.B	Leasable floor area, by property subsector	Nil
IF-RE-000.C	Percentage of indirectly managed assets, by property subsector	Nil
IF-RE-000.D	Average occupancy rate, by property subsector	Annual Report 2024 P.34-43

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

TNFD Content Index

In 2024, we disclose for the first time our nature-related risks and opportunities with reference to the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD).

TNFD's Core element	Recommended disclosure	The Group's Approach	Addressed in Sustainability Report 2024
Governance	(a) Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities.	<p>As indicated in the Board's "Joint Statement on Oversight and Management of Environmental, Social and Governance Issues," the Board have overall responsibility for the Group's ESG strategy and reporting. This includes identification of relevant dependencies, impacts, risks and opportunities. The Board approved the Sustainability Framework and the long-term sustainability goals and targets under the Sustainability Framework, and provide ongoing oversight of the framework's implementation. The Group addresses nature-related issues primarily under these two priorities under the Sustainability Framework, which are Resource Management and Climate Resilience.</p> <p>The Board review progress towards sustainability goals and targets related to Resource Management and Climate Resilience – including the Group's 2025, 2030 and 2050 goals and targets – principally through regular reporting of the Sustainability Team to the Board (at least twice a year). In addition, the Sustainability Team reports monthly to the Chair of the Board.</p> <p>More generally, the Board have overall responsibility for risk management, evaluating and determining the nature and extent of significant risks they are willing to take to achieve the Group's strategic objectives. The Audit Committee is delegated by the Board to oversee the ongoing effectiveness of the Group's risk management system, including nature-related risks.</p>	Our Approach to Sustainability

TNFD's Core
element

Recommended disclosure

The Group's Approach

Addressed in
Sustainability
Report 2024

(b) Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.

Role of the Sustainability Steering Committee (SSC):
The SSC, chaired by the Chair of the Board and comprising senior representatives from a cross-section of departments, formulates, coordinates and implements resource management strategies, and ensures that our nature-related targets are translated into annual ESG KPIs. The SSC reviews the Group's progress against specific nature-related targets and annual ESG KPIs in detail in regular meetings (at least twice a year). The SSC also discusses nature-related risks and opportunities in detail, including issues related to water efficiency, waste reduction, biodiversity, physical risks from climate change, and other relevant issues.

Role of the Sustainability Team: The Sustainability Team provides regular updates to the Board (at least twice a year), and to the Chair (at least monthly) on resource management and supports the detailed strategy development and execution of ESG KPIs. The Team also presents and reports to the CEO on the sustainability-related spending (both CAPEX and OPEX) in the annual budgeting exercise, which includes spending related to resource management.

Role of the Enterprise Risk Management (ERM) Working Group: The ERM Working Group, chaired by the Chief Executive Officer and reporting quarterly to the Audit Committee, is responsible for coordinating and overseeing the Group's risk management activities. Climate risk is one of the enterprise-level risks managed through the Group's ERM process, and climate risks intersect with nature-related impacts and dependencies in complex ways, including through issues related to ecosystem changes, water use changes, GHG emissions, and biodiversity loss. In addition, some physical risks related to nature are managed at the operating level. The Group will review nature-related risks more comprehensively in the coming years, including reviewing the risks of the transition to a nature positive economy, and consider potential changes to its enterprise-level risk management framework.

[Our Approach to Sustainability](#)

TNFD's Core element	Recommended disclosure	The Group's Approach	Addressed in Sustainability Report 2024
	<p>(c) Describe the organization's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organization's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.</p>	<p>Our approach to stakeholder engagement ensures a good understanding of the views and expectations that help define our current and future sustainability strategies. We proactively engage with stakeholder groups directly impacted by our operations, such as employees, investors, customers, tenants, suppliers and contractors. We also engage with various external groups and experts for guidance on our focus areas as well as with those whose interests intersect with our business interests in various ways, such as local communities, NGO partners, government bodies, academia, media, and industry associations.</p> <p>As indicated in Hang Lung's Sustainability Policy, we are committed to complying with all applicable laws and regulations in relevant jurisdictions relevant to wellbeing, including those related to human rights, labor, health, and safety. We also are committed to respecting internationally recognized human rights principles as set out in the International Labour Organization (ILO)'s Declaration on Fundamental Principles and Rights at Work and the United Nations Guiding Principles on Business and Human Rights. We have been a signatory to the UNGC's Principles on Human Rights and Labour since 2022.</p>	<p>Our Approach to Sustainability – Stakeholder Engagement</p> <p>Sustainable Transactions – Tenants</p> <p>Sustainable Transactions – Customers</p> <p>Sustainable Transactions – Suppliers</p> <p>Wellbeing – Community Wellbeing</p>

TNFD's Core
element

Recommended disclosure

The Group's Approach

Addressed in
Sustainability
Report 2024**Strategy**

(a) Describe the nature-related dependencies, impacts, risks and opportunities the organization has identified over the short, medium, and long term.

A stakeholder materiality assessment is conducted annually by independent third-party consultants to identify material ESG issues for the business. Waste disposal and recycling, water, land and air contamination, climate adaptation and resilience, and biodiversity have been among the Group's top material topics in recent years.

[Our Approach to Sustainability](#)

Nature-related dependencies of high materiality rating:

- Ground and surface water use

Nature-related impacts of high materiality rating:

- Terrestrial ecosystem use
- GHG emissions
- Solid waste

Risks:

- Operational disruption and reduced revenue
- Increased cost of water and raw materials
- Reputational damage

Opportunities:

- Increased resource efficiency
- Reputational capital

We are aware that these issues may affect our business in different ways over the short, medium and long term and may occur over varying timelines in various locations. We will continue to assess these issues and indicate the time-horizon of each risk and opportunity identified as part of our ongoing strategy.

TNFD's Core element	Recommended disclosure	The Group's Approach	Addressed in Sustainability Report 2024
	<p>(b) Describe the effect of nature-related dependencies, impacts, risks and opportunities have had on the organization's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.</p>	<p>The identified nature-related risks could lead to operational interruptions, reduced revenue, and increased costs for natural inputs like water and raw materials. Inappropriate/insufficient measures taken to mitigate the risks could also cause reputational damage, which could result in loss of business earnings, legal costs from legal cases brought against the Group, and/or reduced access to capital or increases in the cost of capital. Conversely, nature-related opportunities could increase our resource efficiency and may also generate reputational benefits, as well as increase access to or reduce the cost of capital.</p> <p>We are vigilant about ecosystem threats including habitat loss, invasive species and pollution in the environment. We are aware of the identified nature-related dependencies, impacts, and risks. We recognize the need to pursue a more circular approach in the design, construction, operation and disassembly of our buildings and cities. The transition to a circular built environment and a circular economy will require collaboration with like-minded stakeholders. We have initiated multiple initiatives for the management of our resources during project development and operations and have developed a Resource Management Plan with specific measures to the end of 2025, as well as initiatives we will pursue to 2030 and beyond. In 2025, we are also developing refreshed Resource Management targets to 2030.</p>	<p>Our Approach to Sustainability Climate Resilience Resource Management</p>
	<p>(c) Describe the resilience of the organization's strategy to nature-related risks and opportunities, taking into consideration different scenarios.</p>	<p>Nature risks and opportunities are integrated into the Group's overall governance process and, therefore, consistently taken into account. The Resource Management section and the Climate Resilience section of the Report disclose initiatives for the management of the Group's resources during project development and operations and how the Group achieves selected annual ESG KPIs through innovative solutions and partnerships with suppliers.</p> <p>The Group is currently working on a resource management scenario analysis with a particular focus on water-based scenarios and will report progress in the coming years.</p>	<p>Our Approach to Sustainability Resource Management Climate Resilience</p>

TNFD's Core
element

Recommended disclosure

The Group's Approach

Addressed in
Sustainability
Report 2024

(d) Disclose the locations of assets and/or activities in the organization's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.

Following the LEAP (Locate, Evaluate, Assess and Prepare) approach recommended by TNFD, the Locate phase has been applied to all properties—including both operational properties and properties under development— over which we have direct operational control. Data from our supply chain (e.g., main material/production equipment suppliers/ location) has not yet been included in this report though work has begun internally to assess upstream and downstream value chain dependency, impact, risk and opportunity as covered in Risk and Impact Management (a)2 below.

In mainland China, all state-owned land use is controlled and allocated by the Ministry of Natural Resources of the PRC (MNR), to ensure scientific promotion of land agglomeration development, classified protection, and comprehensive rectification, so as to achieve optimized development patterns, improved development quality, and a standardized development order conducive to forming land with aesthetic appeal that is safe, harmonious, open, coordinated, competitive, and sustainable. All the Group's properties in mainland China are within the land allocated by the MNR for commercial use; none is located within a protected area. In the Hong Kong SAR, a similar practice is followed and none of the Group's properties in Hong Kong is located within protected areas.

We have identified that Spring City 66 (located in Kunming), Westlake 66 (located in Hangzhou, under development), and all Hong Kong properties should be prioritized when planning nature-related works. As Spring City 66, Westlake 66, and Hong Kong properties are within close proximity of protected areas/key biodiversity areas (respectively, Dianchi, the Hangzhou Xixi Wetlands, and Hong Kong Island and Associated Islands), they will be prioritized for ongoing biodiversity protection and nature-based solution implementation works.

TNFD's Core element	Recommended disclosure	The Group's Approach	Addressed in Sustainability Report 2024
Risk and Impact Management	<p>(a1). Describe the organization's processes for identifying, assessing and prioritizing nature-related dependencies, impacts, risks and opportunities in its direct operations</p> <p>(a2). Describe the organization's processes for identifying, assessing and prioritizing nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain</p>	<p>In 2024, the Group performed an analysis to identify and assess specific nature-related dependencies, impacts, risks, and opportunities in our direct operations. The LEAP approach was adopted along with tools such the Integrated Biodiversity Assessment Tool ("IBAT"), Exploring Natural Capital Opportunities, Risks and Exposure ("ENCORE"), WRI's Aqueduct Water Risk Atlas, and WWF's Risk Filters. We will continue to assess new tools as they become available for in-depth analysis of material sites.</p> <p>The Group conducts a materiality assessment annually to identify material ESG issues that are relevant to our business. We also consult regularly with stakeholders on scientific, policy, technology and regulatory risks, and participate in numerous industry platforms, benchmarks and indices in Hong Kong and mainland China, the Asia-Pacific region, and internationally, to benchmark ourselves against our peers and identify emerging trends.</p> <p>We have also started to conduct initial research to identify and assess the nature-related dependencies, impacts, risks and opportunities in our value chain. We have conducted qualitative research on value chain water materiality mapping and our construction water footprint and will further explore more granular water footprint accounting for key construction materials as a next step.</p>	Our Approach to Sustainability Climate Resilience Resource Management
	<p>(b) Describe the organization's processes for managing nature-related dependencies, impacts, risks and opportunities.</p>	<p>Nature-related dependencies, impacts, risks and opportunities are managed through:</p> <ul style="list-style-type: none"> • monthly tracking of resource consumption at portfolio-level; • monthly reporting of the Sustainability Team to top management; • regular meetings of our Enterprise Risk Management Working Group; • regular meetings of our Sustainability Steering Committee; • annual Strategic ESG KPIs related to Climate Resilience and Resource Management; • working groups dedicated to implementing specific nature-related KPIs; and • Collaboration with external experts, such as universities and NGOs, on specific nature-related projects and pilot initiatives, e.g. at Spring City 66, Peak Galleria, and Westlake 66. 	Our Approach to Sustainability Climate Resilience Resource Management



TNFD's Core element	Recommended disclosure	The Group's Approach	Addressed in Sustainability Report 2024
	(c) Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organization's overall risk management processes.	<p>Some physical risks of nature are overseen by the ERM Working group, through our climate risk management, among the enterprise-level risks in the ERM process. The executive leading the Sustainability Team, as the dedicated risk owner, reports to the ERM Working Group regularly on the status of some physical risks of nature, through climate risk management, to ensure adequate control measures are in place.</p> <p>Please refer to the Sustainability Governance section of this report for detailed information on the overall risk management approach of the Group. We also manage risks by establishing annual Strategic ESG KPIs related to resource management. These Strategic KPIs are tied to biannual performance reviews for relevant departments and individuals, including the CEO in his reporting to the Board.</p>	Our Approach to Sustainability
Metrics and Targets	(a) Disclose the metrics used by the organization to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.	<p>We track our use of resources monthly at the portfolio-level to help manage relevant nature-related risks and opportunities. We also report quarterly to top management on our progress towards key emissions reductions. Key nature-related metrics that we use to assess and manage material risks and opportunities include use of water and natural resources, unit cost change of water and natural resources, capital expenditure towards nature-related opportunities.</p>	Climate Resilience Resource Management Performance Table – Environmental
	(b) Disclose the metrics used by the organization to assess and manage dependencies and impacts on nature	<p>The Group's waste generation and disposal, water withdrawal and water discharged and Scope 1, 2 and 3 GHG emissions are disclosed in the Performance Table – Environmental, in this Report. For additional nature-related metrics we note the following (all data for 2024):</p> <ul style="list-style-type: none"> Water withdrawal from areas of water scarcity (four out of 10 cities where we have assets): 590,000 m³ 	Performance Table – Environmental Climate Resilience Resource Management
	(c) Describes the targets and goals used by the organization to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.	<p>We have set 2025 targets and 2030 targets and goals to navigate us reaching net-zero emissions. There are also annual Strategic ESG KPIs set for climate resilience and resource management, in support of the 2025 targets and 2030 targets and goals, and we report on our progress against our 2024 ESG KPIs in Appendix 3 of this report.</p> <p>We are reviewing our progress towards our 2025 targets, as well as examining trends and best practices as the basis for a refreshed set of 2030 targets, including resource management and climate resilience targets, that will be announced before the end of 2025. We are also reviewing the feasibility of setting corporate SBTN targets.</p>	Our Approach to Sustainability Appendix 3 – Sustainability Goals, Targets and ESG KPIs

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

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