



Sincerity to
Sustainability



Hang Lung brings a great deal of benefit to the communities in which it finds itself and yet recognizes its own reliance on and responsibility for the common good. As a good corporate citizen, Hang Lung commits itself to the sustainable growth of its whole ecosystem from its staff to the wider community and the environment.



Hang Lung is dedicated to integrating sustainability in every facet of our business, living up to our business philosophy of We Do it Right. We apply this philosophy to the way we build our properties, refine our image, engage with the community, nurture partnerships with stakeholders and invest in the development of our workforce. The value that we achieve as a business comes from the value that we derive from our employees, communities and the environments we operate in.

To crown the year of 2015, Hang Lung received the honor of the Sustainability Excellence Award in the Hong Kong Corporate Governance Awards 2015. These awards are co-organized by the Chamber of Hong Kong Listed Companies and the Centre for Corporate Governance and Financial Policy of Hong Kong Baptist University. This honor acknowledges the achievements made by listed companies in their corporate governance and the sustainability measures they implement.

OUR BUILDINGS

As a foremost player in the industry, it is our responsibility to lead by example. We fulfill this duty through the design, construction and management of our properties. We adhere strictly to our business model, which can be summed up as building to own and building to last. Our long-term investment in the optimization of all aspects of our properties is bearing rich fruit, gaining recognition from a broad range of industry-focused organizations, community groups and our peers. In Hong Kong, we were pleased that our iconic property, The Peak Galleria, became the first existing building in Hong Kong to achieve a Gold Rating of Final Assessment under the Beam Plus Version 1.1 from the Hong Kong Green Building Council (HKGBC). This recognition is a testament to the dedication that our team has demonstrated in enhancing the properties we own and making them unique examples in the industry.

In mainland China, amidst a challenging environment due to a slower retail market and a sluggish economy, we have to date achieved a total of ten certifications and precertifications under the Leadership in Energy and Environmental Design (LEED) for Core and Shell Development – Gold Level. These include the precertification gold standard for our most recent world-class commercial project, Olympia 66 in Dalian, which has been widely acclaimed for its innovative design and outstanding architecture.



The Peak Galleria achieves a Gold Rating of Final Assessment under the BEAM Plus Version 1.1 (Existing Building)



Volunteers introduce green facilities to primary school students at Green Terrace of The Peak Galleria

In 2015, our Company's initiatives in utilizing the latest technologies to enhance our energy efficiency and promote environmental consciousness have reshaped our portfolio. We are striving to improve our environmental efficiencies still further by reducing the water intensity of our buildings by 24% and by cutting overall electricity intensity by 18% compared to our 2012 and 2010 baselines respectively.

By meticulously tracking our progress, we seek to improve the way we compile and organize our environmental data and hence improve our operations. We are constantly introducing new measures that enable our people and our buildings to reduce their impact on the environment. In 2015, we continued to disclose our carbon data as part of the Carbon Footprint Repository for Hong Kong Listed Companies, and we have set the goal of further reducing our carbon footprint in response to the recent global consensus reached in combatting climate change.

It is these actions that define us as a responsible business. With our company-wide environmental policy, we aim to ensure that our dedication to environmental sustainability shines through every action we take. We make strenuous efforts to make sure that our staff, contractors and suppliers are closely aligned in all their operations, and that they are fully aware of and accountable to the needs of the environment, the climate and the biodiversity of the locations where we operate.



A total of 160 university students from Hong Kong and overseas join the TEAMS day to compete to join Hang Lung as management trainees

OUR PEOPLE

At Hang Lung, we fully understand that there is a clear-cut connection between the development of our employees and the growth of our business. To attract and retain the best talent, we continue to take a strategic and progressive approach to manage our people.

In 2015, the Company renewed our focus on providing comprehensive training programs. These build on the established expertise of our operational staff through the Hang Lung Star Service Campaign, and that of our management teams in specialised courses on crisis management.

As a totally people-oriented Company, our commitments to promoting a healthy work-life-balance for our employees go far beyond the workplace. As the winner of the Distinguished Family-Friendly Employer and Employer of Choice Award, Hang Lung is proud to be recognized as a big, happy family enterprise. With our Employee Wellness Program, we hold events such as Health Day to provide professional counselling services and monitor the physical and psychological wellbeing of all of our employees.

Hang Lung firmly believes that for our employees to excel, we must win their hearts and minds. To realize this goal, we have been consistent in bestowing on our employees the recognition they deserve. For example, we present long-service awards to staff that have been with Hang Lung for ten years or more. We have also launched the Emerald Award, an initiative that motivates our staff to Go the Extra Mile in their work. These are among the means by which we recognize the tireless commitment and contributions of our staff.

As at December 31, 2015, the number of employees was 4,788 (comprising 1,274 Hong Kong employees and 3,514 mainland China employees). The total employee costs for the year ended December 31, 2015 amounted to HK\$1,323 million. We provide competitive



Chairman Ronnie C. Chan (right) presents the Long-Service Award to a staff who has served in the Company for 25 years



Volunteers lead about 100 secondary school students to explore the history of Hong Kong through a series of Architectural Tours



Volunteers bring a group of primary school students to understand the ecological environment

remuneration packages for all employees including discretionary bonuses payable to employees based on individual performance. We regularly review the remuneration packages to ensure that they comply with relevant regulatory requirements and market conditions. The Company has share option schemes for the executives and provides professional and high-quality training for all employees.

OUR COMMUNITY

Hang Lung takes great pride in the support we give to the communities we serve. With the ever-growing size of our Hang Lung As One volunteer teams, our Company can increasingly engage with the community, including through initiatives that foster youth development, promote environmental protection and support the elderly population.

In 2015, Hang Lung As One volunteer teams organized over 100 activities with over 14,000 service hours logged, a 20% increase over the previous year.

In Hong Kong, the volunteer team organized tours for youngsters to raise their interest in and awareness of Hong Kong's architectural heritage and development history. In the innovative Back to Teenage, Be an Arty-Youth series, volunteers accompanied senior citizens in experiencing and enjoying the fashionable activities that are popular with the younger generation, including coffee-tasting, floral tea-brewing and picnics. Staff volunteers also took part in a series of green activities such as planting trees and cleaning beaches.





On the Mainland, we launched a host of successful initiatives. These included staff volunteers joining with the Hongmeiting Public Service Centre in Xuhui, Shanghai, to hold a Hang Lung Green LEEDers activity. At this event, children learned the importance of environmental protection and green living by playing board games. In other events, our volunteer teams brought joy and care to the elderly. Volunteers and colleagues from Palace 66, Parc 66, Riverside 66 and Spring City 66 visited nursing homes to give song and dance performances, bringing joy to the grateful communities.

COMMUNITY ENGAGEMENT

An integral element of how We Do It Right at Hang Lung is through consultation and integration with our community stakeholders. We work closely with the community during the entire lifecycle of our buildings to ensure that their environmental impacts are minimized and our values are upheld.

We are dedicated to building properties that are mindful of the environment and are fully integrated with the social fabric of the surrounding community. To achieve this we are deeply committed to assessing the way we conduct our business locally and to creating unique initiatives that promote social integration by enhancing our properties' accessibility and connectivity to local residents.

OUR PARTNERSHIPS

In 2015, we continued to work closely with staff and suppliers to ensure honesty and integrity throughout the tendering process. We focused on the occupational health and safety of our contractors and on increasing the quantity of environmentally responsible materials used in our buildings. We have been working with our tenants and customers to ensure that they are satisfied with our services.



Olympia 66 promotes the green living messages to local citizens



The Hang Lung Center for Real Estate at Tsinghua University (HLCRE) has published over 60 academic essays and books, held a number of international and domestic seminars, talks, student contests and international essay competitions in 2015

With the retail and real estate markets constantly changing, and the mode of consumption becoming more diversified, our staff are constantly adapting to meet the expectations of our tenants and customers. To effectively track these expectations and requirements, we started customer satisfaction surveys, allowing us to develop better programs and to work more closely in concert with all our stakeholders.

We believe that strengthening our partnerships will help us drive forward our sustainability vision while at the same time enabling us to make positive and long-lasting impacts on the communities we support. For example, The Hang Lung Center for Real Estate at Tsinghua University, established in 2010 with a donation of HK\$30 million from Hang Lung Properties, has become a leader in real estate academic research and development. The Center continues to organize and partner with a number of important events, including The 4th International Workshop on Regional, Urban, and Spatial Economics in China. This brought together 100 scholars and chief editors from authoritative social science and city planning journals to share their views on the house market and the urbanization trends in China.

Industrial and market research is an integral element in the strategic development of our business. To demonstrate the importance of this, we recently donated HK\$1 million to the Institute of Global Economics and Finance of the Chinese University of Hong Kong. The Institute conducts research into the open door policy of the Mainland's financial system and teaches students international finance and banking.