

We Do It Right!



SUSTAINABILITY REPORT 2014

About this report

This is the third standalone sustainability report for the Group (Hang Lung Group Limited (Hang Lung Group) (stock code: 10) together with its subsidiaries including Hang Lung Properties Limited (Hang Lung Properties) (stock code: 101)), demonstrating our continuous commitment to transparency and accountability to our stakeholders.

Hang Lung Properties, the property arm and major operating unit of the Group, is the entity issuing this report. However, to show a broader coverage of sustainability impacts, this report covers the activities of the Group unless otherwise specified. In this report, we cover information on how we have addressed the most significant economic, environmental and social impacts arising from our operations in Hong Kong and Mainland China in 2014 (1 January to 31 December). We describe our management

approach to and performance in sustainability with highlights of progress made in three main areas: sustainable buildings, human capital management, and partnerships including supply chain management.

2014 is the second year we report in accordance with the core option of the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines. GRI G4 encourages reporting on sustainability information that matters and this means reporting on topics that are most relevant and consequential to our business and key stakeholders.

This report also follows the Environmental, Social and Governance Reporting Guide (ESG Guide) in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong. Hong Kong Quality Assurance Agency has provided independent assurance of the information included in this report.



Hang Lung Properties Limited

Stock code : 00101

Registered office : 28th Floor, Standard Chartered Bank Building,
4 Des Voeux Road Central, Hong Kong

Tel : +852 2879 0111

Email : HLProperties@hanglung.com

Web : www.hanglung.com
www.hanglung.com/sustainability-report



< Chats

Contents



About this report 1

Letter from the Managing Director  3

About Hang Lung Properties 5

Sustainability at Hang Lung Properties 13

Our buildings 23



Our people  37

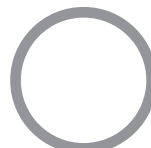
Our partnerships 47

Sustainability performance 55

Aspect boundary 59

GRI content index  60

Verification statement 65



LETTER FROM THE

Tap...
Tap...
Tap...



Hello! Nice to meet you.



Would you mind sharing the guiding principle of Hang Lung Group in pursuing sustainability?

Good morning Philip. I'm pleased to meet you too so that I could learn more about the Sustainability Vision of the Group.

MANAGING DIRECTOR

This is Hang Lung's third stand-alone sustainability report. We are proud to issue this report again for 2014, during which we believe that we have made measurable progress, both in our activities, and in the report itself. As always, the Group is guided by our "We Do It Right" principle, which is a theme that you will see throughout this report, and throughout the Group. We believe that only by *doing it right* will we best-serve our communities, and continue to create social value.

One of the key factors that allows us to continuously implement our sustainability initiatives: Hang Lung's financial strength. Despite the market slow-down, we maintain very solid financials, giving our stakeholders comfort that we can run our business in a sustainable fashion.

Hang Lung's iconic, world-class developments are not only architectural masterpieces; they are designed with the community in mind, as an integrated part of the urban fabric. We make it a point to comfortably blend public and private spaces, old and new structures, retail, dining, entertainment, and service offerings, in order to maximize both commercial and social value. All the while, we are careful to do so with minimum environmental impact.

The opening of Riverside 66 in Tianjin was a landmark in 2014, and a great example of how we focus on our communities. From the environmental design of the building that attains the U.S. Green Building Council's LEED Gold certification, to bringing a vibrant lifestyle experience to the heart of Tianjin, we have again achieved our goal to be a good, conscientious neighbor who complements our surroundings. Riverside 66's opening created approximately 5,000 career opportunities in areas such as customer service, sales, leasing, property management, and marketing.

There are two attributes for our **Build to Own and Build to Last** business model to work: getting our *hardware* right - what our Chairman likes to call "real estate genetics", and also getting our *software* right. For us, this means people.

Hang Lung put tremendous focus on the integrity of our colleagues. We devote significant resources to ensure that staff integrity is maintained to the highest possible standard. As the cornerstone of our corporate culture, we continue to adopt our zero-tolerance policy for misconduct, and maintain our well-defined whistle-blowing policy and channels for redress. As we rapidly expand our footprint in Mainland China, both the Board and management are aware of the crucial roles of structure, systems, and procedures, and we have been enhancing these accordingly. For example, Cost Control, Service Delivery, Central Marketing, and Central Leasing Departments have all been recently established, and are designed to help ensure that our company is best-equipped to cope with what risks and uncertainties the market may bring.

2014 was also the tenth anniversary of the Hang Lung Mathematics Awards, organized by Hang Lung in conjunction with the Institute of Mathematical Sciences, and the Department of Mathematics of The Chinese University of Hong Kong. This partnership has helped over 1,700 students become ambassadors of the global mathematics community, by promoting the intellectual rigor that Hong Kong students possess. The Award represents one of the lasting partnerships that we have with our community, to foster the talent that will help sustain Hong Kong's future.



Finally, I would like to recognize the efforts devoted by our volunteering team - Hang Lung As One. With more than 11,000 service hours spent serving the communities in Hong Kong and mainland China in 2014, I would like to thank my colleagues from the executive level to front-line staff for contributing their time, skills, experience, and knowledge to those in need.

Looking ahead, we remain optimistic about our future. We believe that our business practices will deliver sustainable social value despite the broader industry's uncertainty - especially in Mainland China. This will be driven by the combination of our strong hardware and software, combined with the insistence to *do it right*. In the following pages, you will find highlights of our 2014 achievements, as well as our targets and expectations for the coming years. We hope that you will enjoy reading it as much as we have enjoyed putting it together.

Philip Chen, *Managing Director*
29 August 2015

“We Do It Right”

ABOUT HANG LUNG PROPERTIES



Ronnie Chan,
Chairman

Hang Lung Properties is a long-term player willing to sacrifice short-term market gains for economic health in the long run

We are here to report the interview with Hang Lung Properties' Chairman...



HANG LUNG

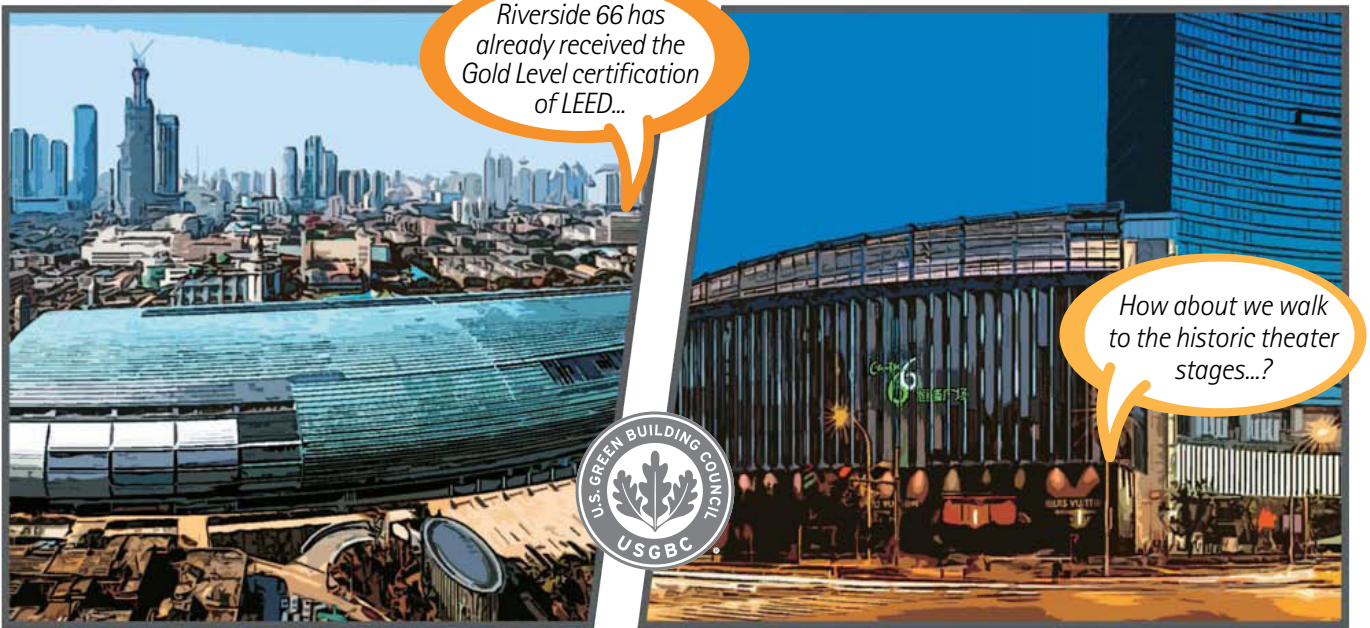
Properties, a constituent stock of the Hang Seng Index and Hang Seng Corporate Sustainability Index in Hong Kong, is a

leading real estate developer in Hong Kong and Mainland China. Boasting a diversified portfolio of investment properties in Hong Kong, we have progressively branched out into Mainland China since the 1990s, building, owning and managing world-class commercial building complexes in key cities, projects that have earned international acclaim for their exceptional quality of architectural design, services and sustainable features.

Guided by the principle of **"We Do It Right"**, we have built a reputation as a top-tier property developer in Hong Kong and Mainland China, with a recognized commitment to quality. Our corporate strategy is to constantly review and when necessary upgrade our tenant mix, while regularly refurbishing our existing developments to achieve maximum return on our investment.

Business highlights in 2014





Riverside 66, Tianjin

This iconic retail landmark in Tianjin opened in September 2014, introducing a new lifestyle concept for customers in the city and the surrounding neighborhoods. With a number of green features such as optimized insulation during hot and cool seasons and heat recovery systems that enhance energy efficiency, Riverside 66 has already received the Gold Level certification under the Leadership in Energy and Environmental Design (LEED) for Core and Shell Development issued by the U.S. Green Building Council in 2015. With a total investment cost of RMB5.5 billion and approximately 5,000 job openings created, the shopping mall has enhanced local economic development. On-the-job training, is and will continue to be, provided to staff joining the team, thereby injecting world-class professional knowledge and services to the city. For a detailed case study on Riverside 66 sustainability in practice, please refer to the "Our Buildings" section of this report.

Center 66, Wuxi

2014 was the first full year of operation of Center 66 since its opening in September 2013. The Office Tower of Center 66, our first office tower outside Shanghai, commenced operation in October 2014. The design of Center 66 extensively restores two historic theater stages and a hall dating from the Ming dynasty (circa 1369), which are located at the heart of the site, by integrating them into a large public plaza. Center 66 achieved the LEED for Core and Shell Development – Gold Level.

Fashion Walk, Hong Kong

2014 marked the beginning of our HK\$300 million asset enhancement initiatives for Fashion Walk. Cutting edge fashion designers and brands are opening flagship stores in the district. In collaboration with the Cultural and Leisure Services Committee of the Wan Chai District Council, Fashion Walk held the "Living it up in Wan Chai!" event in the last quarter of 2014 which promotes the artistic atmosphere of Causeway Bay and brings Hang Lung Group closer to the community. The event aims to strengthen Wan Chai residents' sense of belonging to the district.



Grand Plaza, Hong Kong

Started in 2013, the HK\$200 million asset enhancement initiatives at Grand Plaza in Mong Kok, which included the installation of LED lightings equipped with motion sensors to improve energy efficiency, will be completed in first quarter of 2015. The payback period for the new LED lightings is about two years, and the initiative will be extended to other buildings in Hong Kong.

23 – 39 Blue Pool Road, Hong Kong

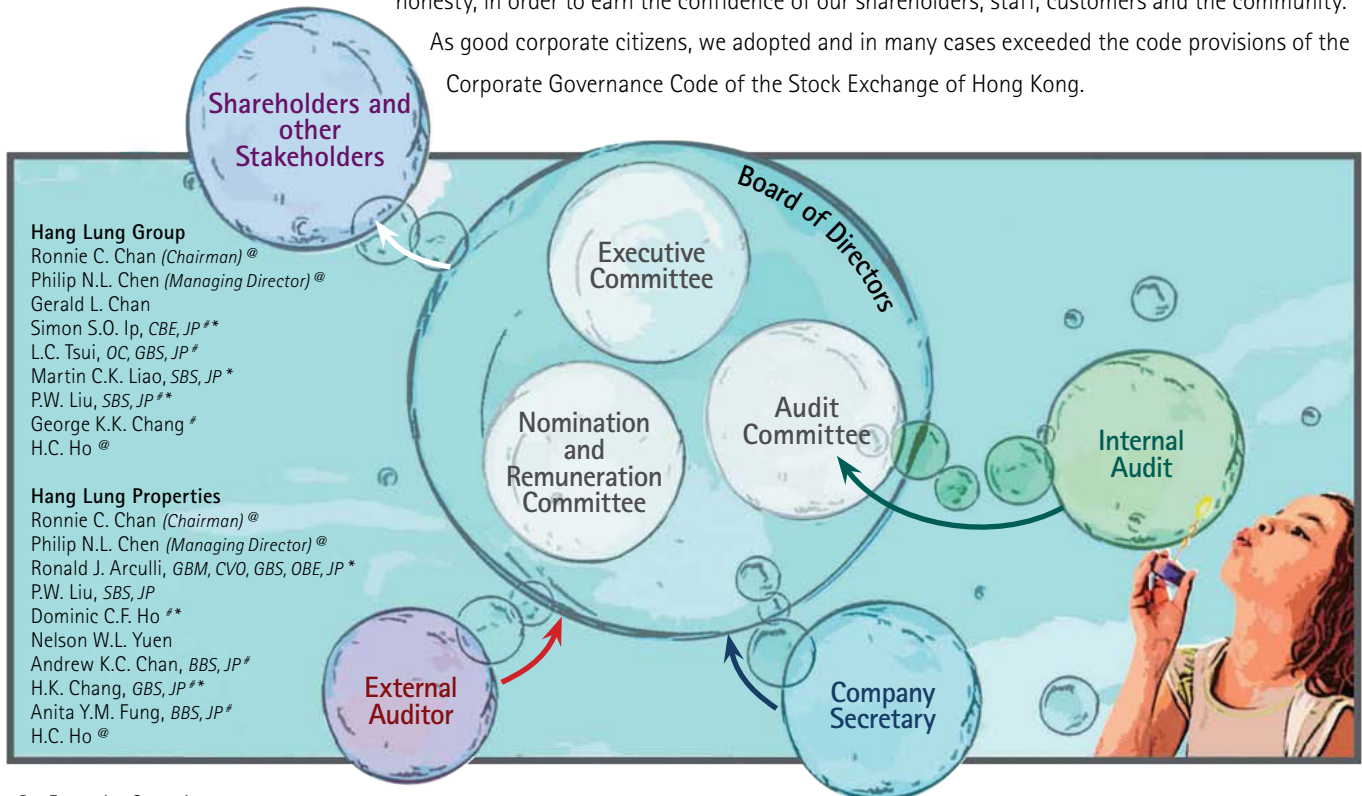
The luxury residential development in Happy Valley obtained its occupation permit in September 2014. The 18 semi-detached houses will be ready for release in 2015 subject to market conditions. The development received the Gold Level certification under LEED for Homes being the first project in Hong Kong to attain this certification.

For more information about our sustainable property developments, refer to the "Our buildings" section

Corporate governance

Since the Group's founding in 1960, we have firmly believed that strong governance is the foundation for delivering our corporate objective of maximizing economic, environmental, and social return to our stakeholders over the long term. The core of our governance structure is an effective and qualified Board of Directors (the Board) which is committed to maintaining a high standard of corporate governance, sound internal controls and effective risk management to enhance transparency, accountability, integrity and honesty, in order to earn the confidence of our shareholders, staff, customers and the community.

As good corporate citizens, we adopted and in many cases exceeded the code provisions of the Corporate Governance Code of the Stock Exchange of Hong Kong.



- @ Executive Committee
- * Nomination and Remuneration Committee
- # Audit Committee

Corporate governance structure

The Board comprises professionals from different facets of society who possess diverse academic and professional qualifications and bring a wide range of business experience and expertise to the Board. A balanced composition of Executive and Non-Executive Directors is maintained to ensure the independence of the Board. Three Board Committees, namely the Executive Committee, Audit Committee, and Nomination and Remuneration Committee had been set up to enhance the function of the Board.

The Board has established a policy setting out the approach to achieve diversity on the Board (Board Diversity Policy) with the aim of enhancing Board effectiveness and corporate governance. Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, expertise, skills, knowledge and length of service. To further strengthen our boards, we have recently appointed Professor L.C. Tsui, fourteenth Vice-Chancellor of the University of Hong Kong, Mr Martin C.K. Liao, Deputy to the 12th National People's Congress of the People's Republic of China, Professor P.W. Liu, research professor and former Pro-Vice-Chancellor of The Chinese University of Hong Kong, and Mr George K.K. Chang, Managing Director of Morningside Group, as Non-Executive Directors of Hang Lung Group; while Dr Andrew K.C. Chan, Chairman of Trustees' Board of Arup Group, Professor H.K. Chang, Honorary Professor of Peking University and Tsinghua University, and Ms Anita Y.M. Fung, former Group General Manager of HSBC Holding plc, were appointed as Non-Executive Directors of Hang Lung Properties.

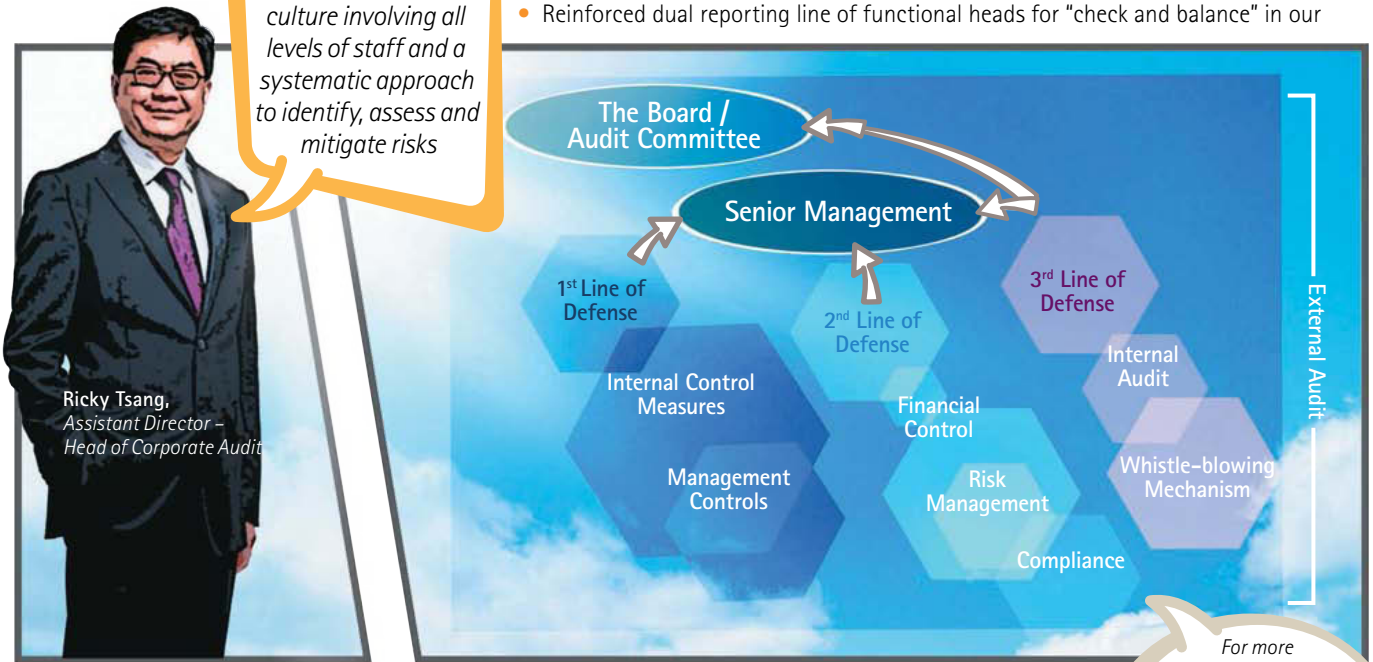
Internal control

System enhancement and management integration is critical to the Group's success. The world-class standards of our properties hinge on our enormous investment into their overall design and construction. Therefore, we must hold fast to our standards in effective project management to deliver on time and on budget. Any slight postponement or overspending has a direct negative impact on the Group.

Risks are inherent in every sector of our business, and it is important to have a culture involving all levels of staff and a systematic approach to identify, assess and mitigate risks

In 2014, key enhancements were made to strengthen our Three Lines of Defense, including:

- Tightened tender process for suppliers and contractors
- Reinforced dual reporting line of functional heads for "check and balance" in our



Ricky Tsang, Assistant Director – Head of Corporate Audit

For more information on our Three Lines of Defense and the enhancements conducted in 2014, please refer to page 86 – 87 of Hang Lung Properties Annual Report 2014

- Mainland China projects to both Group function heads and local management
- Established the Central Marketing and Central Leasing team for coordination and monitoring of strategic marketing and rental activities
- Re-affirmed our whistle-blowing policy to internal and external stakeholders

Effective risk management is integral to delivering our corporate strategies and ensuring the sustainability of our business. The Board has the overall responsibility for risk management and for determining the nature and extent of risks it is willing to take in achieving its strategic objectives. In terms of economic, social, and governance related risks, the Group proactively implements strategies to ensure that they are reduced, transferred, avoided or understood. We take into account the implications the changing climate has on our business activities and property development when making decisions. Risks related to water scarcity, extreme weather and natural disasters are of particular concern.

In 2015, we intend to begin formalizing and institutionalizing an enterprise risk management (ERM) system. In setting up the ERM framework, a number of briefings, workshops, and interviews will be carried out across the business to identify and assess risks and ascertain mitigation strategies. The designated ERM team will ensure that a corporate stakeholder engagement strategy is applied appropriately and communicated effectively to senior management, the Audit Committee, and the Board of Directors.

A culture of integrity

The Group is committed to promoting a culture of integrity throughout the organization in the face of the intense competition in the Mainland China market and the inherent risk of bribery and corruption in the real estate industry. While the ongoing anti-corruption campaign in Mainland China will negatively impact some of our luxury brand tenants, we view the slowdown to be healthy for the long-term sustainable growth of China.

Guided by our **"We Do It Right"** principle, we actively engage our employees at all levels of the organization on the importance of honesty, integrity and fair play. The Group's Code of Conduct sets out the standards of behavior expected from employees and guidelines on how to handle different situations in business dealings. The Code of Conduct is applicable to all directors and full time, part time, and temporary staff members of the Group who conduct business on behalf of the Group in Hong Kong or in any other jurisdiction, including but not limited to Mainland China. The Hang Lung Integrity Program, established in 2013, also helps to enforce the highest standards of integrity and honesty from every process and every employee in the Group. In 2014, 323 training hours were delivered to our employees as part of the program.



The Group adopts a zero-tolerance policy on bribery and corruption, and thus has in place a whistle-blowing mechanism, for employees and other stakeholders such as contractors and suppliers to raise concerns in confidence regarding any misconduct, fraudulent activities or malpractice. The Group has also stepped up its efforts in recent years to raise the visibility of this mechanism to enhance its effectiveness. In 2014, we also conducted anti-corruption training for our employees and business partners.

For more detailed information on the Group's corporate governance, please refer to the annual reports and interim reports published by Hang Lung Group and Hang Lung Properties, and visit the corporate governance sections of our websites: www.hanglunggroup.com and www.hanglung.com. We provide details of our corporate sustainability governance structure in the "Sustainability at Hang Lung Properties" section of this report.

Recognition in 2014

- Voted the Best Corporate Social Responsibility Company in the Asia's Best Companies Poll 2014 conducted by FinanceAsia for the third consecutive year
- Clinched five top honors at the 5th Asian Excellence Recognition Awards 2015 presented by Corporate Governance Asia:
 - Best Investor Relations Company (Hong Kong) for the fourth consecutive year
 - Best CSR Company (Hong Kong) for the second consecutive year
 - Best Environmental Responsibility Company (Hong Kong) for the second consecutive year
 - Managing Director Mr. Philip Chen was named one of Asia's Best CEO's (Investor Relations) for the fourth consecutive year
 - Assistant Director – Corporate Communication Mr. Chuk Fai Kwan was named as the Best Investor Relations Professional (Hong Kong) for the second consecutive year



- Received the Hong Kong Corporate Governance Excellence Awards 2014 from the Chamber of Hong Kong Listed Companies
- Received two awards at the 10th Corporate Governance Asia Recognition Awards – The Best of Asia 2014 organized by Corporate Governance Asia
 - Asia's Icon on Corporate Governance for the third consecutive year
 - Managing Director Mr. Philip Chen was named a winner of the Asia Corporate Director Recognition Award for the second consecutive year
- Ms. Bella Chhoa, Company Secretary, General Counsel and Assistant Director – Corporate Affairs, won the 2nd Asian Company Secretary of the Year 2014 award for the second consecutive year
- Garnered the Gold Award in The Asset Corporate Awards 2014 for the third year in a row

SUSTAINABILITY AT HANG LUNG PROPERTIES



We feel proud at Hang Lung Properties to serve a company with a sustainable vision, creating livable cities and operating with integrity. Hang Lung strives to serve the best interests of its stakeholders, seeks to build long-term, iconic buildings in growing cities on the Mainland, and endeavors to ensure employees are engaged at all levels and that the community's voice is incorporated in its decision process



Bella Chhoa, Chairwoman, Sustainability Steering Committee

AS a top-tier property developer in Hong Kong and Mainland China, it is of utmost importance that all our activities are sustainable, from the buildings we build to the partnerships we formulate. Pursuing sustainability is how "**We Do It Right**" at Hang Lung Group and we are pragmatic about the challenges we face while we strive to incorporate sustainability considerations into every facet of our business. We have structures in place to incorporate sustainability into our business while actively engaging with our stakeholders to ensure that we are addressing their concerns in a manner which meets their expectation of how we should do it right. Our Sustainability Vision sets us on a path to sustainable value creation with due consideration to risk mitigation and the wherewithal to capture long-term opportunities.

Our sustainability vision and our progress

Sustainability Vision		Key actions in 2014
<p>Governance To ensure the highest standards of governance, transparency, honesty and integrity in our operations; and to ensure a clear management framework our sustainable successful development</p>	<ul style="list-style-type: none"> Developed a three-year action plan based on our Sustainability Vision and sustainability challenges. Participated in the Carbon Footprint Repository for Listed Companies in Hong Kong. Attained external assurance to verify the accuracy of the sustainability report. 	
<p>Sustainable buildings To construct world-class sustainable buildings that add significant and tangible value to the communities we serve; and maintain those buildings with a strong priority on the triple bottom line of economy, environment and society.</p>	<ul style="list-style-type: none"> Continued to benchmark the environmental performance of new and existing buildings against international and local standards such as LEED and BEAM Plus. Implemented environmental initiatives targeting energy, water and waste for our buildings in Hong Kong and Mainland China. Reduced the energy intensity of properties in Hong Kong and Mainland China by 14% as compared to 2010, achieving and surpassing our target of 10% by 2015 (target readjusted from 7.5% to 10% at the end of 2013). 	
<p>Employer of choice To be "the employer of choice" by ensuring a respectful, harmonious and safe working environment by providing training and career development opportunities and enabling our employees to act with integrity and feel motivated.</p>	<ul style="list-style-type: none"> Introduced more competitive remuneration package based on the results of the compensation benchmarking of key positions in Hong Kong and Mainland China. Completed 90% of alignment exercise on human resources and administration policies across Hong Kong and Mainland China. Provided tailor-made training based on training needs analysis for all staff. Delivered management training to enhance career development opportunities. 	
<p>Community integration To acknowledge that we are an integral part of the communities we serve by becoming an active member and supporter of those communities in every way we can – strategically, financially and socially.</p>	<ul style="list-style-type: none"> Established Volunteer Steering Committees in all our Mainland China projects including Kunming and Wuhan. The number of employee volunteers increased by 25.6% and employee volunteering hours increased by 72.1%. Allocated 28% of total procurement spending in Hong Kong to environmentally beneficial products. Assessed compliance to the Supplier Code of Conduct for five additional suppliers. 	

In achieving our Sustainability Vision, the Group is confronted with challenges which we strive to respond to and address. These include:

Attracting, developing, and retaining talent: With the continual growth of our business, we are confronted with the acute need to attract and retain talent in highly competitive markets, a challenge faced by all companies in our industry. Over the past few years, we have been building a solid and strong construction management team to ensure our projects are delivered on time and on budget. As a next step, we have identified leasing as a department in which more will need to be done to build a strengthened team.

Incorporating environmental considerations within our limits: We recognize the concerns of our stakeholders with regard to the discrepancies in the environmental performance of buildings in Hong Kong and Mainland China (for example, the higher energy intensity of older buildings in Hong Kong as compared to our new buildings in Mainland China). While we seek to drive continuous improvement, we are constrained by space and time as the buildings are fully operational, which makes the timing and execution of asset enhancement initiatives, such as those in Fashion Walk and Grand Plaza, challenging for us as well as our tenants who might encounter reduced foot traffic. In addition to enhancing the environmental performance of our buildings' hardware, we are focusing on educating and raising the awareness of our employees, customers and community at large about the importance of adopting environmentally friendly behavior at work or at home.



Engaging with our employees in sustainability: With an expanding workforce spread over Hong Kong and eight Mainland China cities, it has and will remain a challenge for the Group to engage employees at every level of the organization in the sustainability agenda and take concrete actions into every facet of our business. We fully recognize that unless we can engage all levels of our team, it will be difficult for the full integration of sustainability across our business.



Managing our supply chain: Managing the complex web of suppliers is an issue that all real estate developers are confronted with. The issue becomes even more complicated with suppliers in Mainland China where it remains a challenge to identify suppliers that are the "best in class" who can deliver materials that meet our high quality standards; that are in full compliance with the Supplier Code of Conduct; and that can provide authentic and accurate data related to occupational health and safety.

In response to these sustainability challenges, we have discussed ways in which the Group is addressing these issues in the subsequent chapters through introducing more effective internal control systems, engaging more proactively with our stakeholders and exercising our influence to drive continuous improvement.

Sustainability governance structure

A sustainability governance structure is in place to drive the development and implementation of sustainability initiatives that align with our business objectives. Under the structure, the Sustainability Steering Committee, reporting to the Managing Director, ensures the alignment of goals and vision across the Group and develops the key focus areas.

The Sustainability Steering Committee comprises the key executives from all facets of our organization such as project construction and planning; leasing and management; legal and secretarial; corporate communications; finance; cost and controls; internal audit; human resources and central purchasing. The composition of the Sustainability Steering Committee ensures that sustainability is incorporated into our core business.



The Sustainability Steering Committee is also responsible for overseeing three sub-committees. Each sub-committee comprises members with relevant expertise as well as staff responsible for implementation. In 2014, each of the sub-committees held regular meetings to discuss relevant issues and review actions implemented in accordance to the Three Year Sustainability Plan:

Sustainability Risks and Opportunities Committee: This Committee is chaired by Mr. Raymond Mak, Assistant Director, Group Financial Controller. The focus for 2014 remained at further enhancing our supply chain practice by working more closely with our suppliers to improve their sustainability performance and incorporating more environmental considerations into our procurement decisions.

Employees Ethics and Community Programs Committee: This Committee is chaired by Mr. C.F. Kwan, Assistant Director, Corporate Communications. In 2014 the focus was on instilling a culture of integrity among our employees and engaging them through volunteering activities.



Environmental Initiatives Committee: This Committee is chaired by Mr. S.W. Lam, Senior Manager – Property Services (Technical) and is responsible for overseeing the risks and opportunities from climate change such as reducing our carbon footprint and exploring the potential use of renewable energy in our properties. The focus for 2014 was on implementing environmental initiatives across our existing buildings to drive continuous improvement in our environmental performance.

Sustainability mechanism

In addition to our sustainability governance structure, we have mechanisms in place to ensure that sustainability continues to be an evolving process at the Group. We achieve this by engaging



regularly and systematically with our stakeholders and participating in initiatives that enable the Group to enhance the disclosure of information and benchmark our sustainability performance against peer companies.

Engaging with our stakeholders

The Group has various communication platforms to engage with our stakeholders systematically and regularly to collect feedback on issues that are of importance to our business and stakeholders. We define our key stakeholders as employees, customers, tenants, investors, neighbors and suppliers. Employees, customers, tenants and suppliers are included as they play important roles in supporting the company to achieve its Sustainability Vision. Those living close to our properties are key stakeholders as we recognize the impacts of our properties on the community particularly during construction and when in operation. Investors are also included given their importance to the Group. We also engage with stakeholders who are equipped with the knowledge and expertise to provide constructive and objective feedback on our sustainability performance. This group of stakeholders includes NGO partners, sustainability leaders, peer companies and academics.

To ensure a two-way communication with our stakeholders, we have further enhanced the transparency of the Group's operation and sustainability initiatives. Our "Connections" and "e-Connections" magazines, winners of the world-renowned 2014/2015 MERCURY Awards, are crucial tools for employees, investors, tenants, business partners, the media and government organizations to learn about activities at Hang Lung Group.

Building effective platforms for staff communication is of great importance at a time when the Group is rapidly expanding its business in Mainland China. The Connections magazine is an effective communication platform where management can share their strategies and direction of work with every employee. Its online version is an instantly available platform for all stakeholders to learn the latest news about the Group, while the printed version has become an important tool to link up staffs in Hong Kong and Mainland China, fostering interaction between employees with different cultural backgrounds, and increasing employees' sense of belonging. "e-Connections" is available at: connections.hanglung.com.

Stakeholder engagement exercise 2014

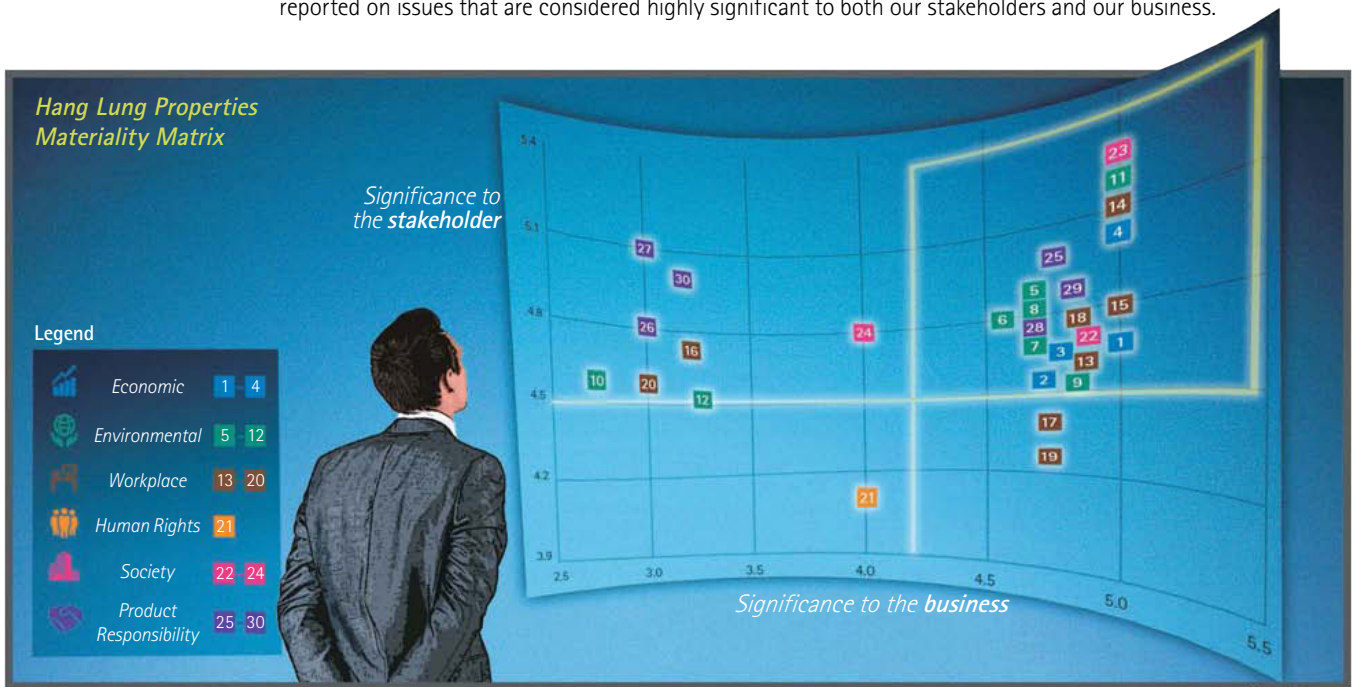
In 2014, we engaged an independent consultant to conduct a more extensive stakeholder engagement exercise to determine the content of this sustainability report and to formulate our next course of action for achieving our Sustainability Vision. Stakeholders were invited to assess all relevant topics (or Aspects) under the GRI G4 Guidelines that are material for the Group and identify which Aspects should be included in this year's sustainability report. In addition, stakeholders provided constructive feedback on the 2013 sustainability report, sustainability challenges confronting the Group and suggestions on ways to further improve our sustainability performance.

Stakeholder group	Engagement method	Key feedback on the Group's sustainability performance and 2013 sustainability report
Employees	<ul style="list-style-type: none"> ○ Face to face interview ○ Survey 	<ul style="list-style-type: none"> ● The Group adopts a low profile in communicating its environmental and community initiatives when compared with some other key developers in Hong Kong. ● Stakeholders have full confidence in the senior management in delivering sustainable growth for its investors and shareholders. ● The 2013 sustainability report provides a comprehensive picture of the Group's sustainability performance despite the Group's relatively short history of reporting. ● The environmental performance of the Group's buildings in Mainland China is better than those in Hong Kong, and stakeholders are expecting the Group to explain the reasons behind such discrepancies. ● Stakeholders identified five sustainability challenges confronting the real estate industry and Hang Lung Group: risks in the supply chain; operating in Mainland China; occupational health and safety; attracting, cultivating and retaining talent; and integration of sustainability into core business. Increased disclosure on the performance of these aspects of the Group is expected by stakeholders.
Investors	<ul style="list-style-type: none"> ○ Telephone interview 	
NGOs	<ul style="list-style-type: none"> ○ Survey ○ Telephone interview ○ Focus group 	
Peer companies	<ul style="list-style-type: none"> ○ Focus group ○ Survey 	
Sustainability leaders	<ul style="list-style-type: none"> ○ Focus group ○ Survey 	

Materiality assessment

Based on the findings of the stakeholder engagement exercise, the Sustainability Steering Committee assessed the material issues identified by stakeholders against each issue's importance to the business. In assessing significance to the business for each sustainability issue, committee members considered the Group's impact and role on each issue, and potential significant risks, opportunities or financial implications for the Group.

The following materiality matrix was formulated based on the consultation with stakeholders and input from the Sustainability Steering Committee. The content of this report was determined by this materiality matrix and we reported on issues that are considered highly significant to both our stakeholders and our business.



1	Economic performance	17	Equal remuneration for men and women
2	Procurement practices and relationships with suppliers	18	Communication between employees and managerial staff
3	Investment of infrastructure or services provided for the community	19	Supplier assessment for labour practice
4	Risk and crisis management	20	Mechanisms in place for stakeholders to voice concerns in regard to workplace issues
5	Energy	21	Human rights
6	Use of materials	22	Examples of local community engagement
7	Water	23	Assessment of corruption risks and measures for prevention
8	Waste	24	Compliance for international and local laws protecting the rights of communities where the company operates
9	Greenhouse gas and other air emission	25	Customer health and safety
10	Expenditure in environmental protection in its operation	26	Responsible marketing and communications
11	Compliance to environmental laws and standards	27	Safeguarding customer privacy
12	Mechanism in place for stakeholders to voice concerns in regard to their environmental impacts	28	Reported case of non-compliance with laws and regulations in regard to its product and services
13	Employee benefits and turnover rates	29	Sustainability certification, rating and labeling schemes for its development and existing properties
14	Occupational health and safety	30	Customer feedback and complaint handling
15	Training opportunities and career development review		
16	Equal opportunity		

Note: A large number of sustainability issues were assessed by stakeholders for significance than captured in the materiality matrix outlined above. A subset of issues that were identified as highly significant to stakeholders were assessed for significance for the business and included in the matrix. A list of sustainability issues considered less significant is outlined on page 59.

Sustainability targets 2015 - 2017

The year 2014 was the third year since we have formulated our Sustainability Vision, the Group devoted its efforts and resources to evaluate progress and more importantly, formulate future targets and actions in subsequent years. Using the results from the stakeholder engagement, we identified areas where stakeholders expressed concerns and their sustainability priorities for the Group to address.

Key stakeholder concerns

2015

Addressing the discrepancies in the environmental performance of buildings in Hong Kong and Mainland China

- Formulate of Group-wide Environmental Policy to drive greater improvement across our buildings in Hong Kong and Mainland China
- Provide more disclosure of information related to the challenges the Group faces in implementing environmental initiatives in our existing buildings
- Ensure that the target of reducing electricity intensity by 10% (readjusted in at the end of 2013, previously 7.5%) across the whole property portfolio over five years from the 2010 baseline can be achieved with the opening of several major properties in 2015



Disclosure of occupational health and safety (OHS) performance including contractors and suppliers

- Set up systematic collection procedures of OHS data with contractors both in Hong Kong and Mainland China
- Work more closely with the industry to identify ways to enhance the authentic reporting of OHS data

Attracting and retaining talent to support the continuous expansion of our business

- Proactively engage frontline staff through conducting surveys of multiple aspects

Addressing risks in the supply chain

- Increase the number of assessments conducted on suppliers
- Review the existing supply chain management system so as to strengthen communication on ESG issues with suppliers

Integration of sustainability into its business

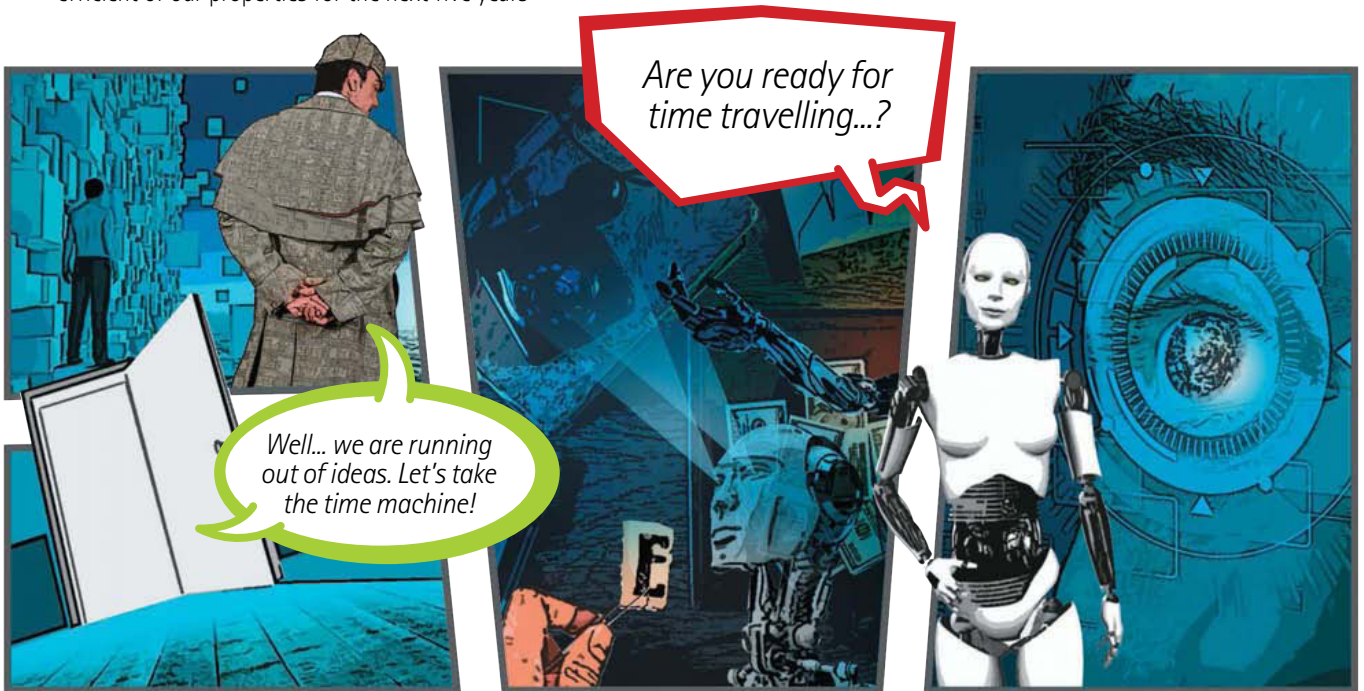
- Provide training for employees on the importance of sustainability to the Group and the role they play in supporting us to achieve our Sustainability Vision

2016

- Expand disclosure of environmental performance data across more of our operation
- Introduce the Group-wide Environmental Policy to selected projects in Mainland China
- Reassess and set new targets on the enhancement of energy efficient of our properties for the next five years

2017

- Attain ISO 14001 for the Group by phases
- Conduct lifecycle assessments of key environmental impacts
- Full implementation of the Group-wide Environmental Policy in Hong Kong and Mainland China



- Increase disclosure in the OHS management framework and the safety governance structure
- Disclosure of OHS data across our operations in Hong Kong and Mainland China using a more standardized reporting methodology
- Expand the scope of the employee survey for frontline staff
- Further expand the employee surveys to both frontline staff and senior management
- Provide training for suppliers on ESG issues pertaining to supply chain management
- Develop a formal procedure to identify risks in the supply chain
- Build greater capacity internally to drive sustainability considerations into core business
- Senior management to become sustainability champions in the community by sharing the Group's experience in incorporating sustainability into its business
- Further increase the visibility of the Group's sustainability efforts in the community by sharing knowledge and expertise on topics such as designing and constructing buildings in accordance to LEED certifications and operating with integrity in Mainland China

OUR BUILDINGS



Vincent Sinn,
Senior Manager - Project Planning

Our business model, **Build to Own and Build to Last**, has significant implications in the design and construction of our buildings. We build buildings that stand for at least 40–50 years so we take into considerations of the lifecycle cost of the building and the impacts we have on the neighboring community

OUR long-term business model, **Build to Own and Build to Last**, remains the ethos under which we design, construct and operate our properties. To this end, it has been the consistent aim of the Group to align the standards of our buildings with international best practices, in the interest of both the business and the wider community. We remain committed to building world-class commercial projects in key Mainland China cities and to enhancing our core assets in Hong Kong, amidst the ephemeral challenges in the external environment. Sustainability is incorporated in the decisions we make in all phases of our property development from land acquisition, design and construction to operations and asset enhancements.

Committed to green building certification

Reflecting our commitment to attain the LEED Gold certification issued by the U.S. Green Building Council across all new projects in Mainland China, we continue to incorporate environmental considerations into the design of our buildings. As of 2015, all of our 10 buildings in Mainland China had been certified or precertified under LEED.

In 2014, the government of Kunming has implemented a requirement for all new buildings to attain one star under China's Green Building Design Label, also known as "Three Star." The system awards buildings one to three stars based on their sustainability performance, with three stars as the highest rating. Anticipating the

Riverside 66, Tianjin

Riverside 66 received the LEED Gold Certification for Core and Shell Development

Spring City 66 (served apartment) in Kunming

Heartland 66, (shopping mall, office tower and serviced apartments) in Wuhan

Highlights in 2014

Achieved a **14%** reduction in electricity intensity as compared to our 2010 aseline

Achieved a **18.7%** reduction in water intensity as compared to our 2012 baseline.

Completed the environmental impact assessment of Heartland 66, which identified the major environmental impacts to be managed during construction and operation

requirement, we had already incorporated elements and features that are required to achieve one star rating in our project in Spring City 66, Kunming. As we expect similar developments in Wuhan, we are also planning to work towards achieving two stars rating under the system for Heartland 66.

In Hong Kong, we benchmark the environmental performance of our buildings against the Building Environmental Assessment Method (BEAM) Plus certification by the Hong Kong Green Building Council. To date, two of our buildings have been precertified under the scheme. The Standard Chartered Bank Building achieved the Gold Rating of Provisional Assessment under the BEAM Plus V1.2 for Existing Building and the Peak Galleria achieved Gold Level under BEAM Plus Assessment V1.1. The two buildings were also awards the Green Award for their BEAM Plus final submission.

What is green building certification?

Green building certification is a competitive differentiator that set our buildings apart from the ordinary. Through independent assessment of the sustainability performance of an asset, it helps us measure the intrinsic value of the asset and ensure its compliance with environmental standard and requirements.

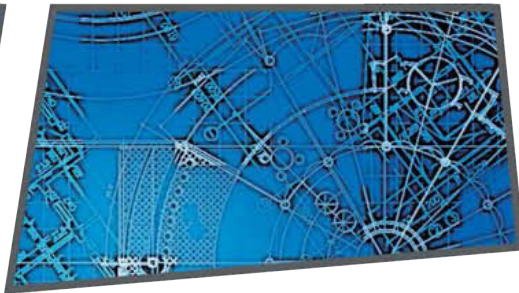
Why do it?

Incorporating the concept of sustainability into a building's design and not simply in its operations lowers the overall cost over the lifecycle of the building. Besides, injecting innovative green concepts during the design and construction stages of a building reduces resource consumption and enhances its operational efficiency. It also helps us reduce our carbon footprint, fulfilling our overall commitment to combat climate change.

How do achieve certification?

To achieve green building certification, sustainability assumptions are made that encompass the entire lifecycle of the building development and operation. Green building design features incorporated in our building portfolio include harnessing renewable energy, recycling and reuse of water and materials, integration of native and adapted species to landscaping, passive heating, cooling and ventilation, to minimize environmental impact and resources consumption. Our green buildings also incorporate features that promote occupational health and wellbeing, such as indoor air quality and natural lighting.

I am pleased to know that the buildings have stroked a balance between meeting the needs of the community and doing what is right for the environment



Hey look at that...! What a masterpiece!

LEED Gold for Core and Shell Development certified and pre-certified buildings

Completed projects

Building	Coverage	Year of precertification	Year of certification
Plaza 66, Shanghai	Office tower 1 and 2	2012	Under Review
Grand Gateway 66, Shanghai	Office tower	2012	Under Review
Palace 66, Shenyang		2008	2010
Parc 66, Jinan		2009	2011
Forum 66, Shenyang	Shopping Mall	2008	2012
Forum 66, Shenyang	Office	2008	Under Review
Center 66, Wuxi (phase 1)	Shopping mall	2009	2015
Center 66, Wuxi (phase 1)	Office	2009	2015

Projects under development

Building	Coverage	Year of precertification	Year of certification
Center 66, Wuxi (phase 2)		2009	Under Review
Riverside 66, Tianjin		2009	2015
Olympia 66, Dalian		2011	Under Review
Spring City 66, Kunming	Office tower and shopping mall	2013	Under Review
	Serviced apartment tower	2014	Under Review
Heartland 66, Wuhan	Serviced apartment tower, office tower and shopping mall	2014	Under Review



Building for sustainability: Getting the building hardware right

We believe that the most critical factor for the Group's success is our hardware, or real estate "genetics", as our Chairman calls it. Our hardware includes the location, size, design and construction of our buildings. They are crucial because once determined, they cannot be changed. Getting the building hardware right is one way in which we can make the most efficient use of natural resources and minimize our impact on the environment and communities.

We have maintained a solid land bank for property development and we are in a financially sound position to continue to grow our land bank when opportunities arise. When the right prospects arise which typically have the competitive advantages of top location and adequate size, we carefully scrutinize each project or parcel of land for related risks and returns. Site selection processes are based on stringent criteria, including structured, predefined methodologies that limit us on the development of inappropriate sites or projects with a negative impact on the immediate surroundings, and on the environment in general. We have traditionally selected sites in urban areas for redevelopment purpose therefore having a minimal impact on natural ecosystems and biodiversity. Structures with significant cultural values that falls within the boundary of our selected sites have also been preserved and revitalized through the design of our buildings. Corruption and bribery are also industry-wide issues during the land acquisition phase. Our Code of Conduct and the Hang Lung Integrity Program help us combat these challenges.

Our philosophy of **Build to Own and Build to Last** has significant implications on our design and planning processes, as we build for the long-term benefit of the community. Decisions we make at design stage take into account the entire lifecycle of the building and not only the initial investment. When a project is underway, our project team closely monitors, evaluates and approves any necessary changes to the design or construction works for the well-being of the community. Throughout all stages of a project, we maintain tight controls over its cost and the selection of contractors and suppliers in order to maintain a high standard of excellence in quality and sustainability. We also fully comply with all laws and regulations related to environmental and labor practice as the failure to do so will have implication on our license to operate.



Strive for excellence: Getting the software right

With the hardware of our buildings in place, we place equal emphasis on ensuring that the operation and management of our properties are at the highest standard. To achieve this, we ensure that the right people are in place to operate our buildings and regular reviews are conducted to ensure that continuous improvements are made in areas such as customer service and tenant mix. We ensure that our properties are safe for our employees, customers, tenants and wider communities by having in place an emergency preparedness plan. For example, we organize regular fire drills to enhance the preparedness of our employees, customers and tenants at our buildings on emergency response. Leveraging the space in our properties, we also create awareness of important environmental and social causes to customers and the public.

At the Group, we are committed to providing all-rounded services for our tenants and customers. Since the establishment of "Hang Lung Star Service Campaign" in 2013, training has been delivered to frontline staff and customer service staff in Hong Kong and Mainland China, covering areas such as grooming, demeanor and communications. In 2014, a task force was set up to drive continuous improvement of customer service. A series of interviews was conducted with 130 employees in Hong Kong and Mainland China to identify ways in which the management team can further support frontline staff to deliver quality customer service. In 2015, the Group will launch the "Emerald Award" to reward employees who "go the extra mile" to serve our customers.

Case study

Riverside 66, Tianjin — Sustainable building development in practice

Riverside 66, opened in September 2014, is the latest demonstration of our commitment to sustainable building development by incorporating significant environmental features in the property, engaging with and contributing to the neighboring community and preserving its cultural heritage.

Environmental features in design and construction

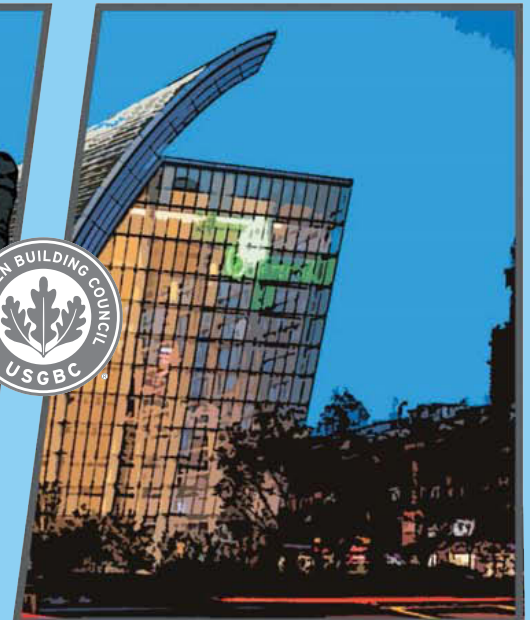
Our approach to minimizing the environmental impact of Riverside 66 throughout its development led to the LEED Gold certification of the building:

- Our building envelope was optimized with better thermal insulation during both hot and cool seasons.
- Heat recovery systems were installed that greatly enhanced energy efficiency of our chillers.
- Energy-efficient lightings, lifts and escalators were also installed to further optimize energy efficiency in the operation of the building.

Riverside 66 has a total gross floor area of 152,831 m². which is a 'giant elephant' for our neighbor. With this in mind, we make sure that the design of the building blends in with the surroundings and provides greater connectivity in and around the neighborhood



James Zhu,
Deputy General Manager
Riverside 66



- Glass with high thermal insulation was used extensively for the curtain wall to allow natural light penetration to the lower floors of the shopping mall, lowering the use of electricity for lighting purposes.
- We are harnessing the natural energy resource located underground in the building through an innovative system that converts the constant low temperature geo-thermal energy into air-conditioning cooling for the car park.
- Construction waste generated such as steel, concrete, packaging material, wood, crushed building block, cardboard, and general mixed waste at the project site were collected and sorted. Approximately 86% of construction waste (in weight) was diverted from landfill.

Showcasing culture, preserving heritage

Riverside 66 is located along the Hai He River next to Heping Road, an area with a rich commercial history for over a century known as one of the "10 Most Famous Commercial Streets in China". Chinese elements reflective of this heritage were incorporated into the design to blend agreeably into the surrounding environment. Showcasing the historic features of Heping Road, the display wall on the south side incorporates the concept of traditional Chinese curio shelves. The façade on the north side is a glass structure which

creates a fully transparent shopping space, such that customers can look into from surrounding streets. The project has revitalized the Hai He River and Heping Road and become the centerpiece of Tianjin's new commercial district.

On the southeast corner of the project is the former National Commercial Bank, a nearly-century-old building. Given its important historical and cultural value, we agreed as part of the development of Riverside 66 to conserve and restore the landmark building to become an integral part of the project. Visitors can enjoy the distinguished historical building and experience both shopping and culture.

Bringing new experiences and benefits to the local community

With a total investment cost of RMB5.5 billion and approximately 5,000 job openings created, the shopping mall has enhanced local economic development. On-the-job trainings will be provided to staff joining the team, thereby injecting world-class professional knowledge and services into the city.



Riverside 66 is conceived as public space where the building intentionally fosters community interaction. In addition to its commercial purpose, the project also wanted to create a network that embraces, represents and activates the local community. As part of the project's commitment, we have supported the district government by extending the landscape area outside of the project boundary to create a green resting area for the neighboring community.

To enhance the customer experience at Riverside 66 shopping mall, new strategies were applied such as EST which stands for Experience, Service and Technology, by partnering with stores in the mall to provide online shopping services. Wi-Fi service offered by the mall also allows customers to share their experience instantly through social media.

In Hong Kong and Mainland China, our corporate strategy is to constantly review and where necessary, upgrade our tenant mix to ensure that our properties continue to serve the community and generate a sustainable return for our shareholders. In 2014, we began a tenant optimization program with new retail and food & beverage tenants at Kornhill Plaza. At the Peak Galleria, several new brands and the first Trick Eye Museum in Hong Kong opened its doors to attract new visitors to this property. We also organize regular promotional events in our properties to add to the appeal and marketability of our properties.



We review our tenant mix regularly to meet our stakeholders' expectations...



We conduct the Eco-Discovery Tour every Sunday...



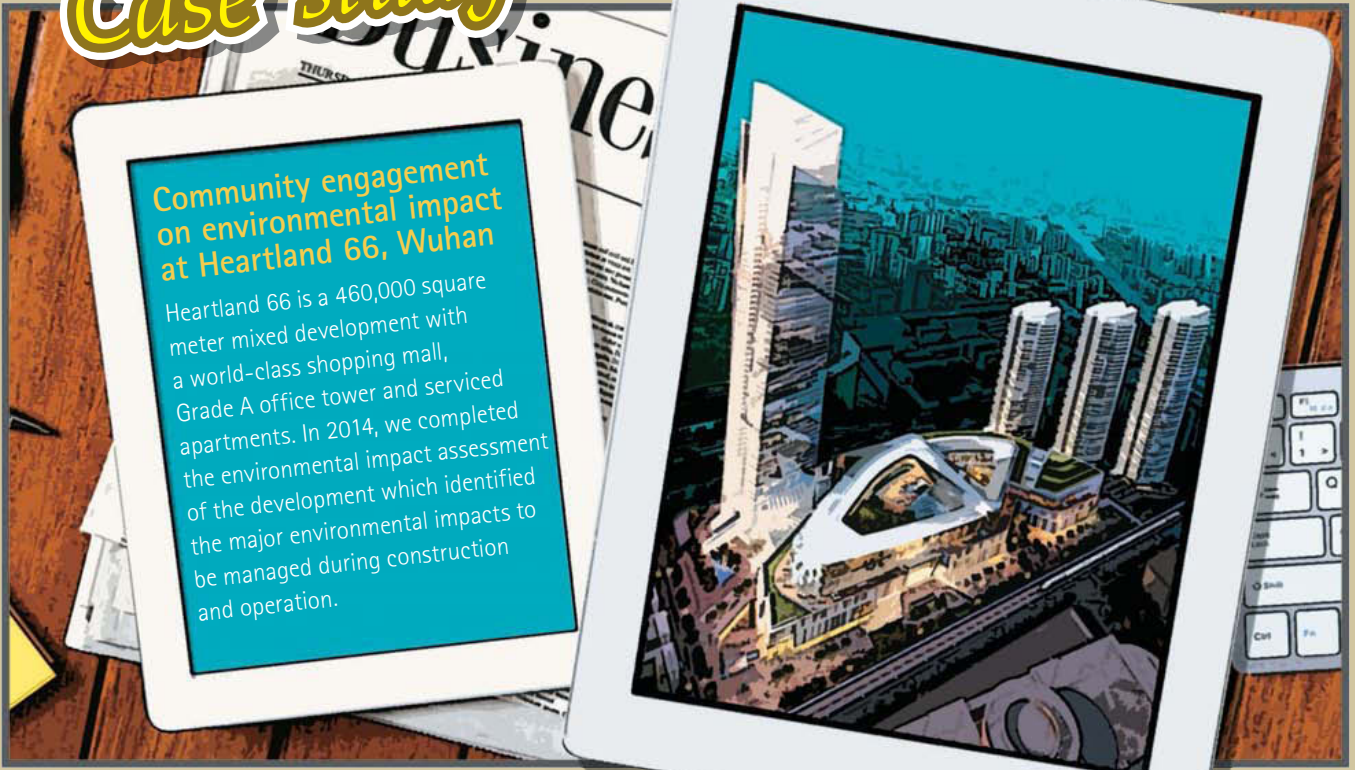
We also recognize the important role we play in creating awareness of environmental protection in the community. For example, at the Peak Galleria, we introduced the Eco-Discovery Tour every Sunday to demonstrate the environmental initiatives and facilities of this property. During the tour, participants are able to learn about our wind turbines which power lighting on the rooftop, a rainwater harvester which uses collected rainwater on site and the food waste composter.

Engaging the community during planning and construction to minimize disruptions

Our developments bring significant benefits when completed, yet their construction can cause disruptions to the neighboring community. We believe that we have the ultimate responsibility to ensure proper mitigation and engagement with the neighborhood and community. Prior to construction commencement, we ensure that the community has been thoroughly consulted. For example, as part of the environmental impact assessment, we consult local community groups formalize our strategy and decide the impact mitigation measures based on their feedback.

During construction, frequent meetings and neighborhood activities are organized with community representatives to ensure continuous collection of feedbacks, so that we are able to address their concerns. Taking Spring City 66 in Kunming as an example, residents of a neighboring building to the construction site raised a concern on the dust and noise generated by the dumper trucks that transported construction materials to the site via the road in front of the residential building. The contractors immediately rerouted the trucks to minimize disturbance. In Wuhan, by enhancing our building techniques, we have shortened the overall construction time, thereby reducing disruption to the neighborhood.

Case study



Community engagement on environmental impact at Heartland 66, Wuhan

Heartland 66 is a 460,000 square meter mixed development with a world-class shopping mall, Grade A office tower and serviced apartments. In 2014, we completed the environmental impact assessment of the development which identified the major environmental impacts to be managed during construction and operation.



Public engagement was conducted through web announcement, an environmental impact assessment and questionnaire surveys. Respondents identified noise pollution as their primary environmental concern. More than half of the respondents agreed that the project would benefit the local economy, increase employment opportunities, and create a higher quality of living standard.

In conjunction with the public feedback, the project team identified four major environmental impacts to mitigate during the construction phase: air pollution, noise pollution, wastewater and solid waste. Various measures were implemented to manage these impacts and reduce disturbance to the local community.



Air pollution: Dust is a significant source of pollution. We used a variety of proactive measures to manage this, including the use of sealed trucks to deliver cement and construction materials and more frequent watering of the construction site.



Wastewater: The site used drainage channels and grease traps to collect wastewater by type. Wastewater was treated by primary filtration, grease removal and sedimentation before discharge to municipal sewage system.



Noise pollution: Operation of mechanical equipment, such as excavators, generators and piling rigs, was the main source of noise pollution. We were well aware that noise could cause significant disturbance to the neighboring communities. With proper construction noise management, such as the erection of hoardings, optimized scheduling of noisy work and provision of necessary personal protective equipment, the impact of construction noise to both the site workers and neighboring communities was reduced.



Solid waste: Construction waste, demolition waste and domestic waste were the main types of solid waste generated. Sediment was dumped in a designated area according to Wuhan government regulations. Used paint buckets were returned to suppliers for recycling. The construction company hired a qualified vendor to dispose paint waste. Domestic waste was collected by separated bin and handled by the Environmental Hygiene Department with detoxifying methods used on a daily basis.

Engaging our contractors during construction is critical to ensuring measures are implemented to avoid, minimize and mitigate potential negative community and environmental impacts. We are aware that some contractors, particularly workers on site, might not fully understand the importance of these impacts. Therefore, we specify our requirements in the tender documents, evaluate the contractors' ability to carry out environmental initiatives during the tender process, monitor their performance during construction and organize training for workers to ensure that measures are fully implemented.



Sustainable Operation: Managing our environmental performance

The measurement and monitoring of resource consumption are critical for improving our environmental performance. Our approach to environmental management and data management systems has enabled the Group to (1) increase revenue due to our ability to capture a price premium, (2) lower operational costs from a reduction in resource intensities, and (3) better asset utilization through efficiency gains. While these systems still require further enhancement, they have improved our standing with staff, client companies, partner organizations and other stakeholders.

Energy intensity in Hong Kong and Mainland China
 2013: 106.61 kWh/m²
 2014: 99.3 kWh/m²

Energy consumption management

In 2014, we achieved a 14% reduction in electricity intensity as compared to our 2010 baseline, greatly exceeding the target we have set to reduce electricity intensity by 10% by 2015. We are now reassessing our reduction target with a view to set a longer term target in the near future.

Energy efficiency enhancement measures implemented in 2014 include:

- HK\$12,420,000 was invested in the upgrade to water-cooled chillers at Baskerville House. It is estimated that 179,000kWh accounting for 24% of the building's electricity consumption would be saved.
- LED lights equipped with motion sensors were installed in the staircases of Grand Plaza.
- Studied the feasibility of installing green roofs for five properties in Mainland China and four in Hong Kong with the aim of identifying energy saving benefits and providing aesthetic benefits.

We recognize the concerns of our stakeholders over the energy intensity of our older buildings in Hong Kong as compared to our new buildings in Mainland China. This is due to the challenge in driving continuous improvement within the limits of the existing hardware and the fact that buildings are in full operation, making major refurbishment disruptive both to our business and to the business of our tenants.

Since 2006, we have improved the energy efficiency of our buildings primarily through the replacement of chillers. In the past eight years, thirteen of our buildings have replaced their chillers resulting in a total of 61,605,134 kWh of electricity or HK\$77,783,794 saved. There are six buildings still using conventional air-cooled chillers. Two of them, at Hanford Commercial Centre and Hollywood Plaza, will be replaced with water-cooled chillers in 2015 and 2016. For the remaining four, we will continue to monitor the energy efficiency and carry out replacement in due course.



To further enhance the sustainability performance of our buildings, we initiated an eight-year asset enhancement plan in 2012 for the renovation of more than five million square feet in our retail portfolio. To develop the plan, technical building assessments were conducted to assess our portfolio and to identify opportunities to enhance operational performance including energy and water efficiency. Currently, two major asset enhancement projects are underway at Grand Plaza in Mong Kok and Fashion Walk in Causeway Bay. Features with environmental considerations will be incorporated upon completion of the renovation work.

To identify more opportunities to improve our overall energy efficiency, we continue to conduct energy audits in selected buildings in Hong Kong. We completed energy audits for 16 buildings to date, with additional seven buildings to be completed in 2015.

Carbon emissions management

Greenhouse gas emission intensity in Hong Kong and Mainland China:
2013: 0.0985 tCO₂e/m²

2014: 0.0838 tCO₂e/m²

We aim to minimize the carbon footprint of our buildings to fulfill our responsibility in climate change mitigation. In 2014, the Group reported a carbon footprint of 153,387 tons of CO₂e with our main source of emissions being electricity consumption. An independent consultancy was appointed to verify the Group's carbon footprint data of 28 buildings in Hong Kong and four buildings in Mainland China on an annual basis until 2016.

The Group is one of the 64 listed companies disclosing carbon data through The Carbon Footprint Repository for Listed Companies in Hong Kong, which was launched by the Environment Bureau and Hong Kong Exchanges and Clearing Limited in 2014.



It is good to know that we can help eliminate food waste through composting!

Food waste is generated everyday...

Waste management

Diverting waste from landfill is high on the agenda particularly for Hong Kong where waste disposal facilities will fast reach its full capacity. As a real estate developer, our approach to waste management covers two main sources of waste: construction waste produced during the development or renovation of our buildings and municipal waste produced during the operation of our buildings by various users and occupants.

For our projects in Mainland China, we have Waste Management Plan in place to ensure that construction waste generated on site is handled effectively to minimize waste sent to landfill. The Waste Management Plan describes the organization structure of waste management team and the roles of each team member. Please refer to the case study on Riverside 66 for information on how we manage our construction waste.

In our managed properties, we focused our efforts on supporting our tenants and customers to manage their waste, as this is an area the Hong Kong government and the community at large has expressed concerns in recent years. Throughout 2014, we implemented a range of recycling activities and conducted a number of awareness campaigns, including:

- Expanded the recycling of fluorescent light tubes in Hong Kong to Grand Plaza and Amoy Garden, and promoted the new facilities to tenants – 4,330kg of fluorescent light tubes were recycled in Hong Kong in 2014.
- Installed food waste composters at the Peak Galleria and Amoy Gardens – 7,323kg of food waste was composted in Hong Kong.
- Introduced glass and plastic bottles recycling in Hong Kong properties – 850kg of glass bottles and 603kg of plastic bottles were collected since the introduction of the program in 2014.

Case study

Waste management at Amoy Gardens, Hong Kong

Amoy Gardens Phase II completed the Municipal Solid Waste Charging Pilot Scheme launched by the Environmental Protection Department (EPD) of the HKSAR Government. It is among seven housing estates to carry out the scheme, which provided useful data and valuable experience for the EPD to formulate future municipal solid waste charging policy.

During the six-month Pilot Scheme, Amoy Gardens Management Office collaborated with the EPD to organize a series of promotional activities and increase the number of waste recycling facilities. Amoy Gardens successfully recorded over 10% waste reduction while the amount and quality of recyclables collected increased.



Waste less, recycle more!

In addition to the Pilot Scheme, the property has launched a food waste recycling campaign in June 2014 to promote waste reduction and living a green life. The nine-month campaign had three phases.

In each phase, residents from 120 households were invited to recycle their food waste. In order to encourage residents to take part, residents can use fertilizer recycled from the food waste to grow vegetables and fruit in the community farm specially set up in Amoy Gardens.

Water consumption management

Whilst the Group does not operate in any water scarce region, water scarcity is a global issue that we must work together to address. This includes installing water efficient equipment in our buildings to reduce reliance and consumption, and creating greater awareness of water scarcity among employees, tenants, customers, and the wider community.

Actions implemented include:

- In Standard Chartered Bank Building, the Water Conservation Plan was executed to monitor and report on inefficient water use and introduced improvement methods to identify water efficiency gaps.
- At the Peak Galleria, rainwater is collected for flushing toilets and landscaping, sensor-type water faucets were replaced and, water saving signs are displayed to raise awareness of tenants and consumers. Besides, water meter, water system and water faucet checks are conducted daily to ensure their optimal performance.
- Replacement of the sensor water faucets in 15 buildings in Hong Kong including Hollywood Plaza, Fashion Walk and Kornhill Plaza.

Water intensity in Hong Kong and Mainland China:
2013: 1.40 m³/m²
2014: 1.35 m³/m²

Come to Wuxi and visit Center 66!



The Hong Kong Institute of Architects Annual Award...

Recognition in 2014

- The MIPIM Asia Awards recognize the property industry's best and brightest, rewarding innovation and achievement in a variety of fields. After selection by a prestigious jury and a vote by MIPIM Asia delegates, winners are awarded Gold, Silver and Bronze recognition. In 2014, Wuxi Center 66 was awarded Silver for Best Mixed-use Development and Blue Pool Road was awarded Silver for Best Residential Development.
- Center 66 was awarded The International Architecture Award 2014 presented by The Chicago Athenaeum: Museum of Architecture and Design and The European Center for Architecture Art Design and Urban Studies. It also won a Merit Award in The Hong Kong Institute of Architects Annual Awards 2013 in the Outside Hong Kong – Commercial Building category.

OUR PEOPLE

Hang Lung Group is traditionally a company with a very strong culture. But as we expand, it was difficult to maintain, let alone strengthen it. As we build out our team, corporate culture is an area which management must revisit. It needs to be reaffirmed, strengthened and propagated throughout the organization. No corporation can have sustainable success without a proper culture



OUR success as a business depends on the caliber of our people. On top of performance, we are particular about staff integrity, which forms an integral part of our corporate culture. As the size of the company's workforce has been growing rapidly to support the expansion of our business, the Group will strive to maintain the highest standards of integrity and honesty amongst the members of our management and our staff. As we expand, we will continue to devote significant resources and energy to developing the expertise and skills of our team. We put career and personal development first with a view to encouraging life-long learning across the organization.



Highlights in 2014

grew by **15.8%**

Workforce in 2014 as compared with 2013

Injury rate in 2014 as compared with 2013

decreased from 1.39%

to **0.78%**



Training hour for employees

in 2014 as compared with 2013



increased by **23%**



Volunteer hour

in 2014 as compared with 2013

increased by **72%**

Staff development

As a company that has steadily carved out a reputation as a responsible and caring employer, we see our staff as our most valued asset. We therefore operate innovative and diverse development programs to unlock their potential to the fullest. From 2013 to 2014, the total number of training hours increased from 56,298 to 69,254, with training hour per employee growing from 14.8 to 15.7 hours.

Case study

The Executive Exchange Program

The opportunity to discuss and share ideas with colleagues from different departments has been valuable. It is through such exercise that we get to learn more about other units

Carolina Yip, Manager – Special Projects, Chairman's Office

Preparing for the presentation was the most unforgettable part for me. Although the program members had different opinions, we worked together to consolidate our ideas, which is the best way to demonstrate our team spirit

Dong Jing, Manager – Legal Team, Palace 66

The Executive Exchange Program for managerial staff from both our Hong Kong and Mainland China offices includes a series of executive development activities, such as formal and informal meetings with the Managing Director and senior executives, an Outward Bound program and a project presentation. Through these activities, our colleagues from Hong Kong and Mainland China are able to strengthen their team spirit and gain practical knowledge of modern leadership skills.

Case study

I think Hang Lung Group is a very sincere Company. It cares for applicants during the recruitment process, when staff explained the program and took our needs into consideration. It's exactly such a passion that really moved me

Andrew Man

Working on the Mainland is already a big trend in the company and provides lots of golden opportunities. Hence, I wish to know more about the Group business on the Mainland. I believe this would help a lot in my career development

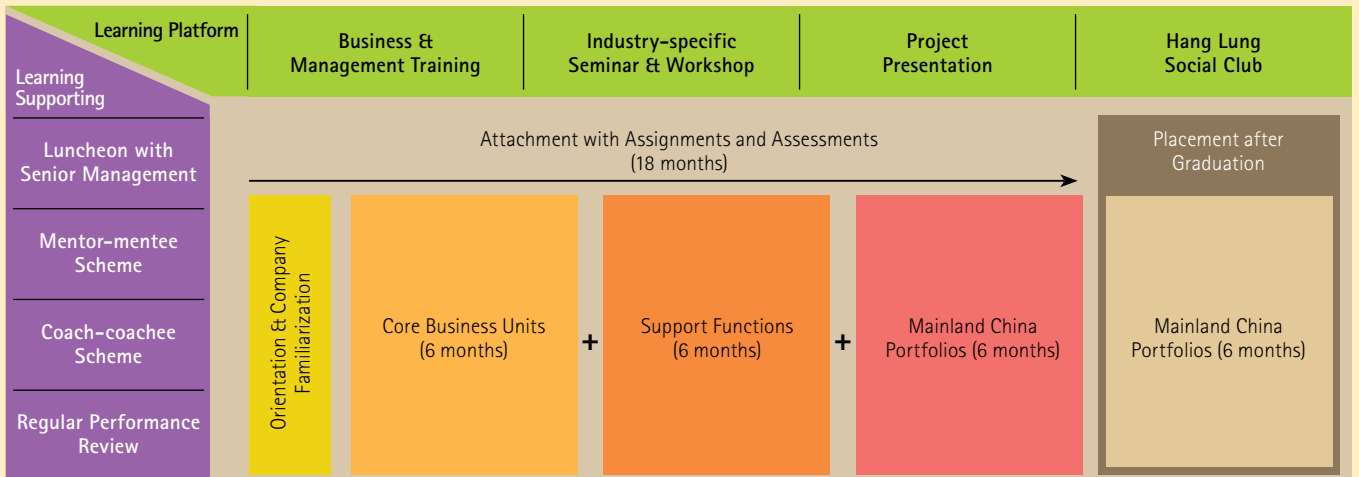
Terrence Tse



Other trainees and I took part in team-building activities in Sai Kung. The challenge was a great lesson to me. I hope to become more familiar with the company soon and contribute to it my enthusiasm and energy

Charlotte Kong

In building a pool of talented professional managers to meet our current and future needs, we select outstanding graduates from local and overseas universities to join our well established Management Trainee Program. With over 1,300 applications from Hong Kong, Mainland China and abroad this year, 11 trainees attended a range of training and development events, which focused on business etiquette, leadership and personal development as well as a six month placement in one of our Mainland China properties.



Meeting the training needs

Academy 66 is one of our flagship development programs. A popular component is the "Learn@Lunch" series organized to broaden staff horizons and stimulate creativity. In 2014, we held discussions between renowned speakers and our staff on a variety of business topics, such as digital marketing and branding. The Managing Director of InnoSights, a management consulting firm, helped our staff learn about recent trends in digital marketing and their application to property leasing and management. The President of Kering Asia-Pacific, a world leader in apparel and accessories, shared her experiences in brand value creation, and the interdependence of landlords and tenants as they respond to changes in market sentiment. The topics were selected because senior management recognizes that the next generation of leaders at the Group must excel at operation management.

We establish the e-learning platform "eAcademy 66" on our Intranet that details relevant information at Group level and from each of our Mainland China offices and includes relevant training materials to facilitate continuous learning. Besides, we organize in-house training programs on an on-going basis. Programs in 2014 included workshops on handling

Case study



The importance of brand value creation...

complaints, leadership skills, and stress management as well as compulsory annual refresher training on the latest security regulations. Subsidies are available to cover costs associated with external training courses.

Ensuring continual development

Conducting performance appraisals and meeting the expectations of our employees are vital to our objectives of attracting, motivating and retaining talent. To ensure our employee's continual development with the Group, we conduct performance appraisals on a bi-annual basis. The performance appraisals help employees maximize their potential and maintain consistently good performance to support the overall objectives and sustainable growth of the Group. Fundamentally, performance appraisals provide feedback on employee performance as well as to determine if appropriate remedial actions are necessary when performance gaps have been identified; establish future goals or performance objectives for employees; and provide a platform to communicate with employees on their expectation, career aspiration and training needs.

Employee wellbeing

We strive to continuously improve staff wellbeing by providing a safe and healthy work environment and promoting work-life balance. We are committed to ensuring the highest standards in occupational health and safety. Priority is given to communicating Work Safety Guidelines and Machine Operation Guidelines to newly joined frontline staff. Regular training is carried out to ensure that employees are equipped with the necessary skills and knowledge to undertake any operational works.

*It's fun
to make
macarons,
isn't it?*



*3... 2... 1...
say cheese...!!!*



*Come
and enjoy
some fresh air
with us!*

Throughout the year, we organized Employee Wellness Programs that helped staff establish an appropriate and acceptable work-life balance. The Social Club, comprising representatives from various departments, organized a wide array of enjoyable and stimulating activities for staff and their family members such as sports, volunteering activities, interest classes, excursions and movie screenings. Other activities organised included health talks, annual dinners, annual outings and staff parties.

An expansion of the Employee Wellness Program with professional counseling services, a Health Day, and other health-related activities will be organized in 2015. We also provide the latest news on health and wellbeing on the Intranet to promote a culture of safety and reinforce occupational safety practices among our employees.

We provide effective two-way communication platforms for senior management to engage with employees of all level. Employees are also invited to provide any feedback on our business operation, workplace practice and sustainability performance. During the year, the Group organized staff briefing sessions in Hong Kong, Shanghai and Shenyang immediately after the announcement of the interim results. At the staff briefing session, Mr Philip Chen, Managing Director, Mr H.C.Ho, Executive Director, and Mr Norman Chan, Director – Leasing & Sales, explained the results and shared their insights with colleagues. Informal lunch gatherings are also organized regularly between senior management and our employees. On November 2014, colleagues from different departments joined a lunch gathering with Mr Philip Chen and other senior management.

Employee volunteering

Established in 2012, the Hang Lung As One volunteer team serves the community in three target areas: youth development, environmental protection, and service to the elderly. With some 1,500 volunteers spread across our Hong Kong, Shanghai, Shenyang, Jinan, Wuxi, Tianjin, Dalian and Kunming offices, our employees share their knowledge and experience with community members and also develop new skills in leadership, team organization and motivation.

Our employees contributed more than 11,000 service hours to communities in Hong Kong and Mainland China in 2014, leading some 90 volunteer activities. This represents a 72% increase compared to 2013. In 2014, the volunteer team organized a number of new activities with



Adrian Lo,
Assistant Director -
Project Construction

Introducing the buildings on the Hong Kong University campus is a perfect way to explain architecture to secondary school students, since it allows them to have a real-life frame of reference when selecting their future profession. Hang Lung Group strives for perfection on project design, and at the same time, cares about the aesthetics and functionality of a building, which together to enhance the quality of life of people in the community

executive support. Mr. Raymond Mak, Assistant Director and Group Financial Controller, participated in the coastal cleanup in Deep Bay with 60 primary school students. Mr. Adriel Chan, Senior Manager, stimulated primary school students' creativity through an art jamming activity. Volunteers in Shenyang brought more than 100 students from a school for the visually impaired to the PALACE cinema at Forum 66, allowing the students to experience the fun of movies by listening to them.

Equally important to volunteering our time to community services, we also actively identify areas where we can contribute our skills, knowledge and expertise to address social needs in communities. Highlight of activities conducted in 2014 include:

- Sharing our **"We Do It Right"** ethos by Mr. C.F. Kwan, Assistant Director – Corporate Communications, with 300 participants at Hang Seng Management College.
- Providing legal advice and distributing 150 law booklets by our Legal team at Palace 66 in Shenyang.
- Organizing the "Eco Discovery", an educational tour conducted by employees to primary school students and members of the public to learn about environmental initiatives (e.g. wind turbine, solar panel system, sunlight sensor canvas) implemented at the Peak Galleria.

Youth development

Architectural tours were organized with staff volunteers trained to be docents for over 70 secondary school students.



Promoting green living

The Hang Lung Green LEEDers program was organized for the third consecutive year to promote the message of environmental protection to 240 youngsters in Hong Kong and Mainland China.



Services for the elderly



In 2014, we organized 18 volunteer activities for senior citizens in Hong Kong and Mainland China. These included a poolside party, delivery of seasonal soups, homemade moon cakes, as well as handicrafts to the elderly on a regular basis.

We donated HK\$1 million to establish the "Hang Lung x Lok Kwan Community Cuisine," a jointly-run program with Lok Kwan Social Services to provide affordable and nutritious meals to elderly residents of Wong Tai Sin and Tsz Wan Shan.

To recognize the efforts of our employee volunteers, we organize an annual ceremony to express the Group's appreciation. The annual ceremony is hosted by members of the senior management and the Board of Directors, demonstrating the Group's gratitude for the work of *Hang Lung As One*.

Recognition in 2014

In the area of human resources management, Hang Lung Properties was recognized by several organizations.


- Named a Distinguished Family-Friendly Employer for the second time under the 2013/14 Family-Friendly Employers Award Scheme organized territory-wide by the Family Council. The award highlights Hang Lung Properties' all-round excellence in adopting family-friendly employment policies and practices, such as the Family Knows Your Workplace program under which all staff from Hong Kong and Mainland China offices are encouraged to invite their family members to visit their workplace and learn more about the Group and their work.



It is our mission to be a responsible employer and care for our employees.


- Presented with the Employer of Choice Award by JobMarket for our creative staff recruitment and development initiatives.
- Garnered three prestigious titles at the Asia Pacific Customer Service Consortium Awards:
 - People Development Program of the Year (Property Management)
 - the Employee Engagement Program of the Year (Property Management)
 - the Corporate Social Responsibility Leadership of the Year (Property Management)
- Won the title of Manpower Developer in the ERB Manpower Developer Award Scheme organized by the Employees Retraining Board.

OUR PARTNERSHIPS




Sustainable supply chain practice is increasingly recognized as a key component that requires immediate attention by the industry. By engaging our suppliers and contractors proactively in sustainability, Hang Lung group strives to act beyond our own interests to address the interests of our stakeholders and the interests of society at large

Raymond Mak,
Assistant Director, Group
Financial Controller



We have to work together to build a sustainable future...



...and Hang Lung Group is the critical link to bring all parties together.

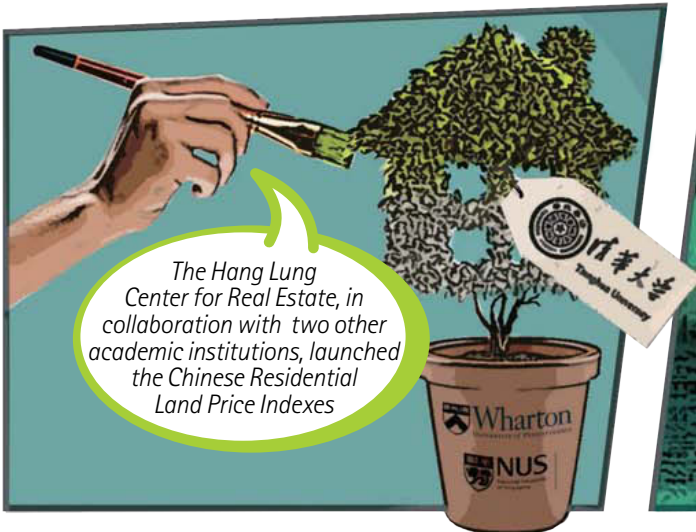
HANG LUNG

Group seeks to establish strategic partnerships with key stakeholders who share our core

values. We believe that building dynamic, long-lasting partnerships help us achieve our Sustainability Vision of becoming an active member and supporter of the community in every way we can – strategically, financially and socially.

We aim to be a fair and responsible business partner to our suppliers, contractors and subcontractors. We also create social value through innovative community partnerships, such as the Hang Lung Center for Real Estate at Tsinghua University and Hang Lung Mathematics Awards. We participate in public consultations and discussions that endeavor to advance the sustainable development of the real estate industry.

Highlights in 2014



Working with our suppliers and contractors

	Metric	Hong Kong*
Number of suppliers	Unit	147
Monetary value of payment made to suppliers	HK\$ million	3.59
Percentage of procurement budget spent on local suppliers**	%	100
Suppliers assessed for compliance to Supplier Code of Conduct	Unit	5

Managing our supply chain effectively is integral to our business strategy. This means having a robust system in place to continuously review our supply chain, taking concrete actions to enhance the quality of services and products we procure, and working closely with our suppliers to improve their sustainability performances. Our Code of Conduct sets out the standards of behavior expected from the Group and the guidelines on employees' relations with suppliers and contractors in areas such as fair and open competition, and anti-bribery and corruption practices.

* The total number of suppliers and total payment is calculated based on procurement that are centrally purchased in Hong Kong.
 ** We define local suppliers as those who are based in the same geographical market as the Group.

Our Supplier Code of Conduct also sets out the basic standard of conduct expected from our suppliers when dealing with the Group. The Code focuses on the following areas: (i) Compliance with laws of Hong Kong and in other jurisdictions; (ii) No child or involuntary labor; (iii) Coercion and harassment and no discrimination; (iv) Association and compensation; (v) Health and safety; (vi) Prevention of Bribery Ordinance; and (vii) Records, accounts and other documents. While the Code covers all products and services procured in Hong Kong by the Central Purchasing Department, the Group faces challenges in the full implementation of the Code in our properties in Mainland China.

The Group's Central Environmental Purchasing Policy communicates effectively with our suppliers and contractors in Hong Kong our operational and environmental requirements. For instance, the Policy includes



guidance on relevant regulations as well as the purchase and use of timber-related products, recyclable products, products' packaging and energy-efficient equipment. We ensure contracts are clearly prepared and communicated to suppliers and contractors to avoid unnecessary confusion or dispute. Our assessment in 2013 showed that around 11% of our purchased goods in Hong Kong were produced with environmental considerations, and was increased to 28% in 2014. In 2014, we discussed with the procurement departments in Hong Kong and Mainland China about drafting a list of green materials for procurement purposes.

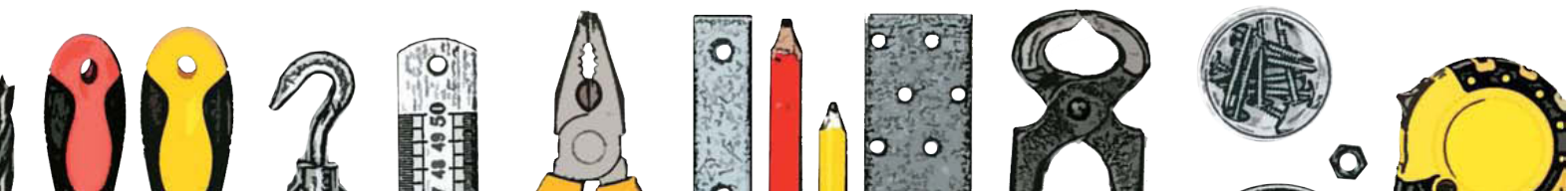
As construction contractors account for the most significant part of the Group's procurement spending and overall impact, a key part of our supply chain management practice includes the identification, evaluation and monitoring of our construction contractors. We maintain a short list of "super class" construction contractors for our projects in Mainland China to ensure that they maintain a certain standard of health, safety and environmental performance. This is particularly important given that occupational health and safety in construction site is a very material issue for the real estate industry and our commitment to benchmarking our sustainability performance among the best performers in the industry.



An area in which we have devoted more resources and effort in recent years is that we have worked more closely with our contractors to track and continuously improve their occupational health and safety performance. Due to the inherent risks to health and safety at any construction site, we began collecting occupational health and safety data of our contractors in 2013. Analysis showed a discrepancy in the quality of the data management system of contractors in Hong Kong as compared with peers in Mainland China. While a few contractors in Mainland China can now demonstrate their "best in class" approach to data collection and reporting, there is still work to be done for the Group and the entire industry so that the accuracy of occupational health and safety data, such as injury rate at construction sites, can be further improved.



Recognizing that injury and fatality rates of contractors are key performance indicators for both our stakeholders and business, we provide training for workers employed by our contractors and subcontractors to enhance their knowledge on occupational health and safety specific to the real estate industry. For example, in the last quarter of 2014, training were provided to the Wuhan office and contractors working on the construction of Heartland 66. The focus was on crisis management where participants exchanged ideas and strategies on the effective and swift handling of unexpected events. Looking ahead, we recognize that more enhancements are required to further strengthen our supply chain management. The newly established Cost and Control Department will be tasked to work more closely with suppliers to maintain stringent standards on quality and occupational health and safety. Plans are in place to work with external consultants to identify ways to strengthen the occupational health and safety of our employees and the contractors' workers on site. The Group also plans to collaborate more closely with our peers to identify ways in which we can work together to identify feasible solutions as addressing risks in the supply chain is an industry wide challenge.



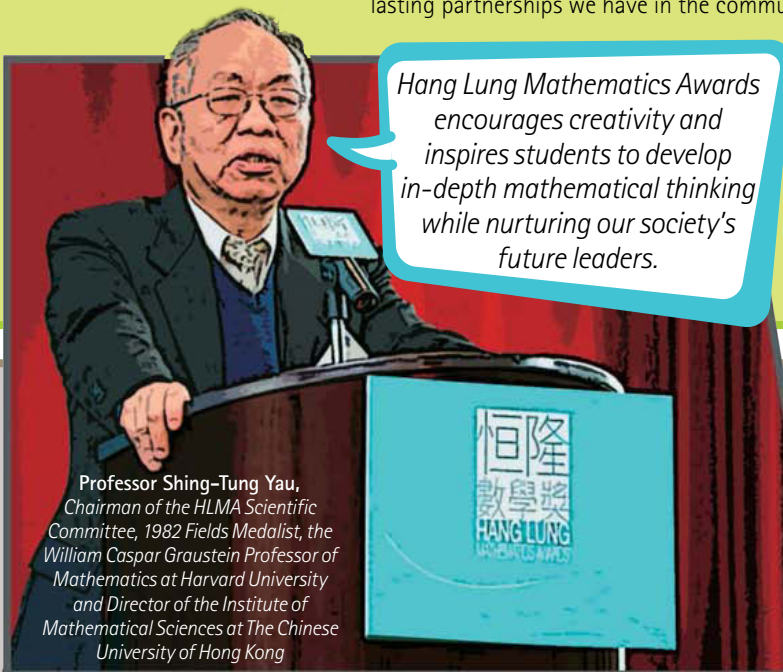
10th Anniversary of the Hang Lung Mathematics Awards

Hang Lung Properties, in conjunction with The Institute of Mathematical Sciences and Department of Mathematics of The Chinese University of Hong Kong, organizes the Hang Lung Mathematics Awards (HLMA). Founded in 2004, the biennial HLMA encourages secondary school students to realize their potential in the creativity of mathematics and sciences by stimulating their passion for intellectual discovery and by nurturing them to become world-class mathematicians.

This prestigious event has nurtured over 1,700 secondary school students, awarding HK\$6 million in scholarships to assist their university studies and further pursuits over the past decade. In 2014, nearly 70 teams formed by over 200 students from over 40 schools participated. The Gold Award went to Yuk Lun Fong from Buddhist Sin Tak College, who examined the Erdős–Straus Conjecture.

Case Study

Over the past decade, the participating students have been ambassadors to the global mathematics community by promoting the intellectual rigor that Hong Kong students possess. Past winners have gone on to careers in top-tier investment banks and doctoral programs at top universities in Asia, Europe and the U.S. The Award presents one of the long lasting partnerships we have in the community to foster new talents to sustain Hong Kong's future.



Hang Lung Mathematics Awards encourages creativity and inspires students to develop in-depth mathematical thinking while nurturing our society's future leaders.



Happy to see you too...

Happy to see you again! It's already been 10 years since you participated HLMA...

A discussion with the HLMA 2004 Gold Award winner Edward Sin Tsun FAN

Ten years later, Hang Lung Properties sat down with Mr. Edward Fan, winner of the inaugural Hang Lung Mathematics Award (HLMA) in 2004. His research topic was on the "Marked Ruler as a Tool for Geometric Constructions - from angle trisection to n-sided polygon".



Why did you participate in HLMA?

When

I was in form 7, I was busy preparing for my A-level exams. I heard from my teachers in high school, my parents, and professors at The Chinese University of Hong Kong that there was a new research-based mathematics competition called Hang Lung Mathematics Award. This was a serious competition with a strong scientific committee consisting of world renowned professors. Immediately it drew my interest so I decided to participate.



How did you connect your experience of HLMA with your development?

The experience of HLMA has greatly impacted my development in mathematics. Undoubtedly, in the course of performing the research, I learned many techniques in finding references and gathering known results from numerous literatures. Moreover, the experience was quite different from a problem-solving based competition - I needed to think of the right problem to work on, instead of drilling down on a known difficult problem. So it trained my integrated skills and boosted my creative thinking. Mathematics is a science as well as an art, you cannot merely use your logical thinking to deal with it. Instead, one needs to use correlative thinking to construct new problems, and then solve it using logic; experiences as well as intuitions are equally important.



Congratulation to the students who won the HLMA...



What is your secret to learning Mathematics?

I spent some time reading journals and books to familiarize myself with the format for HLMA. The second point I want to stress is that the terminologies throughout the report must be consistent. Writing a research paper is similar to writing a novel. You cannot write everything by a series of definitions, theorems and proofs. Instead, you need to have an introduction to your research, elaborations between theorems, and so on, to enrich your report. Remember that the research report is the interesting story you want to share with others, so it should not be mixed up with lecture notes used in lessons.

Anything you would like to share with future participants of HLMA?

Take this good opportunity to explore the fantasy of mathematics. You will learn much faster and much deeper than reading a good book or attending a training course. Whether you get an award or not, working alone or working as a team, the most fruitful thing is experienced during the work process. Try to spend more time to find a good topic. With a good topic, you are already halfway to success. As a final remark, a good problem is determined by its importance in mathematics, its creativity, and its difficulty.

Mr Edward Fan has recently completed his PHD in number theory and arithmetic geometry at the California Institute of Technology.

Establishing partnerships in the community

In 2014, we provided HK\$22 million of financial donations and offered free venues to support various worthwhile causes. We believe in cultivating meaningful long-term partnerships with community organizations, thus we select partners that share our Sustainability Vision. We focus on areas that are aligned with our overall business strategy and the needs of the community. Among our long-term partnerships, the Hang Lung Center for Real Estate and the Hang Lung Mathematics Award are two important partnerships which enable us to create social value for the business and community. We are also actively engaged in discussions that strive to advance the real estate industry and encourage members of the public to take concrete actions towards meaningful environmental and social causes.

Case Study


Hang Lung Center for Real Estate

The Hang Lung Center for Real Estate at Tsinghua University in Beijing (the Center) was known as the Institute of Real Estate Studies (the Institute) when it was established in 1992. It is a university-level research body jointly developed by different schools. It is also one of the earliest established education and research institutions concerned with the real estate sector in universities in Mainland China. In 2010, Hang Lung Group donated HK\$30 million to establish the Center in order to support real estate academic research and development as well as to train future industry leaders.

From 1992 onwards, the Institute and the Center have nurtured nearly 300 undergraduates, master and doctoral graduates. Over 1,000 senior executives from the real estate sector have also been trained. The Center has provided research support to related government departments in formulating policies benefiting the sustainable and healthy development of the real estate market. Our stakeholders has also expressed that they considered the Group's involvement in the Hang Lung Center for Real Estate to be strategic for the Group as it is aligned with our core business.

In 2014, the Center, in collaboration with the Institute of Real Estate Studies at National University of Singapore (IRES), and The Wharton School at University of Pennsylvania, launched the Chinese Residential Land Price Indexes (CRLPI). The CRLPI are constant-quality series that track changes in the real value of residential land parcels in 35 major cities across China. Index values are reported at quarterly, semi-annual, and annual levels for different levels of geographic aggregation (national, regional and city) depending upon data availability and quality.

Looking ahead, the Hang Lung Center for Real Estate will continue to nurture talent for the industry and conduct innovative research that aims to advance the real estate industry and support government policy makers.



Please visit
www.tsinghua.edu.cn/publish/cre/
for more detailed
information of the Center

Memberships and charter

The Group seeks to actively support and engage with industry associations, government bodies and environmental organizations that are aligned with our corporate values. Below is a list of selected memberships, charters and initiatives that we participated in during 2014.

Partner	Rationale	Actions
Real Estate Developers Association of Hong Kong (REDA)	We believe that we are a leading voice in Hong Kong's real estate development community. We seek to influence government policy and community understanding about our industry through our work with REDA.	Mr Ronnie Chan, Chairman, serves as Vice President and Mr Philip Chen, Managing Director is an Executive Committee Member.
Tsinghua University	We believe that fostering research in the real estate sphere and developing talent in the real estate industry is vital to supporting the long-term sustainability of our business and the community.	Sponsor of the Hang Lung Center for Real Estate at the Beijing-based university.
The Chinese University of Hong Kong	We believe in nurturing world-class mathematics talents by providing a unique platform to stimulate critical thinking and creativity, as well as to raise academic aptitude and ability.	Founded in 2004, the biennial HLMA has nurtured over 1,700 secondary school students in Hong Kong, awarding HK\$6 million in scholarships to assist their university studies and further pursuits.
Asia Society	We are committed to promoting mutual understanding and strengthening partnerships among peoples, leaders and institutions of Asia and U.S. in a global context.	Our Chairman, Mr Ronnie Chan is currently the Co-chair of the Board of Asia Society and Chairman of its Hong Kong Center
Business Environment Council	We have joined over 100 companies and organizations globally in taking a pledge to reduce energy consumption and carbon emissions in their commercial buildings.	Council Member and signatory to the World Business Council for Sustainable Development Energy Efficiency in Buildings Manifesto.
Hong Kong Green Building Council (HKGBC)	We support the HKGBC's mission to lead market transformation by advocating green policies to the Hong Kong Government; introducing green building practices to all stakeholders; developing design, construction and management standards for the building profession; and promoting green living to the people of Hong Kong.	Gold Patron Member
Hong Kong Special Administrative Region Government	We support Government organized environmental initiatives as we believe in the need to participate in community-wide campaign to tackle issues such as climate change and reducing waste sent to landfill.	Signatory to the Food Wise Charter (Environmental Bureau); Energy Saving Charter on Indoor Temperature (Environmental Bureau and Electrical and Mechanical Services Department); Carbon Reduction Charter and Carbon Audit Green Partner (Environmental Protection Department).
Vocational Training Council	We support the Council's mission to provide (1) a valued choice to school leavers and working adults to acquire values, knowledge and skills for lifelong learning and enhanced employability and (2) valued supports to industries for their manpower development.	Signatory to the Talent-Wise Employment Charter.
WWF Hong Kong	We have pledged not to serve shark fin soup as part of our corporate activities.	Signatory to No Shark Fin Pledge.
Friends of the Earth Hong Kong	We seek to realize zero food waste at banquets.	Supporter of the Light banquets campaign. Signatory to Order Less Waste Less Pledge. Earth Partner since 2012.

Sustainability performance

Environmental Performance								
		Unit	2012		2013		2014	
			HK	MC	HK	MC	HK	MC
Energy management								
Energy intensity of buildings in use		kWh/m ² /year	115.73	110.05	111.31	102.46	108.15	93.32
Electricity consumption		kWh	95,203,762	72,112,995	82,110,451	85,680,761	79,780,261	101,945,767
Direct energy consumption	Diesel	liters	N/A	N/A	2,744	5,395	4,407	4,007
	Towngas	m ³	N/A	N/A	N/A	217,960	N/A	235,717
	Natural gas	m ³	N/A	N/A	N/A	4,005	N/A	39,486
Greenhouse Gas emissions	Direct emissions (Scope 1)	tCO ₂ e	N/A	N/A	477.77	11.76	1,754.35	659.54
	Indirect emissions (Scope 2)	tCO ₂ e	N/A	N/A	57,477.32	65,190.96	54,888.33	96,085.18
	Intensity	tCO ₂ e/m ² /year (CFA)	N/A	N/A	0.078	0.078	0.0768	0.0886
Renewable energy generated		kWh	N/A	N/A	200	248,092	95.4	403,720
Water management								
Water intensity in our buildings		m ³ /m ²	1.58	1.78	1.35	1.46	1.53	1.23
Fresh water consumption		m ³	589,248	456,606	482,649	563,950	548,290.74	694,273
Water reused		%	N/A	N/A	2.6	1.2	1	1.2
Waste management								
Recycled waste	Paper	kg	N/A	N/A	192,896	166,300	138,721	514,745
	Metal	kg	N/A	N/A	2,484	9,800	2,174	20,160
	Food	liters	N/A	N/A	3,783,120	N/A	7,323 (kg)	N/A
	Plastic	kg	N/A	N/A	N/A	5,400	603	N/A
	Glass	kg	N/A	N/A	N/A	1,100	850	N/A
	Fluorescent light bulbs/tubes	pieces	N/A	N/A	N/A	13,000	4,330 (kg)	8,013
	Grease waste	liters	N/A	N/A	N/A	207,200	N/A	212,532
Waste disposed in landfills		tons	N/A	N/A	3,896	62,034	5,072	58,026.30

Note: The electricity data for Hong Kong in 2012 covers 33 buildings. The data in 2013 and 2014 covers 28 buildings. In 2013 and 2014, the following buildings were not included: Laguna Plaza, Star Centre, Park Building, Stanhope House, Queensway Plaza, The Wesley and The Bay Bridge as some of these properties have been sold and are no longer managed by the Group. The Standard Chartered Bank Building and Carmel-on-the-Hill were added. In Mainland China, the electricity data for 2012 includes Plaza 66 and Grand Gateway 66 in Shanghai. In 2013, the electricity data includes Plaza 66, Shanghai, Grand Gateway 66, Shanghai and Palace 66, Shenyang. In 2014, the data includes Plaza 66, Shanghai, Grand Gateway 66, Shanghai, Palace 66, Shenyang, and Parc 66, Jinan. The electricity consumption data includes air conditioning, lifts systems and the central treatment plant for the entire development. Electricity consumed by tenants within their own rented spaces is not included since the tenants primarily control the consumption. Data is based on meter readings. Renewable energy generated in Mainland China is from solar panels. Mainland China's direct energy consumption (Towngas) data is from Plaza 66, Shanghai. Mainland China's direct energy consumption (Natural gas) data is from Parc 66, Jinan. Hong Kong's direct emissions data includes emissions from diesel and refrigerants. Mainland China's direct emissions data includes emissions from diesel and natural gas. Hong Kong's indirect emissions include emissions from electricity. Mainland China's indirect emissions data includes emissions from electricity, towngas and steam.

Indicator

HK: Hong Kong

MC: Mainland China

For water, fresh water consumption data excludes water consumption of our tenants. The data in 2012 includes 33 buildings. The data in 2013 and 2014 includes 28 buildings. In 2013, the following buildings were not included: Laguna Plaza, Star Centre, Park Building, Stanhope House, Queensway Plaza, The Wesley and The Bay Bridge as these properties have been sold and/or are no longer managed by the Group. The Standard Chartered Bank Building and Carmel-on-the-Hill were added. Mainland China water data includes buildings with over two years of operation. The data in 2012 includes Plaza 66 and Grand Gateway 66 in Shanghai. The data in 2013 includes Plaza 66, Shanghai, Grand Gateway 66, Shanghai and Palace 66, Shenyang. In 2014, the data includes Plaza 66, Shanghai, Grand Gateway 66, Shanghai, Palace 66, Shenyang, and Parc 66, Jinan.

For waste, Hong Kong's recycled waste (food) is an estimated full-year figure based on the number of 660L/240L rubbish containers recorded from August to December 2013. Mainland China's grease waste is from Palace 66 and Forum 66 in Shenyang and Parc 66 in Jinan.

Economic Performance										
	Unit	2012			2013			2014		
		HK	MC	Total	HK	MC	Total	HK	MC	Total
Number of Cities of Operations	No.	1	7	8	1	8	9	1	8	9
Number of Buildings (both in operation and under development)	No.	26 [#]	7	33 [#]	22 [*]	8	30 [*]	20	8	28
Revenues	HK \$ million	4,290	3,082	7,372	5,612	3,526	9,138	13,114	3,916	17,030
Direct costs and operating expenses	HK \$ million	919	711	1,630	1,458	843	2,301	2,906	1,116	4,022
Employee wages and benefits	HK \$ million	N/A	N/A	907	N/A	N/A	959	N/A	N/A	1,158
Payments to providers of capital	HK \$ million	N/A	N/A	3,238	N/A	N/A	4,407	N/A	N/A	4,502
Payments to government	HK \$ million	439	534	973	385	512	897	684	513	1,197
Community investments	HK \$ million	13	1	14	15	1	16	22	0	22

Note: [#] included 6 sold properties

^{*} included 1 sold property

Social Performance										
	Unit	2012			2013			2014		
		HK	MC	Total	HK	MC	Total	HK	MC	Total
Profile of workforce										
Total workforce (employees and supervised workers)	No.	1,068	2,333	3,401	1,076	2,769	3,845	1,152	3,300	4,452
- Male	No.	677	1,404	2,081	665	1,694	2,359	686	2,043	2,729
- Female	No.	391	929	1,320	411	1,075	1,486	466	1,257	1,723
Total employees by employment contract	No.	1,068	2,306	3,374	1,070	2,733	3,803	1,152	3,255	4,407
- Permanent	No.	1,058	2,306	3,364	1,063	2,726	3,789	1,126	3,254	4,380
• Full time	No.	1,054	2,306	3,360	1,058	2,726	3,784	1,120	3,254	4,374
• Part time	No.	4	0	4	5	0	5	6	0	6
- Temporary	No.	10	0	10	7	7	14	26	1	27
Employees by employee category										
• Operational Staff	No.	630	1,563	2,193	587	1,732	2,319	590	2,016	2,606
• Administrative Staff	No.	351	637	988	386	848	1,234	430	1,066	1,496
• Executive Staff	No.	87	106	193	103	147	250	132	173	305
Employees by age group										
- Under 30	No.	153	835	988	149	943	1,092	165	1,147	1,312
- 30-50	No.	654	1,336	1,990	667	1,633	2,300	695	1,942	2,637
- Over 50	No.	261	135	396	260	151	411	292	166	458
Turnover rate	%	16.95	12.81	14.25	17.25	10.65	12.7	16.62	11.59	13
New hires	No.	271	696	967	344	841	1,185	398	1,286	1,684
Employees covered by collective bargaining*	%	0	59.50	40.7	0	50.46	36.18	0	41.23	30.45
Employees receiving regular performance and career development reviews	%	99.69	100	99.90	99.48	100	99.85	98.79	100	99.68
Occupational health and safety										
Injury rate	%	2.25	1.01	1.40	1.81	1.23	1.39	1.03	0.70	0.78
Lost day rate	%	0.17	0.11	0.12	0.13	0.14	0.14	0.06	0.07	0.67
Absentee rate	%	1.74	1.11	1.31	1.73	1.18	1.34	1.50	1.42	1.44
Work related fatalities	%	0	0	0	0	0	0	0	0	0

* There is currently no legislation for collective bargaining in Hong Kong. However, we have various communication channels in place for employees to provide us with their feedback.

	Unit	2012			2013			2014		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
Staff Development										
Average training hours per employee	No.	20.09	19.76	19.96	14.82	14.77	14.80	15.75	15.65	15.71
Average training hours by employee category										
• Operational Staff	No.	N/A	N/A	18.15	N/A	N/A	13.68	N/A	N/A	15.99
• Administrative Staff	No.	N/A	N/A	15.02	N/A	N/A	16.90	N/A	N/A	15.74
• Executive Staff	No.	N/A	N/A	20.86	N/A	N/A	14.86	N/A	N/A	13.21
Number of employees who have received training in anti-corruption	No. and %	390 (37.5%)	1,341 (57.6%)	1,731 (51.4%)	308 (29.5%)	1,256 (46.8%)	1,564 (42%)	193 (17.5%)	313 (9.82%)	506 (11.8%)

Indicator

HK: Hong Kong

MC: Mainland China

Aspect Boundary

Material Issues <i>(from the highest to lowest)</i>	Impacts that occur inside the organization	Impacts that occur outside of the organization	Chapter where the material issue is addressed
Economic performance	✓		About Hang Lung Properties
Risk and crisis management	✓	✓	About Hang Lung Properties
Compliance to environmental laws and standards	✓		Our Buildings
Occupational health and safety	✓	✓	Our People
Training opportunities and career development review	✓		Our People
Assessment of corruption risks and measures for prevention	✓	✓	About Hang Lung Properties
Examples of local community engagement	✓	✓	Our Buildings
Procurement practices and relationships with suppliers	✓	✓	Our Partnerships
Investment of infrastructure or services provided for the community	✓	✓	Our Buildings
Energy	✓	✓	Our Buildings
Waste	✓	✓	Our Buildings
Greenhouse gas and other air emission	✓	✓	Our Buildings
Communication between employees and managerial staff	✓		Our People
Employee benefits and turnover rate	✓		Our People
Sustainability certification, rating and labeling schemes	✓	✓	Our Buildings
Use of materials	✓	✓	Our Buildings
Water	✓	✓	Our Buildings
Customer health and safety	✓	✓	Our Buildings
Reported case of non-compliance with laws and regulations in regard to its product and services	✓		Our Buildings

Sustainability issues not considered significant enough by stakeholders to be material*

Employment of local staff and senior management
Spending on local suppliers, contractors and subcontractors
Environmental impact of transportation of goods and materials
Assessment of suppliers for environmental impact or impacts on society
Biodiversity
Climate change risks and opportunities
Grievance mechanisms for impacts on society
Public policy
Anti-competitive behavior

* A large number of sustainability issues were assessed by stakeholders for significance than captured in the table above and the materiality matrix outlined on Page 20 of this report. A subset of issues that were identified as highly significant to stakeholders were assessed for significance for the business and included in the table above and the mentioned matrix. However, if certain issues were not considered highly significant by stakeholders, this report covers the Group's position on issues such as local procurement practices, climate change risks and biodiversity.

GRI content index

GRI G4 INDICATOR	DESCRIPTION	SECTION	PAGE
STRATEGY AND ANALYSIS			
G4-1	Managing Director Statement	Letter from the Managing Director	4
G4-2	Key sustainability impacts, risks, and opportunities	About Hang Lung Properties Sustainability at Hang Lung Properties Our Buildings	10 15-16 23-36
ORGANIZATIONAL PROFILE			
G4-3	Name of the organization	About this Report	1
G4-4	Primary brands, products, and services	About this Report About Hang Lung Properties	1 5-8
G4-5	Location of the organization's headquarters	Hang Lung Properties is headquartered in Hong Kong.	N/A
G4-6	Countries of operation	About Hang Lung Properties	5
G4-7	Nature of ownership and legal form	About this Report For more information about the company's ownership and legal form, please refer to our Annual Report.	1
G4-8	Markets served	About Hang Lung Properties	5
G4-9	Scale of the organization	Economic performance table Social performance table	56 57-58
G4-10	Profile of workforce	Social performance table	57-58
G4-11	Percentage of total employees covered by collective bargaining agreements	Social performance table	57-58
G4-12	List the organisation's supply chain	Our Partnerships The Group current only reports on its supply chain activities that are centrally purchased in Hong Kong.	47-50
G4-13	Significant changes during the reporting period	There were no significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	N/A
G4-14	Precautionary approach	About Hang Lung Properties Sustainability at Hang Lung Properties Our Buildings	9-10 13-18 23-36
G4-15	Externally developed economic, environmental and social charters	Our Partnerships	54
G4-16	Memberships in associations	Our Partnerships	54

GRI G4 INDICATOR	DESCRIPTION	SECTION	PAGE
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-17	Entities included in the organization's consolidated financial statement	We report on our principal subsidiaries in our Annual Report 2014 as required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. A list of our principal subsidiaries is outlined in our Annual Report, page 197 to 200.	N/A
G4-18	Process for defining the report content and the Aspect Boundaries.	Sustainability at Hang Lung Properties	18-22
G4-19	List all of material Aspects identified in the process for defining report content.	Aspect Boundary	59
G4-20	Aspect report boundary within the organization.	Aspect Boundary	59
G4-21	Aspect report aspect boundary outside the organization	Aspect Boundary	59
G4-22	Restatements of information	Some data presented in this Report differs from those reported in previous sustainability reports due to the different data collection approach used this year. In light of this, we have presented in this Report our performance data for the last three years using the same data collection approach to enable stakeholders to assess our performance consistently and accurately.	N/A
G4-23	Report significant changes in the scope and aspect boundaries	There are no significant changes from previous reporting periods in the scope and aspect boundaries.	N/A
STAKEHOLDER ENGAGEMENT			
G4-24	List of stakeholder groups engaged by the organization.	Sustainability at Hang Lung Properties	19
G4-25	Identification and selection of stakeholders with whom to engage.	Sustainability at Hang Lung Properties	18-19
G4-26	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Sustainability at Hang Lung Properties	18-19
G4-27	Key topics and concerns that have been raised through stakeholder engagement	Sustainability at Hang Lung Properties	18-19
REPORT PROFILE			
G4-28	Reporting period	About this Report	1
G4-29	Date of most recent previous report	The Sustainability Report 2013 was published on 4th August 2014.	N/A
G4-30	Reporting cycle	The Group reports on its sustainability performance annually.	N/A
G4-31	Contact point for questions regarding the report or its contents.	About this Report	1
G4-32	Report the 'in accordance' option and whether the report is externally assured	About this Report	1
G4-33	Policy and current practice with regard to seeking external assurance for the report.	Hang Lung Properties will continue to seek external assurance of its Sustainability Report.	N/A
GOVERNANCE			
G4-34	Governance structure of the organization	Sustainability at Hang Lung Properties	17-18

GRI G4 INDICATOR	DESCRIPTION	SECTION	PAGE
ETHICS AND INTEGRITY			
G4-56	The organization's values, principles, standards and norms of behavior	About Hang Lung Properties Our People Social performance table	9-11 37-46 57-58
ECONOMIC			
ECONOMIC PERFORMANCE			
G4-DMA	Management Approach	About Hang Lung Properties Sustainability at Hang Lung Properties Our Buildings	5-12 13-22 23-36
EC-1	Direct economic value generated and distributed	Economic performance table	56
EC-2	Financial implications and other risks and opportunities for the organization's activities due to climate change	About Hang Lung Properties Sustainability at Hang Lung Properties Our Buildings	10 17-18 23-36
INDIRECT ECONOMIC IMPACTS			
G4-DMA	Management Approach	Letter from the Managing Director Our Buildings	3-4 23-36
EC-7	Development and impact of infrastructure investments and services supported	Our Buildings	23-36
EC-8	Significant indirect economic impacts, including the extent of impacts	Our Buildings	23-36
PROCUREMENT PRACTICES			
G4-DMA	Management Approach	Sustainability at Hang Lung Properties Our Partnerships	15-18 47-50
EC-9	Proportion of spending on local suppliers at significant locations of operation	Our Partnerships	47-50
ENVIRONMENTAL			
MATERIALS			
G4-DMA	Management Approach	Our Buildings	23-36
EN-1	Materials used by weight or volume	The Group is unable to report on this indicator as we have not been collecting this data consistently across all our properties in Hong Kong and Mainland China. We plan to report on this data next year.	N/A
ENERGY			
G4-DMA	Management Approach	Our Buildings	23-36
EN-3	Energy consumption	Environmental performance table	55
EN-5	Energy intensity	Environmental performance table	55
EN-6	Reduction of energy consumption	Our Buildings	23-36
WATER			
G4-DMA	Management Approach	Our Buildings	23-36
EN-8	Total water withdrawal by source	Environmental performance table	55
EN-10	Percentage and total volume of water recycled and reused	Environmental performance table	55

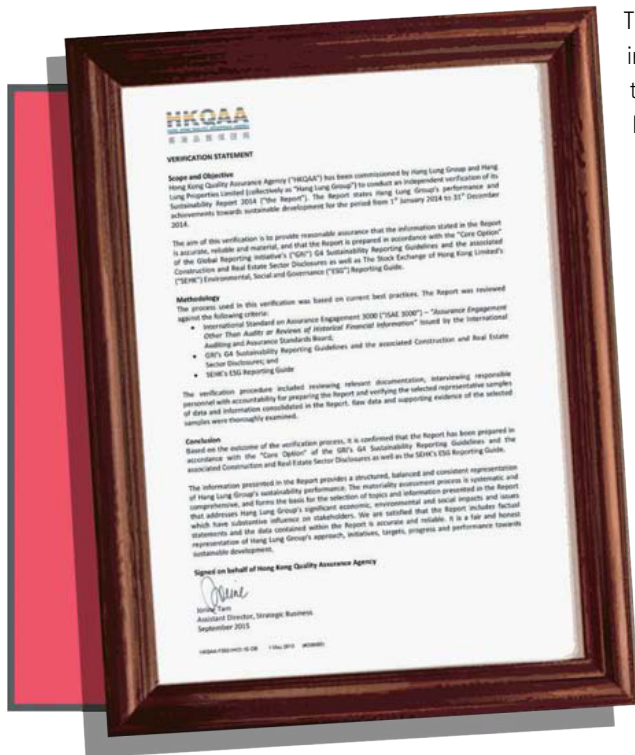
GRI G4 INDICATOR	DESCRIPTION	SECTION	PAGE
EMISSIONS			
G4-DMA	Management Approach	Our Buildings	23-36
EN-15	Direct greenhouse gas (GHG) emissions (Scope 1)	Environmental performance table	55
EN-16	Indirect greenhouse gas (GHG) emissions (Scope 2)	Environmental performance table	55
EN-18	Greenhouse gas (GHG) emissions intensity	Our Buildings Environmental performance table	23-36 55
CRE-4	Greenhouse gas emission intensity from new construction and redevelopment activity	The Group does not report on greenhouse gas emission intensity as we only collect data for buildings that have been in operation for more than two years.	N/A
EFFLUENTS AND WASTE			
G4-DMA	Management Approach	Our Buildings	23-36
EN-23	Total weight of waste by type and disposal method	Environmental performance table	55
COMPLIANCE			
G4-DMA	Management Approach	Our Buildings	23-36
EN-29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Hang Lung Properties was not fined for any non-compliance with environmental laws or regulations.	N/A
SOCIAL			
LABOUR PRACTICES AND DECENT WORK			
EMPLOYMENT			
G4-DMA	Management Approach	Our People	37-46
LA-1	Total number new employee hires and employee turnover	Social performance table	57-58
OCCUPATIONAL HEALTH AND SAFETY			
G4-DMA	Management Approach	Our People	37-46
LA-6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Social performance table	57-58
TRAINING AND EDUCATION			
G4-DMA	Management Approach	Our People	37-46
LA-9	Average hours of training per year per employee by gender, and by employee category	Social performance table	57-58
LA-11	Percentage of employees receiving regular performance and career development reviews	Social performance table	57-58

GRI G4 INDICATOR	DESCRIPTION	SECTION	PAGE
SOCIETY			
LOCAL COMMUNITIES			
G4-DMA	Management Approach	Our Buildings	23-36
SO-1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	The Group carries out environmental impact assessments, local community engagement and community activities based on local communities' needs. However, the Group is currently not tracking the percentage of operations which have implemented across our operations in Hong Kong and Mainland China.	N/A
CRE-7	Number of person voluntarily and involuntarily displaced and/or resettled by development, broken down by project	The Group purchases land directly from governments. We are not involved in any of the land resettlement process thus we do not know the number of person voluntarily or involuntarily displaced as a result of our development.	N/A
ANTI-CORRUPTION			
G4-DMA	Management Approach	About Hang Lung Properties Our Buildings	5-12 23-36
SO-4	Communication and training on anti-corruption policies and procedures	About Hang Lung Properties Social performance table	5-12 57-58
SO-5	Confirmed incidents of corruption and actions taken	There were no reported incidents of corruption.	N/A
PRODUCT RESPONSIBILITY			
CUSTOMER HEALTH AND SAFETY			
G4-DMA	Management Approach	Our Buildings	23-36
PR-2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	There were no reported incidents of non-compliance during the reporting period.	N/A
COMPLIANCE			
G4-DMA	Management Approach	About Hang Lung Properties Our Buildings	5-12 23-36
PR-9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	There were no reported incidents of non compliance.	N/A
LAND DEGRADATION, CONTAMINATION AND REMEDIATION			
CRE-5	Land remediated and in need of remediation for the existing or intended land use, according to applicable legal designations	The Group purchases land directly from the governments in Hong Kong and Mainland China.	N/A
PRODUCT AND SERVICE LABELING			
CRE-8	Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment.	Our Buildings	23-36

Verification statement

Scope and Objective

Hong Kong Quality Assurance Agency ("HKQAA") has been commissioned by Hang Lung Group and Hang Lung Properties Limited (collectively as "Hang Lung Group") to conduct an independent verification of its Sustainability Report 2014 ("the Report"). The Report states Hang Lung Group's performance and achievements towards sustainable development for the period from 1st January 2014 to 31st December 2014.



The aim of this verification is to provide reasonable assurance that the information stated in the Report is accurate, reliable and material, and that the Report is prepared in accordance with the "Core Option" of the Global Reporting Initiative's ("GRI") G4 Sustainability Reporting Guidelines and the associated Construction and Real Estate Sector Disclosures as well as The Stock Exchange of Hong Kong Limited's ("SEHK") Environmental, Social and Governance ("ESG") Reporting Guide.

Methodology

The process used in this verification was based on current best practices.

The Report was reviewed against the following criteria:

- International Standard on Assurance Engagement 3000 ("ISAE 3000") – "Assurance Engagement Other Than Audit or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board;
- GRI's G4 Sustainability Reporting Guidelines and the associated Construction and Real Estate Sector Disclosures; and
- SEHK's ESG Reporting Guide

The verification procedure included reviewing relevant documentation, interviewing responsible personnel with accountability for preparing the Report and verifying the selected representative samples of data

and information consolidated in the Report. Raw data and supporting evidence of the selected samples were thoroughly examined.

Conclusion

Based on the outcome of the verification process, it is confirmed that the Report has been prepared in accordance with the "Core Option" of the GRI's G4 Sustainability Reporting Guidelines and the associated Construction and Real Estate Sector Disclosures as well as the SEHK's ESG Reporting Guide.

The information presented in the Report provides a structured, balanced and consistent representation of Hang Lung Group's sustainability performance. The materiality assessment process is systematic and comprehensive, and forms the basis for the selection of topics and information presented in the Report that addresses Hang Lung Group's significant economic, environmental and social impacts and issues which have substantive influence on stakeholders. We are satisfied that the Report includes factual statements and the data contained within the Report is accurate and reliable. It is a fair and honest representation of Hang Lung Group's approach, initiatives, targets, progress and performance towards sustainable development.

Signed on behalf of Hong Kong Quality Assurance Agency

Jorine Tam

Assistant Director, Strategic Business

September 2015



A summary of this report is incorporated into our 2014 annual report and the full version is available at: www.hanglung.com/sustainability-report

Our stakeholders can contact us at HLProperties@hanglung.com for feedback and suggestions.

Through our open and straightforward approach, we aim to offer investors, customers, staff and communities one of the most transparent and well-governed corporations in Hong Kong and Greater China.

只選好的
只做對的



Hang Lung Properties Limited
Stock Code : 00101

