

Press Release

Hang Lung Announces 25 x 25 Sustainability Targets

A Clear Agenda Towards Sustainability Leadership

(Hong Kong, December 22, 2021) Following the announcement of our 2030 Sustainability Goals and Targets in December 2020, Hang Lung Group Limited (Stock Code: 00010) and Hang Lung Properties (Stock Code: 00101), collectively, “the Companies” or “Hang Lung”, have now taken another big step forward by establishing 25 targets to be achieved by the end of 2025 (“**25 x 25 Sustainability Targets**” or “**25 x 25**”). Our 2025 and 2030 targets together frame our ambition to become one of the most sustainable real estate companies in the world.

The **25 x 25 Sustainability Targets** address the four priorities outlined in Hang Lung’s Sustainability Framework, namely Climate Resilience, Resource Management, Wellbeing and Sustainable Transactions. They define concrete and quantifiable measures Hang Lung will pursue to address significant sustainability challenges and provide our employees with a clear agenda over the next four years. Here are some highlights from this ambitious agenda:

- **Climate Resilience:** Targets related to Scopes 1, 2 and 3 greenhouse gas (GHG) emissions, renewable energy, and climate adaptation
- **Resource Management:** Targets related to recycling, water use, and landfill diversion
- **Wellbeing:** Targets related to employee engagement, gender pay ratio, persons with disabilities, health and wellness, safety, and youth.
- **Sustainable Transactions:** Targets related to suppliers’ ESG performance, marketing events, leases, sustainable finance, and asset acquisitions.

Mr. Adriel Chan, Vice Chair of Hang Lung Group and Hang Lung Properties, who also chairs the Companies’ Sustainability Steering Committee, said “We are excited to announce Hang Lung’s **25 x 25** – our 25 targets to be achieved by the end of 2025 that provide a path toward our 2030 Sustainability Goals and Targets announced last year. Hang Lung’s **25 x 25** sharpens our focus, and sets out detailed milestones on our mission of sustainable growth.”



In support of our long-term sustainability ambition, annual strategic ESG KPIs across the Companies tied to the performance reviews of departments and employees were introduced in 2021. Key achievements this year include: (1) Developed GHG emissions reduction scenarios for 2025 and 2030 and a GHG mitigation plan for 2022; (2) Conducted first employee engagement survey; (3) Secured 30% of debts and available facilities from sustainable finance; (4) Developed detailed methodology for tracking our sustainability spending; and (5) Identified 16 sustainability improvement ideas for adoption in new projects.

See below a full list of the **25 x 25 Sustainability Targets**:

Priority	2030 Goal	2030 Target	25 x 25
Climate Resilience	Reduce carbon footprint in line with climate science	Nearly net zero carbon building	N/A
		Demonstrate best efforts to achieve a 70% reduction in scopes 1 and 2 greenhouse gas emissions intensity (per m ²), compared to 2018 baseline	<ol style="list-style-type: none"> 1. 40% cumulative reduction in GHG intensity (kg CO₂e/m²) relative to 2018 2. 18% cumulative reduction in electricity intensity (kWh/m²) relative to 2018 3. 25% of our mainland China portfolio electricity demand met by renewable energy 4. Wherever feasible exceed local regulations for the provision of parking spaces installed with EV charging facilities across our portfolio



		N/A	<p>5. Demonstrate best efforts to achieve at least 10% reduction in embodied carbon intensity (kg CO₂e/m²) for new development project that begin in 2022 or later, compared to typical practice in an equivalent building</p> <p>6. 15% reduction in GHG intensity (kg CO₂e/m²) from tenants' electricity consumption for our properties in mainland China, relative to 2018</p>
	N/A	Climate adaptation	7. Complete technical analysis for climate adaptation measures for all properties
Resource Management	Promote circular economy by reducing resource consumption and maximizing recycling	Incorporate circular building principles in new properties	<p>8. 60% of construction waste diverted from landfill for new projects starting in 2022 with maximized recycling</p> <p>9. Demonstrate best efforts to maximize the use of recycled, reused and bio-based materials on all new projects</p>
		Implement water management program in all properties	10. 10% reduction in water intensity (m ³ /m ² /year) relative to 2018



		Divert 90% of operational waste from landfill	11. 70% of operational waste diverted from landfill
Wellbeing	Ensure employees, customers and communities enjoy an unrivalled environment that promotes their health and wellbeing	Assess wellbeing for all employees and key customers	12. Achieve an employee engagement rating greater than or equal to the 75 th percentile 13. Maintain Female-to-Male pay ratio of 1:1 14. Conduct an audit of all our properties and corporate practices on how to enhance wellbeing and opportunities for persons with disabilities
		Meet or exceed wellbeing standards for new properties	15. Obtain local or international health and wellness certification for all our existing Mainland properties 16. Obtain WELL Gold certificate or equivalent for at least one new property in Hong Kong and mainland China 17. Deliver priority ESG training targeted to all departments and seniority levels 18. Maintain a Lost Time Injury Rate of 1.5 or below for employees 19. Maintain zero work-related fatalities for employees and contractors



		Work with youth on sustainability solutions in all cities where we have asset	20. Work with youth on wellbeing community initiatives at all properties by 2025
Sustainable Transactions	Collaborate with all suppliers and customers to advance our sustainability priorities	Implement supplier evaluation and ranking system	21. Embrace technology to build a robust digital platform for assessing suppliers' ESG performance 22. 100% of marketing events evaluated for their sustainability impacts
		Engage all tenants on emissions reduction, resource management, and wellbeing enhancement	23. 100% of leases incorporate sustainability provisions
	N/A	Sustainable finance	24. 50% of total debts and available facilities from sustainable finance
	N/A	N/A	25. 100% of potential asset acquisitions include ESG due diligence

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About Hang Lung Properties

Hang Lung Properties Limited (stock code: 00101) creates compelling spaces that enrich lives. Headquartered in Hong Kong, Hang Lung Properties develops and manages a diversified portfolio of world-class properties in Hong Kong and the nine Mainland cities of Shanghai, Shenyang, Jinan, Wuxi, Tianjin, Dalian, Kunming, Wuhan and Hangzhou. With its luxury positioning under the “66” brand, the company’s Mainland portfolio has established its leading position as the “Pulse of the City”. Hang Lung Properties is recognized for leading the way in enhanced sustainability initiatives in real estate as it pursues sustainable growth by connecting customers and communities.

At Hang Lung Properties – **We Do It Well.**

For more information, please visit www.hanglung.com.

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