

Joint Statement on Oversight and Management of Environmental, Social and Governance Issues

The following is a statement from the Boards of Directors (“Boards”) of Hang Lung Group Limited and Hang Lung Properties Limited (collectively the “Group”) explaining the Boards’ oversight of Environmental, Social and Governance (“ESG”) issues and how the Group approaches the management of ESG issues.

Governance Structure and Boards’ Oversight

The Boards have overall responsibility for the Group’s ESG strategy and reporting. They provide oversight of ESG issues with an emphasis on the Group’s long-term development and positioning, through the Sustainability Governance Structure outlined below.

Sustainability Governance Structure



The Sustainability Governance Structure is mainly supported by the Sustainability Steering Committee, constituted by senior representatives from a cross-section of departments, and the Sustainability Team, a dedicated department focused on sustainability, both led by an Executive Director of the Boards. The structure also includes:

- Top Management, comprising the executive directors of the Group and reporting to the Boards;
- Enterprise Risk Management Working Group, chaired by the Chief Executive Officer of the Group and reporting to the Boards Audit Committees
- Subcommittees of the Sustainability Steering Committee (e.g., Sustainable Finance Subcommittee).

ESG Management Approach and Strategy

The Boards approve the Sustainability Framework including sustainability priorities, as well as the long-term sustainability goals and targets for each of the sustainability priorities, after taking into consideration such factors as international benchmarks and best practices for the real estate sector.

The approved Sustainability Framework covers the following four sustainability priorities:

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

With the aim of pursuing the Group’s sustainability leadership in the next decade, the Boards approve 2030 goals and targets for each of the above four sustainability priorities and selected annual Key Performance Indicators (“KPIs”) on the path to achieving such goals and targets.

Sustainability Framework



ESG risks and opportunities are identified by the Sustainability Team and the Sustainability Steering Committee. ESG risks are managed by the Enterprise Risk Management Working Group and ESG opportunities are addressed by the Sustainability Team and/or relevant departments and functions as directed by Top Management.

Review of Progress and Relevance to Business

The Sustainability Framework, sustainability priorities, long-term sustainability goals and targets, and KPIs are set with reference to the Group's principal business in the real estate sector. The Boards review progress on the implementation of the sustainability goals and targets with reference to the KPIs principally through regular reporting of the Sustainability Team to the Boards.

Further information on the Group's ESG strategy and issues as set out in this statement will be disclosed in the annual reports and/or annual sustainability reports in accordance with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). The Group will obtain independent assurance of the information provided in the annual sustainability reports to ensure that they meet all the mandatory disclosure requirements.

This Board Statement is prepared in accordance with the requirements of the Listing Rules and approved by the Boards of the Group on November 18, 2020.