

**Carbon Neutrality Partnership**

<b>Aspects of Decarbonisation</b>	<b>How Your Organisation Could Help (Examples for Reference)</b>	<b>Your Organisation’s Target / Plan / Action (for Input)</b>
<b>Overall: Decarbonisation Target</b>		
Setting a target for total carbon emissions	<ul style="list-style-type: none"> <li>- set a carbon neutrality target with a timeline</li> <li>- set carbon emissions reduction target with a timeline</li> </ul>	<p><b>2050 Target:</b></p> <ul style="list-style-type: none"> <li>● Committed to setting both near-term and long-term targets to reach net net-zero value chain greenhouse gas (GHG) emissions by no later than 2050. The targets will be in alignment with the Science Based Targets initiative’s (“SBTi”) Net Net-Zero Standard.</li> </ul> <p><b>2030 Target:</b></p> <ul style="list-style-type: none"> <li>● Demonstrate best efforts to achieve a 70% reduction of scope 1 and 2 greenhouse gas emissions intensity (per m2), compared to 2018 baseline</li> </ul> <p><b>2025 Targets:</b></p> <ul style="list-style-type: none"> <li>● Achieve 40% cumulative reduction in GHG intensity (kg CO2e/m2) relative to 2018</li> <li>● Demonstrate best efforts to achieve at least a 10% reduction in embodied carbon intensity (kg CO2e/m2) for new development projects that begin in 2022 or later, compared to typical practice in an equivalent building</li> <li>● Achieve 15% reduction in GHG intensity (kg CO2e/m2) from tenants’</li> </ul>

<b>Aspects of Decarbonisation</b>	<b>How Your Organisation Could Help (Examples for Reference)</b>	<b>Your Organisation's Target / Plan / Action (for Input)</b>
		<p>electricity consumption for our properties in Mainland China, relative to 2018</p> <p><b>Latest Actions</b></p> <ul style="list-style-type: none"> <li>● Implemented Hang Lung 2021 GHG Mitigation Plan for portfolio-wide Scope 1 and 2 GHG emissions and completed 2022 GHG Mitigation Plan</li> <li>● In 2021, the Group achieved a cumulative 30.03% GHG emissions intensity reduction (Scopes 1 and 2) compared to our 2018 baseline</li> <li>● Preparing Hang Lung 2023 Climate Resilience Plan including mitigation plans for all scopes of emissions</li> </ul>
<b>Green Economy</b>		
Green procurement	<ul style="list-style-type: none"> <li>- set green procurement policy and standards</li> <li>- procure energy efficient appliances (such as those with Grade 1 energy labels under the Mandatory Energy Efficiency Labelling Scheme)</li> </ul>	<p><b>2030 Target:</b></p> <ul style="list-style-type: none"> <li>● Implement supplier evaluation and ranking system</li> </ul> <p><b>2025 Target:</b></p> <ul style="list-style-type: none"> <li>● Embrace technology to build a robust digital platform for assessing suppliers' ESG performance</li> </ul> <p><b>Latest Actions</b></p> <ul style="list-style-type: none"> <li>● Developed a sustainable procurement strategy and updated Central Purchasing Department – Operating Manual and Procedures with enhanced ESG considerations</li> </ul>

Aspects of Decarbonisation	How Your Organisation Could Help (Examples for Reference)	Your Organisation's Target / Plan / Action ( <i>for Input</i> )
		<ul style="list-style-type: none"> <li>● Defined an initial framework with 16 ideas to improve projects' sustainability</li> </ul>
Green finance	<ul style="list-style-type: none"> <li>- utilise green financing instrument to raise fund</li> </ul>	<p><b>2025 Target:</b></p> <ul style="list-style-type: none"> <li>● 50% of total debts and available facilities from sustainable finance</li> </ul> <p><b>Latest Actions</b></p> <ul style="list-style-type: none"> <li>● Secured 30% of debts and available facilities from sustainable financing by the end of 2021</li> </ul>
<b>Net-Zero Electricity Generation</b>		
Developing renewable energy	<ul style="list-style-type: none"> <li>- set a renewable energy adoption target with a timeline</li> <li>- install renewable energy generating equipment (e.g. solar panel, solar hot water system) where possible</li> <li>- participate in the Feed-in Tariff Scheme</li> <li>- purchase Renewable Energy Certificates</li> </ul>	<p><b>2025 Target:</b></p> <ul style="list-style-type: none"> <li>● 25% of our mainland China portfolio electricity demand met by renewable energy</li> </ul> <p><b>Latest Actions</b></p> <ul style="list-style-type: none"> <li>● Spring City 66, Kunming is 100% powered by renewable energy procurement and it became the first development of Hang Lung and the first commercial complex in Yunnan province to achieve net zero carbon emissions in terms of annual electricity consumption for both landlords' and tenants' operations</li> </ul>

Aspects of Decarbonisation	How Your Organisation Could Help (Examples for Reference)	Your Organisation's Target / Plan / Action (for Input)
<b>Energy Saving and Green Buildings</b>		
Energy saving targets	<ul style="list-style-type: none"> <li>- set electricity usage reduction target with a timeline</li> </ul>	<ul style="list-style-type: none"> <li>● 2025 Target:</li> <li>● 18% cumulative reduction in electricity intensity (kWh/m<sup>2</sup>) relative to 2018</li> </ul> <p><b>Latest Actions</b></p> <ul style="list-style-type: none"> <li>● Implemented Hang Lung 2021 GHG Mitigation Plan for portfolio wide Scope 1 and 2 GHG emissions and completed 2022 GHG Mitigation Plan</li> <li>● Our electricity intensity (kWh/m<sup>2</sup>) in 2021 was 9.4% below our 2018 baseline, exceeding our internal KPI, and we have a detailed plan for further reductions in 2022</li> </ul>
Enhancing energy efficiency performance of buildings	<ul style="list-style-type: none"> <li>- target for green building certification (e.g. BEAM Plus) at Platinum level</li> <li>- conduct green building certification for all new buildings</li> <li>- select existing buildings for green building certification</li> <li>- achieve energy efficiency</li> </ul>	<p><b>2030 Target:</b></p> <ul style="list-style-type: none"> <li>● Nearly net zero carbon building</li> </ul> <p><b>Latest Actions</b></p> <ul style="list-style-type: none"> <li>● Since 2007, we have been committed to achieving a Gold rating or above under the Leadership in Energy and Environmental Design (LEED) certification program or equivalent for all of our new properties on the Mainland and in Hong Kong.</li> </ul>

<b>Aspects of Decarbonisation</b>	<b>How Your Organisation Could Help (Examples for Reference)</b>	<b>Your Organisation's Target / Plan / Action (for Input)</b>
	<p>performance above the statutory requirements</p> <ul style="list-style-type: none"> <li>- procure energy efficient equipment and switch them off when not in use</li> <li>- adopt smart building technologies to reduce electricity consumption and enhance energy efficiency (e.g. smart technology to enhance energy efficiency in air-conditioning system)</li> </ul>	<ul style="list-style-type: none"> <li>● As of December 2021, over 77% of our overall construction floor area is certified with green buildings</li> <li>● Piloting artificial intelligence technologies starting with Arup's Neuron Energy system at the Standard Chartered Bank Building in Hong Kong</li> </ul>
<p>Greater use of energy management tools</p>	<ul style="list-style-type: none"> <li>- conduct energy audit and implement identified energy management opportunities</li> <li>- conduct retro-commissioning</li> </ul>	<p><b>No specific target</b></p> <p><b>Latest Actions</b></p> <ul style="list-style-type: none"> <li>● Planning to conduct retro commissioning (RCx) for 10 properties in HK and 5 properties in Mainland China to identify energy reduction opportunities in 2021</li> <li>● Adopted smart energy meter and smart data collection platform to enhance the data accuracy and efficiency.</li> </ul>

<b>Aspects of Decarbonisation</b>	<b>How Your Organisation Could Help (Examples for Reference)</b>	<b>Your Organisation's Target / Plan / Action (for Input)</b>
Construction / Work sites	<ul style="list-style-type: none"> <li>- adopt Modular Integrated Construction (MiC) as appropriate</li> <li>- recycle construction wastes</li> <li>- electrify diesel-run equipment in construction sites or other works areas</li> </ul> <p>adopt low carbon construction (e.g. prefabricated construction methods, low carbon construction materials)</p>	<p>2025 Targets:</p> <ul style="list-style-type: none"> <li>● 60% of construction waste diverted from landfill for new projects starting in 2022 with maximized recycling</li> <li>● Demonstrate best efforts to maximize the use of recycled, reused and bio based materials on all new projects</li> </ul> <p><b>Latest Actions</b></p> <ul style="list-style-type: none"> <li>● Joined the BEC Power Up Coalition under Low Carbon Chapter. All our construction sites in Hong Kong and mainland China have been electrified.</li> <li>● Adopted Enertainer, an advanced battery energy storage system (BESS) to replace the traditional diesel generators for the redevelopment project at 226-240 Electric Road in North Point, and has also deployed at The Aperture in Kowloon Bay, Hong Kong</li> <li>● Adopted lower carbon concrete and reinforcement rebar with EAF content at our new development projects in Hong Kong</li> <li>● Adopted Building Information Management (BIM) for all new projects</li> </ul>
Development of district cooling system	<ul style="list-style-type: none"> <li>- adopt high efficiency chillers</li> </ul>	<p><b>No specific target</b></p> <p><b>Latest Actions</b></p> <ul style="list-style-type: none"> <li>● Our projects in Hong Kong are not located in district cooling system served areas (e.g., Kai Tak). However, we will use high efficiency chillers with R-514A refrigerant, which has zero Ozone Depletion</li> </ul>

Aspects of Decarbonisation	How Your Organisation Could Help (Examples for Reference)	Your Organisation's Target / Plan / Action ( <i>for Input</i> )
		Potential (ODP) and extremely low Global Warming Potential (GWP) value.
<b>Green Transport</b>		
Zero carbon emissions from transport	<ul style="list-style-type: none"> <li>- equip parking spaces with electric vehicle charging provision, preferably with a target and a timeline</li> </ul>	<p><b>2025 Targets :</b></p> <ul style="list-style-type: none"> <li>● Wherever feasible exceed local regulations for the provision of parking spaces installed with EV charging facilities across our portfolio</li> </ul> <p><b>Latest Actions</b></p> <ul style="list-style-type: none"> <li>● Plan to conduct a feasibility study for expanding EV charging provisions in our Hong Kong properties in 2022</li> </ul>
Phasing out of fuel-propelled and hybrid vehicles progressively	<ul style="list-style-type: none"> <li>- electrify the corporate fleet, preferably with a target and a timeline</li> <li>- adopt low carbon logistics planning and delivery with technology to reduce carbon footprint</li> </ul>	<p><b>No specific target</b></p> <p><b>Latest Actions</b></p> <ul style="list-style-type: none"> <li>● Taking inventory of vehicle emissions, starting to examine options</li> </ul>

<b>Aspects of Decarbonisation</b>	<b>How Your Organisation Could Help (Examples for Reference)</b>	<b>Your Organisation's Target / Plan / Action (for Input)</b>
Maintaining a public transport system with railway as the backbone	- encourage employees to use public transport	<p><b>No specific target</b></p> <p><b>Latest Actions</b></p> <ul style="list-style-type: none"> <li>● Maintain remote working/work from home flexibility as appropriate</li> <li>● Hang Lung properties are close to public transportation networks</li> </ul>
<b>Waste Reduction</b>		
Promoting waste reduction and recycling	<p>- support the implementation of municipal solid waste charging (e.g. not to allow bulk-purchasing “designated garbage bags” and distributing them to tenants)</p> <p>- promote waste separation and recycling in commercial premises and residential estates with the set-up of centralised “recycling corners”</p> <p>- promote food waste recycling and participate in food waste collection programme</p>	<p><b>2030 Target:</b></p> <ul style="list-style-type: none"> <li>● Divert 90% of operational waste from landfill</li> </ul> <p><b>2025 Targets:</b></p> <ul style="list-style-type: none"> <li>● 70% of operational waste diverted from landfill</li> </ul> <p><b>Latest Actions</b></p> <ul style="list-style-type: none"> <li>● Completed a waste data analysis for 29 properties across our mainland China and Hong Kong portfolios to verify data accuracy and identify areas of improvement</li> <li>● Three Hong Kong properties including Hollywood Plaza, Grand Centre and Hang Lung Centre joined BEC Jockey Club Intelligent Resource Management Programme between 2019 and 2021</li> <li>● Collaborated with a recycling company to upcycle and/or reuse 24 tons of frontline staff uniforms in mainland China</li> </ul>



<b>Aspects of Decarbonisation</b>	<b>How Your Organisation Could Help (Examples for Reference)</b>	<b>Your Organisation's Target / Plan / Action (for Input)</b>
Controlling the use of single-use plastics	<ul style="list-style-type: none"> <li>- set a plan for minimising the use of single-use plastics, preferably with a target and a timeline</li> <li>- reduce the use of single-use plastic packaging</li> <li>- request on-site caterers and food business tenants to use reusable and durable cutleries and food containers for eat-in customers, and avoid distributing disposable plastic tableware for takeaways</li> <li>- install filtered water dispensers to reduce the use of plastic water bottles</li> <li>- offer single-use toiletries on request only</li> <li>- avoid the use of disposable plastic umbrella bags and install umbrella drying facilities</li> </ul>	<p><b>No specific target</b></p> <p><b>Latest Actions</b></p> <ul style="list-style-type: none"> <li>● Provided umbrella dryers at selected commercial properties in Hong Kong to reduce usage of plastic umbrella bags for visitors, customers and tenants</li> <li>● In responding to the pandemic, we organized a one-month 'Recycle &amp; Reward' program with all F&amp;B tenants at seven of Hong Kong malls to incentivize customers to bring reusable containers in 2020</li> </ul>