

# Doing Things the Right Way

2010 CORPORATE RESPONSIBILITY REPORT



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# 2010 Corporate Responsibility Highlights

*Hysan cares not just about business results, but believes in the importance of the manner we deliver the results. We strive to integrate our contributions to society into our everyday business activities. We are glad to see that our corporate responsibility work and the underlying culture that supports it have been recognised by renowned sustainability indices throughout the world. In addition to being a constituent member of the FTSE4Good, in 2010 Hysan took its place in both the Dow Jones Sustainability Index and the Hang Seng Corporate Sustainability Index.*

*We are encouraged by such recognitions, and aim to achieve even more as a thriving business that knows how to do things in the right way.*

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**Hysan Place** project on track as Hong Kong's first building to be certified by United States Green Building Council's Leadership in Energy and Environmental Design standard (LEED) at its highest platinum level

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**26%**

Green House Gas emission reduction by end of 2010  
(2005 as baseline)

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**19%**

Energy use reduction by end of 2010 (2005 as baseline)



# Corporate Responsibility Policy

## 1 Maintain Highest Ethical Standards

We aim to maintain the highest ethical standards in the conduct of our business. We are committed to maintaining the highest standards of corporate governance.

## 2 Focus on Health and Safety

Health and safety issues are of fundamental concern to us.

## 3 Minimise Environmental Impact

We aim to minimise the impact of our activities on the environment.

## 4 Contribute to Communities

We make positive contributions to the communities in which we operate.

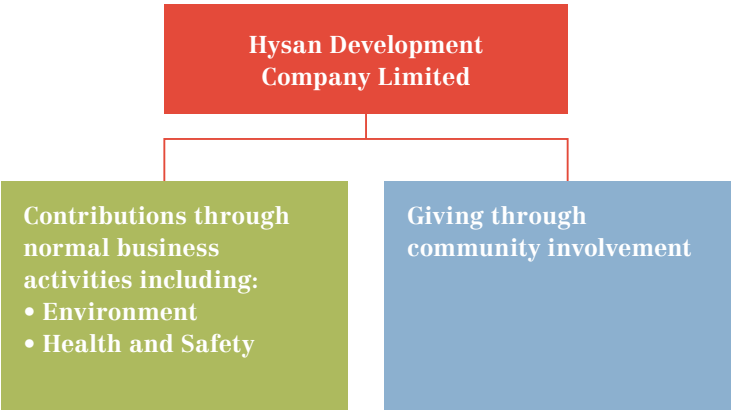
## 5 Encourage Partners to Set High Standards

We encourage our suppliers and contractors to embrace high standards similar to our own.

## 6 Respect Our Staff

We treat our staff with fairness and respect, and maintain a working environment to realise their full potential.

Corporate Responsibility Model



# Environment

Hysan Place, our newest development project, is at the forefront of international environmental standards. It is, however, equally important to practise sustainability in our existing properties. We speak with Assistant General Manager, Technical Services, Lawrence Lau on the Group's initiatives for saving energy, recycling and making eco-friendly improvements in our commercial and residential buildings, and why these initiatives continue to be a priority on Hysan's agenda.



# Environment

**By aiming for top environmental standards, Hysan Place will no doubt show a significant reduction in greenhouse gas (GHG) emissions and energy use. It is clear, though, that Hysan still has an existing portfolio that is sizeable. What has been done in these buildings to make them more energy efficient?**

**Lawrence:**

It is well known that electricity generation is the largest source of Hong Kong's GHG emissions, and our electricity consumption is overwhelmingly related to our buildings.

For property investors like us, it is not just about constructing new energy-efficient buildings. We adopted our Environmental Policy in 2003, and in those first years, we focused on achieving energy savings by optimisation of our operations schedule.

In recent years, we have been following through on these earlier efforts and expanding our scope of work. As you mentioned, we have a large portfolio of existing buildings and we very much take energy management measures into consideration when we plan and execute their full life-cycle maintenance programmes. We also frequently review our existing building systems and assess new technologies. One of the most important projects we have undertaken is the conversion of air-cooled air-conditioning systems to more energy-efficient water-cooled ones. We started in 2005 with one building and plan to make the upgrades in all our commercial buildings. We expect to complete all such conversions by 2012.

We are aware of the importance of measuring energy consumption and carbon reduction, and our improvement efforts are monitored accordingly. A specialist energy consultant was commissioned to carry out an energy cum carbon audit for our portfolio in 2010. There was a 26% reduction in GHG emissions by the end of 2010, using 2005 figures as a baseline. In the process, we also reduced our energy use by 19%.

**Am I right to say that you cannot achieve all these by yourself as a landlord?  
What kind of cooperation do you need from the tenants?**

**Lawrence:**

Apart from better management practices and improved hardware, we also need our occupiers’ help to cut down on energy use. We have had good responses from our tenants, and our future projects on GHG and energy reduction will need even more cooperation with them to get the best results. With a long-term relationship mindset, Hysan is in a good position to work with tenants and I believe we will see even better green results in the future.

A good example of cooperation is recycling. We have been heavily promoting recycling to our tenants and provide many ways to make recycling convenient so as to encourage the development of a recycling habit. Our recycling of waste paper (825,715 kg in 2010), plastic bottles and aluminium cans all saw improvement in 2010. One further way to encourage a green attitude is our recommendations on design and construction in the fit out guidelines we are developing for Hysan Place, based on the exacting LEED standards.

**GHG Emissions for Scope 1 & 2\***

Total (tonnes CO<sub>2</sub>-e)

2005	48,421
2006	47,465
2007	40,263
2008	37,935
2009	37,626
2010	35,813

**Purchased Electricity**

Total (MWh)

2005	52,598
2006	51,899
2007	48,479
2008	44,123
2009	43,595
2010	42,592

**Remarks**

*\* Restated according to audit prepared adopting Guidelines to account for Report on Greenhouse Gas Emissions and Removals for Buildings in Hong Kong (2010 Edition) issued by EMSD & EPD, Scope 1 (Direct emissions and removals e.g. diesel, refrigerant) and Scope 2 (energy indirect emissions e.g. electricity and Towngas) are included*

# Environment

## **Apart from GHG and energy reduction, as well as recycling, what are your other green initiatives for the existing portfolio?**

### **Lawrence:**

We have sought improvements in the water quality of our buildings and the indoor air quality of their common areas. Both have received recognitions from the Hong Kong Government. We have used more water in recent years, but that has to do with water usage for more energy efficient water-cooled air-conditioning systems. Our other water uses have remained at a consistent level, and we have begun to re-use wastewater for flushing. On the procurement side, we are very proactive in seeking environmentally-friendly products on all fronts. Take the residential side, for example. A number of Bamboo Grove units underwent eco-friendly renovations, including the use of zero VOC environmental paints, timber flooring imported from sustainable forests, taps and flush tanks with water saving mechanisms and energy saving appliances with Grade 1 energy labels.

## **Has Hysan always been a supporter of sustainability?**

### **Lawrence:**

Hysan's approach to sustainability has, in fact, been developed over many years. We have a long history of owning high quality buildings that incorporate green provisions such as landscaped gardens and building set-backs. Sunning Plaza's front area, Hysan Avenue's greenery and Lee Gardens Two's upper-level garden are good examples. As you can see, our mindset to push for a sustainable community has not changed over the years. Hysan Place is aiming for top international sustainability standards. Looking ahead, many of our planned sustainability initiatives, be they in energy consumption reduction or indoor air quality improvement, will need full support from our tenants. Hysan will continue to work together with our tenants and other stakeholders to ensure we do the right thing for the environment and for our community.

# Health & Safety

Even with a low safety risk profile as a property investor, Hysan places the highest priority on health and safety for all those who work in and visit our premises. Business-related injuries remained at a low level in 2010. With further room for improvement in mind, we formed a Safety Committee headed by the General Manager of Property Services to look into means to enhance the present safety management system.

For the Hysan Place development project, our project colleagues make every effort to ensure our partners and contractors achieve the highest standards of construction site health and safety. Hysan Place's main building contractor's use of Building Information Modeling (BIM) in the project to achieve high levels of safety and efficiency won the Autodesk BIM award in 2010. Hysan has also engaged experienced and independent safety consultants to provide advice to contractors and to monitor their performance through regular and frequent safety inspections. In-depth independent safety management audits are conducted at various stages of construction to identify areas of improvement. The completion of the basement work and construction of the superstructure have been progressing according to schedule with a cumulative accident rate of 0.15 accidents per 1000 workers employed at the end of 2010, which is far below the industry norm.



# Community

## Hysan Volunteer Team

Hysan colleagues are very active in making positive contributions to the community. Many join our corporate volunteer team to serve underprivileged members of the community. The Group, in turn, supports the team with financial and other resources.

Our energetic volunteer team takes on projects aiding those of all ages and different backgrounds. The team began the year with a chocolate making session with young patients in the Ronald McDonald House, and rounded off the first half of the year with visits to Wanchai's elderly as well as local mentally-handicapped children. The next six months saw the team embarking on a long-term project to entertain underprivileged babies at a play-gym facility. The volunteers also participated in kite-flying activities with young immigrant families and held a tree planting day in Ngong Ping. Finally, our summer ethnic minority programme continued to provide useful leadership and business experience for the participants.

"This is my way of giving back to the society," said Grace Mak, Hysan's Leasing Manager who runs the volunteer programme. "The various projects offer me an excellent opportunity to introduce other colleagues as well as my own family members to a worthwhile cause." "We regularly partner some of our tenants to do volunteer work. I feel really good about getting more and more people to help the underprivileged."





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