



COMMITTED TO A
SUSTAINABLE FUTURE



Corporate Responsibility Report 2011

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Cover photo:

Hysan Place's "urban window" is one of the key sustainable features of the green building. It allows efficient air flow through the area and retains good visual permeability.

2011 Highlights

Recognition by renowned sustainability indices

Hysan is a Constituent Member of:

Dow Jones Sustainability Indexes
(since 2010)



FTSE4Good Index
(since 2008)



Hang Seng Corporate Sustainability Index
(since 2010)



Environment

Buildings in Hysan's Portfolio

Carbon Footprint	 35%	Reduced Green House Gas emissions by 35% (2005 as baseline)
Energy Conservation	 24%	Reduced purchased electricity by 24% (2005 as baseline)
Waste collected for recycling		862,243 kg of waste paper, 1,974 kg of plastic bottles, 1,749 kg of aluminum cans

Building Design

- Hysan Place, which will open in 2012, is Hong Kong's first building to be certified by the United States Green Building Council's Leadership in Energy and Environmental Design (LEED) standard at its highest platinum level. It also aims for top-level achievement in accordance with Hong Kong's Building Environmental Assessment Method (BEAM)
- Hysan was recognised for "Best Practice in Green Organisation Development" in the Best Practice Awards 2011 for its long-term sustainable approach to the development of Causeway Bay as well as its Hysan Place project

Community and healthy living

- Awarded the 5 Year Plus Caring Company Logo by the Hong Kong Council of Social Service (since 2003)
- Hysan volunteer team devoted 4,650 service hours to a range of community services
- Over 700 hikers and runners put healthy living into practice in the first "Hysan Healthy Hike and Run"



Corporate Responsibility Policy

Hysan is guided by the principle of being a responsible business. We aim to achieve our business objectives within a framework of high standards that takes account of the needs of our stakeholders, including our impact on the communities in which we operate and on the environment.

Hysan's corporate responsibility work and the underlying culture that supports it have been recognised by renowned sustainability indices throughout the world. Our Corporate Responsibility Policy sets the framework for the way we manage our corporate responsibilities.

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. Respect Our Staff

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

6. Encourage Partners to set High Standards

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



Environment



Our Environment, Health and Safety Policy adopted since 2003 continues to be an integral part of our business activities. We place emphasis on engaging tenants to follow good health, safety and environmentally-friendly practices, on reducing energy consumption and on monitoring indoor air quality within our buildings to ensure a healthy working and living environment. We review the use of environmentally friendly and recyclable materials and supplies in project works and operations. We recycle consumables and waste, and provide regular environment, health and safety training to employees.

To track the progress of our efforts to ensure energy conservation, indoor air quality improvement and waste reduction in all of Hysan's buildings, we have in place internal system audits as well as reporting and management review systems. We also set out annual energy usage reduction targets for formulating and implementing energy saving measures in individual buildings. These are based on assessments of technical feasibility and investment returns.



SUSTAINABILITY IN OUR PORTFOLIO OF BUILDINGS

During the year, our commitment to a sustainable environment continued to be reflected in the efforts we made towards achieving better energy efficiency and reducing and recycling waste across our portfolio of buildings. Our improvement efforts resulted in continued reduction in greenhouse gas emissions and purchased electricity (see the graphs on the next page).

In 2011, we continued to make progress in our project on converting air-cooled air-conditioning systems to more energy-efficient water-cooled ones. The project is expected to be completed in 2012 when the conversion is applied to all our buildings.

In our residential buildings, we ensure residents benefit from a healthy living style with our eco-friendly design, which features recycling bins, energy-saving lighting, optimum use of natural lighting and eco-friendly renovation materials.

In 2010/2011, in recognition of our waste reduction efforts, Hysan was awarded another full set of “Class of Excellence” labels under the government’s Wastewi\$e Labels scheme for all buildings in our portfolio.

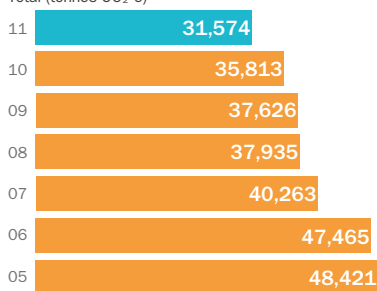
We were recognised for “Best Practices in Green Organisation Development” in the Best Practice Awards 2011 organised by Best Practice Management Group. This was a further recognition of Hysan’s dedicated commitment to sustainability, which is one of the company’s primary corporate responsibility pursuits.

Energy Conservation and Waste Management

We reduced greenhouse gas (GHG) emissions by **35%** by the end of 2011, using 2005 figures as a baseline

GHG Emissions for Scope 1 and 2 ^{1&2}

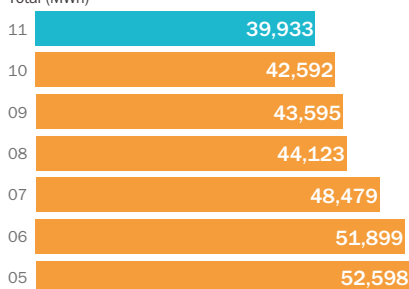
Total (tonnes CO₂-e)



We reduced purchased electricity by **24%** by the end of 2011, using 2005 figures as a baseline

Purchased Electricity

Total (MWh)



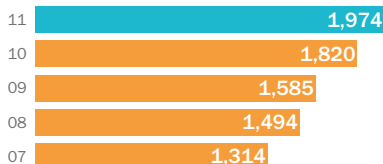
We recycled 862,243 kg of waste paper, 1,974 kg of plastic bottles, 1,749 kg of aluminum cans in 2011 – all showing improvements over the previous years

Waste Management ³

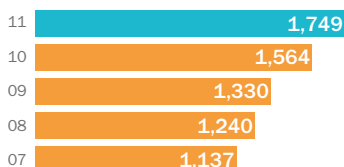
Paper recycled (kg)



Plastic Bottles recycled (kg)



Aluminium Cans recycled (kg)



Remarks:

- 1 According to 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
- 2 The emission associated with the electricity purchased based on emission factors provided by Hongkong Electric
- 3 Data record period: 1 September 2010 – 31 August 2011

HYSAN PLACE

Our major redevelopment project Hysan Place, which will open in August 2012, is a clear demonstration of Hysan’s commitment to green solutions in Hong Kong. It is the first LEED Platinum pre-certified composite vertical mall with integrated office space in the world. It is also a BEAM Platinum pre-certified project. Its sustainability features are the result of the Company’s intensive green research and development focus and will bring outstanding benefits to our tenants, visitors and other stakeholders alike.

MAJOR GREEN FEATURES



Curtain Wall

- Operable vents
- Light shelves
- Solar shading
- Flexible drapery system
- Low-emissivity double glazing



Green Roof & Wall

- Rainwater harvesting system
- Reduce heat island effect



Green Building Materials

- FSC certified wood
- High recycled content
- Regional products
- Low VOC content



Free Cooling System

- Outside fresh air used for direct space cooling



Sky Garden

- On 4/F



Urban Windows

- On 4/F, 7/F, 11/F
- Improve district air quality



Setback & Core Orientation

- Improve street environment



Hybrid Cooling System

- Combine stack and wind effect



GREEN PARTNERSHIPS

Hysan seeks to encourage our stakeholders to be energy-efficient. We work closely with our tenants to reduce energy use, while tenants actively participate in recycling programmes. We ask contractors to use eco-friendly equipment and products. For our major asset enhancement projects, there are standard specifications in tender documents that require high levels of environmental consideration and compliance.

Hysan Place, a pre-certified LEED platinum building, provides tenants with a unique and excellent opportunity to implement sustainable designs and constructions in the context of LEED Commercial Interiors. To this end, we provide information kits and fit-out guides to facilitate both retail and office tenants in pursuit of international sustainability standards in the design of interior spaces. These efforts reflect our commitment to sustainability through building close partnerships with tenants to achieve green initiatives.

We support a number of green organisations and their initiatives such as the Business Environment Council, the Hong Kong Green Building Council and the World Wildlife Fund (WWF). In addition, Hysan has been a sponsor of WWF's Earth Hour for several years to help create a more sustainable planet.



Dr Lai Kiu CHAN, Hysan's Director, Design and Project, shares experiences on sustainable buildings at a seminar

Hysan is committed to environmental research and development. Senior staff members from time to time share with professional groups and the wider community their experiences with sustainability, sustainable buildings and energy efficiency. A number of Design and Project department colleagues have attained LEED AP and BEAM Pro qualifications.

Health and Safety



Hysan ensures all current safety legislations and regulations are met. We provide regular health and safety training to employees and we continue to raise corporate and individual awareness of our Environment, Health and Safety Policy. Standard operating procedures for our Property Management and Technical Services departments are in place.

Following the formation of a Safety Committee, we engaged safety consultants to develop a Safety Management Plan to enhance the present safety management system. The Plan, which was released in 2011, covers various health and safety measures with the aim of ensuring a safe working environment and proper working procedures.

As a property investment company, Hysan has a low safety risk profile. Nevertheless, we attach great importance to the health and safety of all who work in or visit our premises. Our business-related injury cases remained at a low level in 2011. To further improve injury prevention and injury management, we introduced a Workers Injury Risk Management Programme in partnership with our employee compensation broker in 2011. The programme also offers rehabilitation services to help in accelerating the recovery of injured employees.

For the Hysan Place redevelopment project, which is soon to be completed, we continue to ensure that our partners and contractors achieve high standards of occupational health and safety. Independent safety consultants also provide advice to contractors and monitor their performance through safety inspections. In-depth safety management audits are carried out at various stages of the project and a clear accident reporting system is in place. The project's cumulative accident rate at the end of 2011 remained far below the industry norm.

PROMOTING HEALTHY LIVING

In 2011, Hysan sponsored for the first time the “Hysan Healthy Hike and Run” at the Tai Lam Country Park to promote healthy and green living. Over 700 Hong Kong running and hiking enthusiasts participated. The family-friendly event, organised by Action Asia, covered a range of different terrains across some of Hong Kong’s most scenic countryside. Hysan’s support formed part of the company’s wider commitment to social initiatives in Hong Kong.



The first “Hysan Healthy Hike and Run” aims to promote healthy living through exercise

Hysan’s staff recreation club is established to encourage employees and their family members to take part in community events during their leisure time. In 2011, we sponsored colleagues to form teams to take part in various races and outdoor activities, including the Green Power Hike, Salvation Army’s Hong Kong and Macau O! Day and MTR’s Race Walk.



Hysan teams participate in the Hong Kong and Macau O! Day (photo above) and the Green Power Hike (photo on the left)

Community



The Lee Gardens' lobby plays host to the photo exhibition of the "Live Curious Photo and Documentary Awards"

CARING COMPANY

In 2011, Hysan was awarded the 5 Year Plus Caring Company Logo by The Hong Kong Council of Social Service. We have been recognised for our efforts in promoting corporate social responsibility since 2003.

GIVING TO THE COMMUNITY

In 2011, our involvement in community projects continued to aim at expanding young people's horizons while promoting the message of sustainability, especially in our home district of Causeway Bay.

Youth development

In 2011, we sponsored the "Live Curious Photo and Documentary Awards 2011" initiated by the National Geographic Channel. These awards aimed to inspire young people to discover different aspects of Hong Kong with a sense of curiosity. A photo exhibition of the Awards was held on the ground floor of The Lee Gardens.

We continued to partner with Hong Kong Christian Service and the Hong Kong University of Science and Technology (HKUST) Business School to reach out to Hong Kong's ethnic minority students. Under the Project Exploration sponsored by Hysan, the university students acted as mentors to the ethnic minority students to help them explore study and career interests so that they can make better future planning.



Project Exploration: HKUST students act as mentors to ethnic minority students to explore career interests

Community activities

We supported the "Living in Wan Chai" theatrical performance together with the Wan Chai District Council Cultural and Leisure Services Committee. The musical is essentially a story about the district and its people.

VOLUNTEER TEAM

In 2011, Hysan's active volunteer team with their caring spirit continued to help make a difference among those in need in the community. Together they devoted 4,650 volunteering hours to a range of community services supporting various charitable organisations.

Servicing underprivileged children was one of the key focuses of the past year's voluntary services. Colleagues partnered with the Hong Kong Society for the Protection of Children to arrange kids' gym and art jamming activities for children at the Children's Residential Home. They also joined hands with St. James Settlement to take underprivileged families on outings to places like Hong Kong International Airport and Lamma Island to widen their horizons.



The energetic team also showed care to ethnic minorities by taking groups of ethnic minority residents to theme parks or by visiting them in their mosques or temples. The aim was to enhance our understanding of each other's cultures and to foster social harmony.

Other volunteer activities included visits to the elderly at Chinese New Year and donating food to those in need through charity programmes arranged by different organisations.

Hysan colleagues are proud to make positive contributions to society by making good use of their spare time. The size of the volunteer team continues to grow. All of us treasure the opportunities we thereby gain to share the joy of serving the community alongside family members and friends.



Hysan volunteers show care to children through art jamming activities (photo above) and exercises at a kid's gym (photo on the left)

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