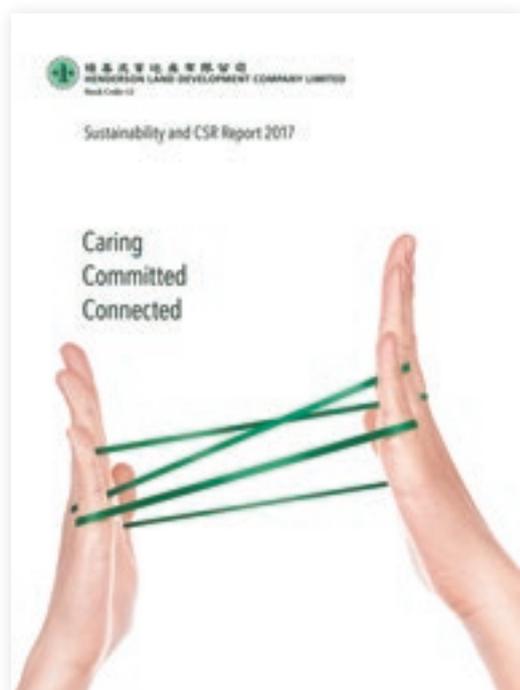


# Sustainability and CSR

This section of the Report provides a summary of the Group's strategy and achievements in respect of sustainability. The Group's fourth standalone Sustainability and CSR Report was published in April 2018 in accordance with the core option of the Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards") together with GRI's sector guidance on the Construction and Real Estate Sector, and the Environmental, Social and Governance Reporting Guide ("ESG Guide") set out in Appendix 27 of the Rules Governing the Listing Securities on The Stock Exchange of Hong Kong Limited ("HKEX"). The Report showcases the Group's evolving approach to sustainability and annual ESG performance.



The Group places the principles of CSR at the heart of its business. Sustainability and community well-being are core considerations in its business decision making and are prioritised throughout its operations. With the full support of senior management, the Group executes a wide range of CSR projects that align with the needs of society. Regular engagement with stakeholders ensures that the Group's approach to CSR remains relevant and consistent across its operations, and continues to meet stakeholder expectations. Feedback and input from the Group's shareholders, customers, employees, suppliers and the community are collected through regular communication channels, which have provided effective platforms for the Group to identify solutions, gaps and opportunities for improvement.

This year's Report outlines the Group's ESG plans and targets which represent its intention to link its commercial objectives with the broader issues of sustainable growth, social prosperity and the well-being of its stakeholders. To align the Group's CSR efforts with those of the greater sustainable development community, the Group has mapped its material topics to the United Nations' Sustainable Development Goals ("SDGs") and aims to match newly developed targets and goals with several of the SDGs in coming years.

The Group manages its property portfolio with as much consideration to its environmental impacts as possible. Sustainability is a consideration during all project development stages from project planning and design, construction to completion, and through to property management. The Group set a target to reduce energy consumption by 10% in the common areas of 14 of its commercial properties by 2025, as compared with the baseline year 2015. The Group strives to surpass regulatory compliance and adopt international standards in minimising and effectively managing energy, water, materials consumption as well as controlling emissions and waste.

## Sustainability and CSR

The Group recognizes the importance of environmentally and user-considerate building design to safeguard the health and well-being of its stakeholders. To-date the Group has achieved 11 LEED, 18 BEAM, 26 BEAM Plus and 4 China Green Building Design Label. Furthermore, the Group's 15 Middle Road project achieved WELL Gold Pre-certification from the respected International WELL Building Institute (IWBI). This is the second consecutive year that one of the Group's projects has achieved this standard, following its 18 King Wah Road development becoming the first to be awarded what was, at the time, the highest rating of any completed development project in Hong Kong. The Group is aiming for more of its projects to demonstrate this approach to green building leadership, and to further expand and engage the market with creative solutions that advance both environmental and human health goals.

The Group invests in the personal well-being and professional development of all employees. During 2017, the Group's employees undertook approximately 160,000 hours of learning and development through a range of internal and external training programmes, talks and seminars that are structured to help employees as they join the organisation, to grow within their roles once they are on board, and to lead their teams. The Group complies with local statutory requirements on employment and labour practices and fully complies with the code of practice issued by the Hong Kong Equal Opportunities Commission, which was introduced to legislate against discrimination and harassment in the workplace.

The Group has adopted a multi-layered Occupational Health and Safety (OHS) approach, which covers its offices, construction sites and managed properties. In every one of these operational units, a corresponding task group or department is in place to monitor potential health and safety

risks and to implement improvement plans where appropriate. Relevant training and courses are conducted on a timely basis for its employees and site workers, with a particular focus on its construction sites, to manage the risk of accidents. Through these committed efforts, the Group once again reported a low accident rate of 5.8 per 1,000 workers in 2017, compared to the industry average of 34.5 accidents per 1,000 workers in 2016.

The Group follows policies and procedures to select suppliers and contractors who share its social, environmental and labour practice standards. The Group strives to be a professional and trustworthy partner for its business associates so as to reach mutual corporate goals. Reliability, fairness, quality and transparency on both sides of the business relationship form the basis for successful long-term collaboration.

As a prominent corporate citizen, the Group recognizes its role as a community steward. Through community initiatives including volunteerism, and charitable contributions to worthy causes, the Group strives to support the Hong Kong community in an enduring and meaningful way. In 2017, more than 100 community programmes received the Group's support and participation. Furthermore, together with our subsidiaries and associates, the Group's five volunteer teams organised over 350 activities, contributing altogether over 100,000 volunteer hours during the year.

For further details on the Group's environmental policies and its relationship with customers, suppliers, employees, and other key stakeholders, please refer to the Sustainability and CSR Report 2017 on the Company's website [www.hld.com](http://www.hld.com).