

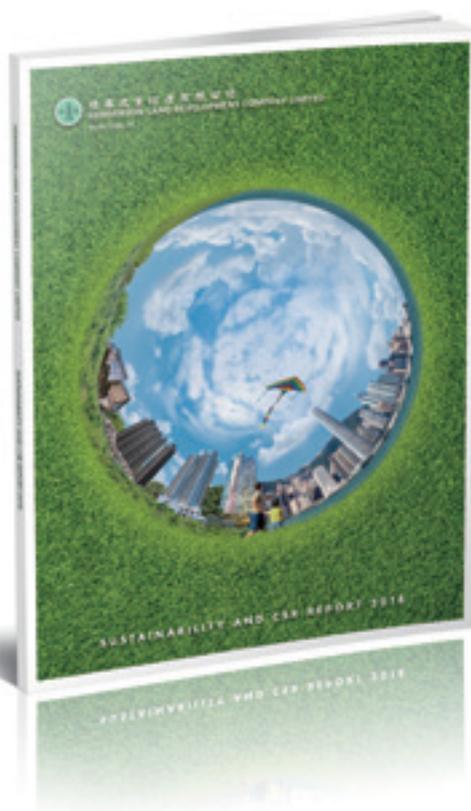
Sustainability and CSR

This section of the Report provides a summary of the Group's strategy and achievements with regard to sustainability. Henderson Land's fifth standalone Sustainability and CSR Report was published in April 2019 in accordance with Global Reporting Initiative ("GRI") Standards: Core option, 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"). As in previous years, the Report explains the Group's evolving approach to sustainability and annual ESG performance.

During the year, Henderson Land's world-class, intelligent buildings again received international recognition. H Zentre, the Group's new state-of-the-art project in Tsim Sha Tsui, was declared Best International Commercial High-rise Development in the International Property Awards 2018-2019, one of the highest levels of achievement among all nominees drawn from across the global real estate sector. Designed specifically as a wellness and health hub, it integrates sustainable design, cutting-edge technology and innovation. Also, 18 King Wah Road project, the award-winning project of the Group's professional project management team, was bestowed with the Grand Award in the biennial Quality Building Award from a coalition of nine professional organisations in Hong Kong.

The Group is proud of its leadership role in promoting environmentally and user-considerate building design. To date, it has achieved 11 LEED, 19 BEAM, 27 BEAM Plus, 5 China Green Building Design Label and 3 WELL project accreditations. The Group is aiming for more of its projects to demonstrate excellence in sustainable building design.

Henderson Land aligns its commercial objectives with the sustainable growth, social prosperity and well-being of the communities in which it operates. In 2018, the Group mapped its material sustainability topics to the United Nations'



Sustainable Development Goals ("SDGs") and is executing a wide range of projects and actions that align with the SDGs. The Group's Corporate Social Responsibility Committee also updated its CSR and Environmental Policies, as well as reaffirming its Sustainability Strategy. The strategy addresses the economic, social and environmental aspects that are most material to Henderson Land's business and its stakeholders.

The Group is committed to reducing environmental impact within its property portfolio as much as possible. Sustainability is carefully considered at all project development stages. This year, encouraging progress was made towards the Group's target set in 2017 of reducing energy consumption by 10% in the common areas of 14 of its commercial properties by 2025, as compared with the baseline year 2015.

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Henderson Land adopts a technology-driven approach to improve operational efficiency, optimise the use of materials and reduce waste generally. This includes the use of Building Information Modelling (BIM) in construction; semi-prefabricated slab manufacturing technology; reusable aluminium formwork; and significantly reduced paper usage thanks to mobile technology for the property handover process. The Group signed various charters and pledges during the year such as Energy Saving Charter, 4Ts Charter and Environmental Protection Department's Green Event Pledge to demonstrate its commitment to environmental stewardship and encourage its stakeholders to take the same approach.

Henderson Land forges close partnerships with its stakeholders in the community. In 2018, more than 100 community programmes received the Group's support and participation. Notably these included the "Henderson Land Commendation Scheme for Elite Athletes", which supported and incentivised Hong Kong's athletes at the 2018 Asian Games and Asian Para Games, enabled by a HK\$15 Million donation from the Group's Chairman, Dr Lee Shau Kee, through his charitable Lee Shau Kee Foundation.

The Group also provided an 8,000-square-foot demolished site in Sham Shui Po, which was planned for redevelopment, to Hong Kong's first "Modular Social Housing Scheme". The Group was able to do so by deliberately adjusting the redevelopment schedule of the project so that it can provide transitional housing for around 90 needy families for a period of two years. Additionally, the Group has provided over 190 temporary vacant units to various community housing schemes since 2017. In total, Henderson Land's contribution to these schemes is expected to benefit roughly 340 eligible families.

With its goal to be an employer of choice, Henderson Land is committed to providing its employees with competitive employment packages, training and education to support their career development, and a safe, healthy, non-discriminatory and fair working environment. During 2018, the Group's

employees undertook approximately 160,000 hours of training to further expand their competence and knowledge. The Group complies with all local statutory requirements on employment and labour practices and with the code of practice issued by the Equal Opportunities Commission, introduced to legislate against discrimination and harassment in the workplace.

Occupational Health and Safety (OHS) is of utmost importance to the Group and its OHS approach covers its offices, construction sites and managed properties. In each of these operational units, a dedicated 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. Overall, the Group reported an accident rate of 9.8 per 1,000 workers in 2018, compared to the projected industry average accident rate of 31.4 per 1,000 workers in 2018 by Hong Kong Housing Authority.

The Group follows policies and procedures to select suppliers and contractors who share its social, environmental and labour practice standards. Henderson Land strives to be a professional and trustworthy partner to its business associates so as to reach mutual corporate goals. The Group engages with its customers regularly through various channels to understand their needs and their views on its performance. During the year, an online survey was conducted with the Group's customers to collect their feedback and expectation on Henderson Land's sustainability performance. Their views and opinions were reflected in the Group's Sustainability and CSR Report 2018.

For further details on Henderson Land's sustainability and CSR performance and its relationship with customers, suppliers, employees, and other key stakeholders, please refer to the Sustainability and CSR Report 2018 on the Company's website www.hld.com.