



恒基兆業地產有限公司
HENDERSON LAND DEVELOPMENT COMPANY LIMITED
Stock Code: 12



SUSTAINABILITY AND CSR REPORT 2018

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2018 HIGHLIGHTS



18 King Wah Road project
received

Quality Building Award 2018 – Grand Award

of Hong Kong Non-Residential
(New Building – Non-Government,
Institution or Community) Category



Cumulatively achieved

**11 LEED, 19
BEAM, 27 BEAM
Plus, 5 China
Green Building
Design Label and
3 WELL project
accreditations**



H Zentre named

Best International Commercial High-rise Development in International Property Awards 2018-2019

Supported over
**100 community
programmes**

benefitting over
184,000
underprivileged and
young people





Planted
3,500
native tree seedlings in
Plantation Enrichment Programme



Over **160,000** training
hours for employees

Averaged

98.5%

overall customer satisfaction



Target to reduce energy
consumption in the common
areas of 14 commercial
properties by

10%

by 2025

(2015 as baseline)



Five of our Volunteer Teams contributed over

120,000

service hours



ABOUT THIS REPORT

Scope of the Report

This is the fifth annual standalone Sustainability and CSR Report (the “Report”) of Henderson Land Development Company Limited (“Henderson Land” or the “Group”). It presents our approach to sustainability, which is guided by our mission to add value for our stakeholders through a commitment to product and service excellence while taking account of our environmental, social and governance (“ESG”) impacts.

The Report provides an overview of the ESG progress of the Group during the calendar year ended 31 December 2018. It describes the performance and initiatives of Henderson Land’s operations in Hong Kong, including our headquarters at Two International Finance Centre and AIA Tower, and our wholly-owned subsidiaries, namely E Man Construction Company Limited (“E Man”) – operating and managing the Group’s construction sites; Goodwill Management Limited (“Goodwill”) – managing the Group’s investment properties; and, Well Born Real Estate Management Limited (“Well Born”) and Hang Yick Properties Management Limited (“Hang Yick”) – managing approximately 77,000 residential and industrial/commercial units in total.

How We Report

This report has been prepared in accordance with the Global Reporting Initiative (“GRI”) Standards: Core option, and complies with the provisions of the ESG Reporting Guide issued by Hong Kong Exchanges and Clearing Limited (“HKEX”).

In preparing this report, we engaged an external consultant to conduct a stakeholder engagement exercise, benchmarking assessment and materiality review to identify, prioritise and validate our material sustainability topics. Details of this process and the results can be found in the section Key Facts and Statistics on p.62–73.

If you would like a copy of the Report, or wish to provide any comments or suggestions, please contact us at corpcomm@hld.com. The e-copy of the Report is available at www.hld.com/en/csr/sustainability.shtml.





MESSAGE FROM MANAGEMENT

“With a long-standing commitment to sustainability, we continually seek to improve our operations in ways that benefit all our stakeholders.”



I am pleased to present our latest Sustainability and CSR Report. 2018 was a fruitful year for Henderson Land as we again saw progress from our efforts to shape a more sustainable future for all our stakeholders.

I am delighted and very proud that Henderson Land's world-class, intelligent buildings have again earned us international recognition. Our new state-of-the-art project, H Zentre 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, our professional project management team's award-winning 18 King Wah Road project was bestowed with the Grand Award in the biennial Quality Building Award from a coalition of nine professional organisations in Hong Kong.

Our portfolio of exceptional sustainable developments will soon include our Murray Road project in Central, designed by renowned Zaha Hadid Architects. Scheduled for completion in 2022, it is set to be another world-leading iconic development, re-enforcing Hong Kong's status as a world city.

With a long-standing commitment to sustainability, we continually seek to improve our operations in ways that benefit all our stakeholders. This year, our CSR Committee updated both our CSR Policy and Environmental Policy. Our Sustainability Strategy is now available on our corporate website. It details the economic, social and environmental aspects that are most material to our business and to our stakeholders.

We continuously forge close partnerships with our stakeholders to address the needs of the community and deliver sustained positive change. During the year, we launched some new initiatives with far-reaching benefits for society. 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. A HK\$15 Million donation by Lee Shau Kee Foundation enabled the Group to present cash awards to 153 Hong Kong medal winners. This was a record-breaking number of medals won by our elite athletes at the Asian Games and Asian Para Games and citizens and we were honoured to share their historic achievement.

We also strengthened our support for community housing schemes. Cumulatively, we have provided more than 190 temporary vacant units to various community housing schemes. To ensure families can move in quickly, we have also taken the initiative to refurbish more than 50 of the units. Additionally, the Group has provided an 8,000-square-foot demolished site, which was planned for redevelopment, to the "Modular Social Housing Scheme" for a period of

two years. We were able to do so by deliberately adjusting the redevelopment schedule of the project so that it can provide temporary housing for around 90 needy families. Modular housing is a green concept involving Modular Integrated Construction (MiC) technology which allows for free-standing modules to be dismantled and re-assembled in other locations in the future. In total, our contribution to these schemes is expected to benefit roughly 340 eligible families.

In 2018, we were reminded of the increasing risk posed by climate change when super typhoon Mangkhut wreaked havoc in Hong Kong, causing widespread damage across the city and destroying over 60,000 trees that were home to much wildlife. We recognise our shared responsibility for combatting the effects of climate change and have been applying various strategies and new technologies to promote sustainability throughout our business operations. We also actively promote environmental stewardship to all stakeholders. Our efforts have ranged from establishing food waste collection and recycling, to partnering with green groups in support of the Agriculture, Fisheries and Conservation Department's "Plantation Enrichment Programme". For this latter initiative, we have engaged our staff, volunteers and members of the public to plant over 6,500 native tree seedlings in the last two years.

These are some of the ways we are tackling the many sustainability issues as we continue to improve our own performance. 2019 will be another year of challenge and opportunity for the Group, and I look forward to providing updates on our progress in future reports.

LEE KA SHING

Vice Chairman

and Chairman of Corporate Social Responsibility Committee

CASE STUDY

18 KING WAH ROAD PROJECT

(Project Manager : Henderson Real Estate Agency Limited)

Winner of Quality Building Award 2018

A biennial award presented by a coalition of nine professional organisations in Hong Kong

Quality Building Award 2018

Grand Award

of Hong Kong Non-Residential
(New Building — Non-Government,
Institution or Community) Category

Sustainability Feature Highlights

- Solar Desiccant Dehumidifier System
- Solar Responsive Façade
- Brighter Interior with Efficient Central Core Plan
- Integrated Building Management System (iBMS)



Note: The transfer of the equity interests in the companies holding the office building at 18 King Wah Road, North Point, was completed in early 2018. Please refer to p.11 in the Group's Annual Report 2018 for details.



Mr Michael Wong Wai Lun, Secretary for Development of the Hong Kong Special Administrative Region (10th from left) presented the Quality Building Award – Grand Award to Dr Colin LAM Ko Yin, Vice Chairman of Henderson Land Group (9th from left) and the project team.

HKIA Annual Awards 2017/18:

Merit Award of Hong Kong – Commercial Building

Special Architectural Award – Architectural Sustainability



HKIA Jury's Citation

“
The jury believes the project is a successful achievement in two aspects – the sustainability performance of the building itself and how the building setting positively impacts the neighbourhood. The project sets an example to encourage more private developments and investment to embrace sustainable design.”



ABOUT OUR GROUP

Our Vision

Henderson Land aspires to remain a market leader by maximising long-term economic value while creating positive social and environmental impacts.

Corporate Profile

Founded in 1976 by its Chairman, Dr The Honourable Lee Shau Kee, GBM, and listed in Hong Kong since 1981, Henderson Land Development Company Limited (Stock Code: 12) is a leading property group with a focus on Hong Kong and mainland China. Its core businesses comprise property development and property investment.

We create award-winning high quality new homes and commercial developments, ranging from city landmarks such as the International Finance Centre complex in Hong Kong and World Financial Centre in Beijing, to exceptional residential developments such as the Eden Manor adjacent to Hong Kong Golf Club, and The H Collection urban redevelopment boutique residences.

Henderson Land also has equity interests in a listed subsidiary, Henderson Investment Limited, and three listed associates, The Hong Kong and China Gas Company Limited ("Hong Kong and China Gas"), which in turn has equity stakes in a listed subsidiary, Towngas China Company Limited; Hong Kong Ferry (Holdings) Company Limited ("Hong Kong Ferry") and Miramar Hotel and Investment Company, Limited ("Miramar").

Note: The listed subsidiary and associates do not fall into the scope of this Report. Please refer to p.6 of Henderson Land's 2018 Annual Report for our Group structure and corresponding attributable interests.



**Henderson Land
Development Company
Limited**

Investment holding, property
development and investment in Hong
Kong and mainland China, project and
property management, construction
and provision of finance

33.41%

**Hong Kong Ferry
(Holdings) Company
Limited**

Property development
and investment

69.27%

**Henderson
Investment
Limited**

Department store
operation in
Hong Kong

41.53%

**The Hong Kong
and China Gas
Company Limited**

Production and distribution
of gas in Hong Kong and
mainland China

48.70%

**Miramar Hotel
and Investment
Company, Limited**

Hotel and serviced
apartment, property rental,
food and beverage, and
travel

67.45%

**Towngas China
Company Limited**

Sale and distribution
of liquefied petroleum
gas and natural gas in
mainland China

Note: all attributable interests shown above were figures as of 31 December 2018.

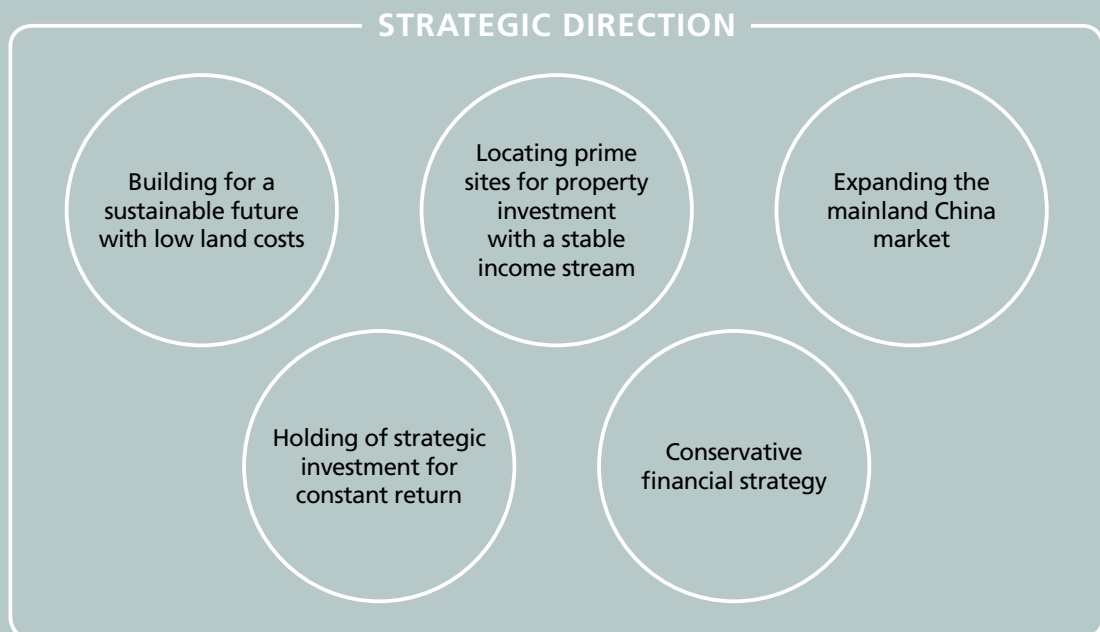
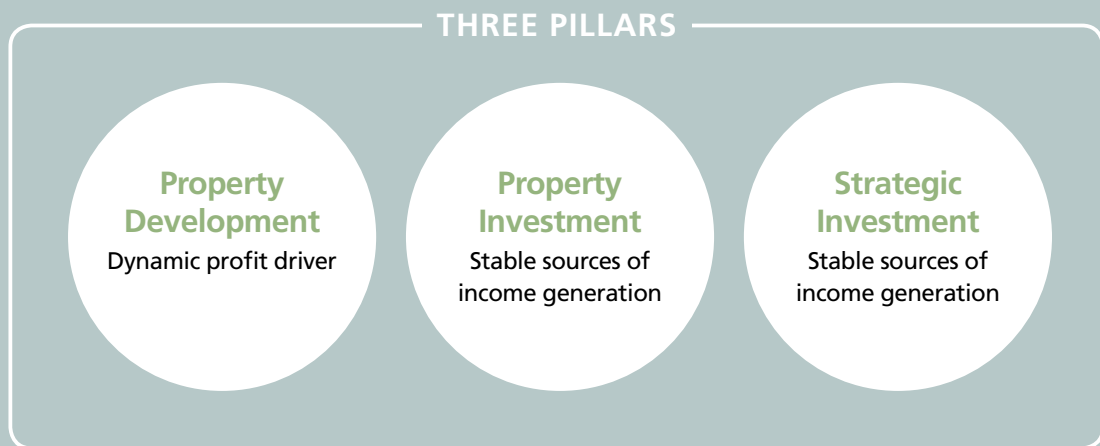


ABOUT OUR GROUP

Business Overview

Our diversified business model and strategic direction demonstrates our commitment to delivering economic performance and maximising value for our shareholders over the long term, as well as upholding our duty of environmental stewardship as we carefully align with the needs and concerns of society.

Business Model



Note: The diagrams are for illustration only. For more details on the Group's business model and strategic direction, please refer to p.76 to 77 of Henderson Land's 2018 Annual Report.

Economic Performance

2018 Financial Highlights

As of 31 December 2018, Henderson Land had a market capitalisation of

HK\$172 billion

The combined market capitalisation of Henderson Land and its listed subsidiary and associates, was

HK\$453 billion

Revenue

HK\$22.0 billion

Profit attributable to equity shareholders

HK\$31.2 billion

Dividends per share

HK\$1.8

Land bank in Hong Kong (attributable floor area)

24.7 million sq. ft.

Land bank in mainland China (attributable floor area)

38.8 million sq. ft.

Total number of full-time employees

8,954

For more information on our financial performance, please refer to Henderson Land's Annual Report 2018. (www.hld.com/en/investor/annual_18.shtml)

Indirect Economic Impacts

The economic impacts of our business extend beyond the Group into the community. These include employment opportunities both on site and throughout our supply chain, increasing spending in nearby businesses, as well as impacts that arise from investment in improving infrastructure and amenities.

Throughout our value chain, we require an extensive number of workers and service providers to support our businesses, which in turn helps create job opportunities. During the year, the Group contributed over HK\$7.3 billion to our supply chain, supporting over 3,800 partners. For further details about how we manage our supply chain, please refer to Our Value Chain section.

To ensure our projects in new development areas and other urban redevelopment projects add further value to the community, we take the initiative to improve the local environment, including road and street beautification, provision of public car parking facilities, tree planting, transportation links and other green and healthy lifestyle features. Furthermore, we dedicate our resources to support community initiatives. Further information on our community investment can be found in Our Community section.

CASE STUDY H ZENTRE

Wellness and Health Hub of the Future



The prestigious global award winner
Best International Commercial
High-rise Development
International Property Awards 2018-2019



Artist's impression

Sustainability Feature Highlights

- Solar Desiccant System with solar thermal panels designed to offset energy consumption and CO₂ emissions
- Purpose-built individual primary air unit for each Wellness floor to ensure provision of fresh air
- Steel superstructure to provide efficient, flexible floor space
- Substantial floor loading for heavy medical equipment
- Central medical waste collection room
- New Age intelligent parking system with intuitive EV chargers supported by a parking mobile app

Judges' Comments

“ *A cutting edge development. This building if commercially successful could provide a benchmark in a new city based building typology, in particular an exemplary commitment to sustainability. The design is very good with some subtle thoughts. The graphics screen is bold and will animate the neighbourhood.* ”

Asia Pacific Property Awards 2018-2019

- Best Commercial High-rise Development Asia Pacific
- Best Commercial High-rise Development Hong Kong – 5 Star
- Best Mixed-use Development Hong Kong – 5 Star



Artist's impression



OUR SUSTAINABILITY VALUES AND STRATEGIES



As one of Hong Kong's leading property developers, we are committed to building a more prosperous and sustainable society. The Group strives to align its commercial objectives with sustainable growth, social prosperity and the well-being of the communities in which we operate.

CSR Policy

Our Corporate Social Responsibility Policy ("CSR Policy") reflects our commitment to operating responsibly, as we seek to excel beyond the minimum regulatory requirements for workplace quality, environmental protection, operating practices and community investment.

In 2018, the CSR Policy was updated to more accurately reflect our approach to ever-changing operating factors and community needs. The revised CSR Policy is more customer-centric, specifically in respect of product and service delivery, maintaining effective dialogue and understanding needs.

For more information, please visit our Corporate Social Responsibility webpage at www.hld.com/en/csr/csrlanding.shtml.



Sustainability Strategy

Henderson Land's sustainability strategy is founded on:

Social Responsibility

to pursue overall community benefits through the business operations; to create a sustainable community and society by implementing best practice.

Environmental Impact Reduction

to monitor environmental footprint; to mitigate any direct and indirect negative environmental impact to the society through technology innovation, strategic partnership and awareness raising.

Industry Collaboration

to maintain strategic and long-term partnership with suppliers, contractors and business partners along the value chain who share the same sustainability visions and values.

Product Responsibility and Innovation

to deliver responsible, high quality and innovative products to customers; to promote innovations in the industry; to engage with customers regularly to understand their expectations on products.

People-focused Workplace

to attract and retain the best talents; to understand employees' expectations; to provide a healthy and safe workplace; to provide adequate training and education in fulfilling their career aspirations; and to promote workforce inclusion and diversity.



CORPORATE GOVERNANCE

Robust governance is fundamental to our business. Our Board of Directors (“the Board”) sets the direction of the Group’s business strategy and overall management of our activities. Under the leadership of the Board, we take every possible measure to ensure that our business is conducted in accordance with all applicable laws and regulations, codes and standards and that we live up to our high standards of accountability and transparency.

Governance Structure

Henderson Land has a robust corporate structure that enables effective dialogue between management, departments and business units. This allows us to serve the long-term interests of our shareholders, employees and other stakeholders.

The Board has five Committees:



Further information of our governance structure can be found in the Corporate Governance Report in the Group’s Annual Report 2018 and on our website. (www.hld.com/en/investor/annual_18.shtml)

The Corporate Social Responsibility Committee (“CSR Committee”), which is chaired by the Group’s Vice Chairman, Mr Lee Ka Shing, directs and oversees issues related to sustainability and corporate social responsibility throughout the Group’s value chain. Members of the CSR Committee are drawn from

several departments including project management, construction, property management, portfolio leasing, company secretarial and corporate communications. The CSR Committee assists the Board in reviewing the CSR Policy and sustainability strategies, overseeing economic, environmental and social issues with respect to workplace quality, environmental protection, operating practices and community involvement. For terms of reference of the CSR Committee, please refer to our website. (www.hld.com/en/csr/csrterms.shtml)

Risk Management

We have an integrated and holistic risk management approach covering all aspects of our operations. It combines top-down Board strategy with bottom-up operational process by our departments. Our risk management policy provides direction and tools for risk identification, analysis and management.

The Board regularly reviews and discusses material operational risks, while each department is responsible for identifying its own risks and designing, implementing and monitoring relevant risk management and internal control systems. This ensures effective identification and management of the Group’s principal risks.



The Audit Department audits the Group's major activities to ensure risk management and internal control systems exist and operate effectively. It reports directly to the Audit Committee which assesses our overall risk management effectiveness. The Audit Committee takes a proactive approach to investigate any activities within its terms of reference.

For more details of the Group's risk management and internal controls, please refer to the Corporate Governance Report in our 2018 Annual Report.

Corporate Values and Ethics

Henderson Land's corporate values are derived from our vision and apply to all our employees and activities.

Our business activities adhere to stringent anti-corruption and fair competition practices, as outlined in our Employee Handbook. The Gift Policy also stipulates the types and monetary value of gifts received by our employees that are acceptable. It is mandatory for all employees to act professionally and comply with these codes and relevant policies on conflicts of interest.

All our new employees undergo anti-corruption training within their first 60 days of employment.

Employees are also encouraged to repeat the training during their careers to refresh their awareness and knowledge. A seminar was held during the year to update our staff on the Competition Ordinance.

We actively encourage any employee with a concern about our standards of conduct to raise it with the Human Resources Department directly or with the Vice Chairman through a direct email link.

During the reporting period, no incidents of corruption were reported within the Group.



OUR ENVIRONMENT

We manage our substantial portfolio with careful regard to its environmental impact. Our Environmental Policy affirms our commitment in this respect and applies throughout the life-cycle of every project. The Environmental Policy, which was last updated in 2018, pertains to every stage of our business operations.

For further details, the Environmental Policy can be accessed online at www.hld.com/en/csr/envpolicy.shtml.

Henderson Land has established two environmental committees to monitor and support our sustainable development activities:



We comply with or exceed applicable environmental laws and standards and continuously seek to improve our performance.

Our Construction Department has established an environmental management system (EMS) in compliance with regulations and ISO 14001:2015. It is constantly monitored and any irregularities are identified and remedied as soon as practicable. Our property management subsidiaries have implemented the Integrated Management System (IMS) in line with

international standards such as ISO 9001, ISO 10002, ISO 14001 and OHSAS 18001. Policies, commitments, responsibilities and grievance mechanisms are all clearly described in the IMS. Goodwill also follows Environmental Instructions (EI) for ISO 14001:2015 compliance regarding particular environmental aspects.

During the year, we incurred no significant fines for non-compliance with environmental laws and regulations.



Material Use and Waste Management

We make every effort to lessen our environmental impact through meticulous waste management. Our Construction Department has set a target to achieve a 30% construction waste diversion rate for applicable property projects under development. In 2018, the Group signed the Environmental Protection Department's Green Event Pledge to demonstrate our commitment to the environmental performance of events we organise or sponsor, and to encourage other event organisers using our venues to do the same.



OUR ENVIRONMENT

Minimising Waste Through Reuse and Innovation

Our technology-driven approach aims to improve operational efficiency, optimise the use of materials and reduce waste generally.

 Approach	 Description	 Progress and future plans
Building Information Modelling (BIM)	BIM digital representations help increase accuracy, minimise material wastage and reduce errors during the construction process	Application of BIM in 2018 led to reduced use of construction materials
Prefabricated design	Off-site manufacturing of building components, mainly in factories, creating a more effective material use and reduced onsite formwork installation	We have used semi-prefabricated slab manufacturing technology since 2017 to reduce the use of plastic conduits and wastage generated in the construction process
Aluminium formwork application	Use of aluminium formwork at construction sites to replace timber and reduce the amount of waste sent to landfill	Since 2017, our Construction Department applies reusable aluminium formwork for projects
Digitalisation of property handover process	Uptake in mobile technology to enable a major reduction in paper usage	75% less paper usage* compared to traditional practice

* Figures were referenced from "The Zutton", our first residential project implementing such technology, in 2017

Green Procurement

Green procurement is a key aspect of our Environmental Policy which stipulates the use of renewable or recyclable materials, as well as favouring consultants, contractors and suppliers who adhere to sustainable practices. Our new property projects are required to avoid the use of virgin forest products, apply standardised designs, and source construction materials from the nearby regions wherever possible.

Our Construction Department has developed a streamlined digital system for procuring sustainably certified or accredited office products, building services, equipment and materials which has enabled cost savings through bulk purchasing.

Materials used by our contractors are closely monitored to ensure their procurement and usage align with construction plans. Our property management subsidiaries also follow green procurement practices, as outlined in ISO 14001 standards.



Recycling and Disposal

We dispose of all waste in the most environmentally sound manner and seek continuous improvement throughout the Group.

Development projects

- Recycled demolition and construction waste
- Maximised scrap metal and waste paper recycling on our construction sites

Managed properties

- Selected properties managed by Well Born and Hang Yick participated in Environmental Protection Department's Programme on Source Separation of Domestic Waste
- Launched One Bag Recycle Scheme for tenants in AIA Financial Centre
- Promoted food waste recycling in residential properties including The Beverly Hills, Hill Paramount, 39 Conduit Road and Regence Royale
- Partnerships with NGOs to promote recycling in our properties

Offices

- Participated in Friends of the Earth (HK)'s recycling programme since 2012
- Participated in Ricoh Hong Kong's toner bottles and cartridges recycling programme





Artist's impression

Energy Efficiency and Emission Reduction

Henderson Land is an active advocate of global efforts to combat climate change. We support the Hong Kong Government's Climate Action Plan 2030+ and have set targets to reduce our carbon emission.

This year, we made encouraging progress towards our target set in 2017 of reducing energy consumption by 10% in the common areas of 14 of our commercial properties by 2025 (2015 baseline year).

Actions for Energy Saving and Emissions Reductions

Development projects

Energy efficiency and emission reduction are considerations from the very start of our projects, from project design and throughout the construction phases. Our Construction Department adheres to Environmental Instruction, which monitors energy usage throughout the construction process in accordance with ISO 14001:2015 requirements.

We continuously seek opportunities for generating or purchasing renewable energy on our construction sites. We also state energy efficiency and emission reduction requirements in our tendering documents, and ensure our subcontractors perform to set benchmarks.

Throughout the construction process, we closely monitor the emissions from our activities to ensure we comply with relevant regulations as well as the Group's internal requirements.

We continue to include innovations in our buildings both to reduce operational costs throughout the life-cycle, and also to promote low-carbon lifestyles to our customers. Energy saving technologies applied in our development projects include:

- Tinted or double window glazing
- Electric vehicle charging facilities
- Solar responsive façades
- Hybrid ventilation for energy saving
- Innovative desiccant dehumidification for healthier and more energy efficient environment
- Digital project management and facility management systems

Managed properties

In our leasing properties, Goodwill has adopted various initiatives to enhance building energy efficiency:

- Replacement of 400 units of T8 (36W) bulbs with LED occupancy sensor dimmable lighting in Manulife Financial Centre
- Replacement of condenser coils at MCP Central
- Use of thermal insulation and light reflective film on skylights
- Engaged with CLP Power Hong Kong Limited to carry out an energy audit to identify energy saving opportunities in 24 properties
- Adjusted operation times for lifts, escalators and lighting facilities
- Installation of timers for air-conditioners and lighting facilities

In our residential properties, Well Born and Hang Yick use an Integrated Management System to provide direction on energy saving. Energy performance is monitored and assessed by the Green Committee regularly, and independent certification bodies also conduct inspections. During the year, 70 properties managed by Well Born and Hang Yick conducted carbon audits to monitor corresponding environmental performance and identify improvement opportunities.



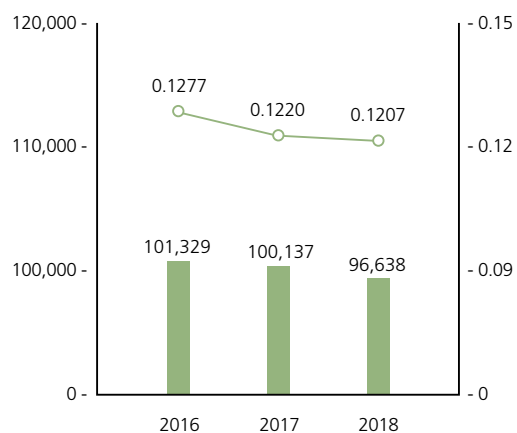
Offices

The Group closely monitors consumption and identifies energy saving opportunities. During the year, we continued to replace fluorescent lamps with LED or T5 lighting to reduce consumption. Our video conferencing systems also reduce the need for business travel and hence emissions.

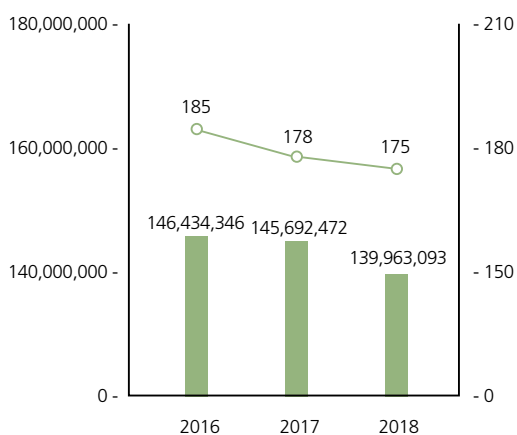


GHG Emissions* and Energy Consumption of our Headquarters and Properties Managed by Goodwill[^]

Total GHG emissions - Scope 1 & 2 (tCO₂e) Building GHG emissions intensity (tCO₂e / m² total GFA)



Total energy consumption[#] (kWh) Building energy intensity (kWh/m² total GFA)



* Please refer to p.69 in Key Facts and Statistics for the breakdown of GHG emissions

[^] The data is confined to our offices at Two ifc, AIA Tower and 33 properties managed by Goodwill in 2018 (2017 and 2016: 33 properties)

[#] The scope of this data includes electricity, fuel and town gas consumption of headquarters and properties managed by Goodwill



Water Conservation and Management

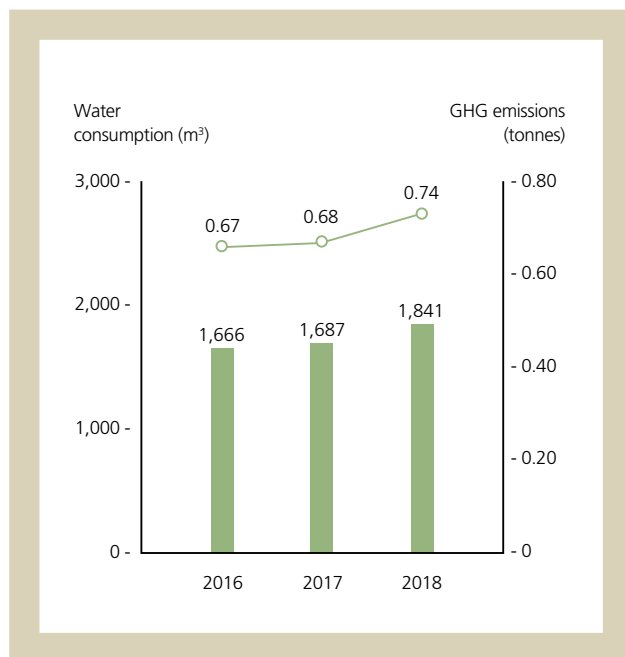
We minimise freshwater use in all aspects of our business through conservation, recycling and treatment, as well as by promoting employee education and awareness. Although Hong Kong is not at high risk of drought, we accept it is our responsibility to remain vigilant and to use water wisely throughout our operations.

To achieve the annual 30% target water saving, as stipulated by the provisional green building rating, we installed optimisation devices such as flow regulators and dual flushing toilets in our new development

projects where applicable. Rainwater recycling systems are also used, where appropriate, for irrigation and at our construction sites for road spraying to reduce dust pollution.

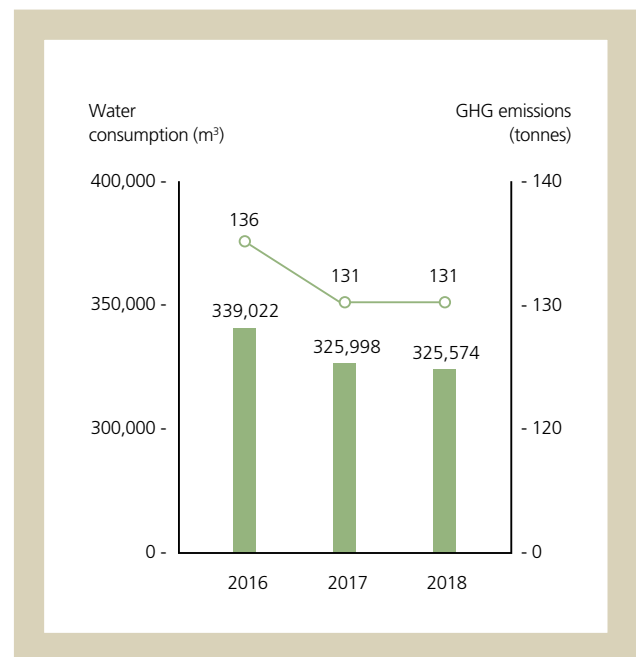
In the properties managed by our subsidiaries, water consumption is regularly monitored and reviewed. Tenant and resident awareness and education is a priority. Freshwater and flushing water tanks are cleansed regularly in accordance with applicable regulations and guidelines. Where appropriate, water devices are replaced with more efficient models.

Water Consumption and Corresponding GHG Emissions[^] of our Headquarters



[^] Indirect emissions from water consumption at our offices at Two ifc and AIA Tower

Water Consumption and Corresponding GHG Emissions[^] of Properties Managed by Goodwill



[^] Indirect emissions from water consumption managed by Goodwill (2016-2018: 33 properties)



OUR PEOPLE

Team Profile

7,993

full-time staff in Hong Kong

160,000

training hours

75

training courses

Henderson Land's success is the cumulative result of our professional, dedicated workforce and a workplace that attracts and retains the right talent, with the skills to meet the needs of our business today and in the years to come. With our goal to be an employer of choice, we are committed to providing our employees with competitive employment packages, training and education to support their career development, and a safe, healthy, non-discriminatory and fair working environment.

Our employees and senior management engage in regular and effective dialogue which ensures that everyone understands each other's expectations.

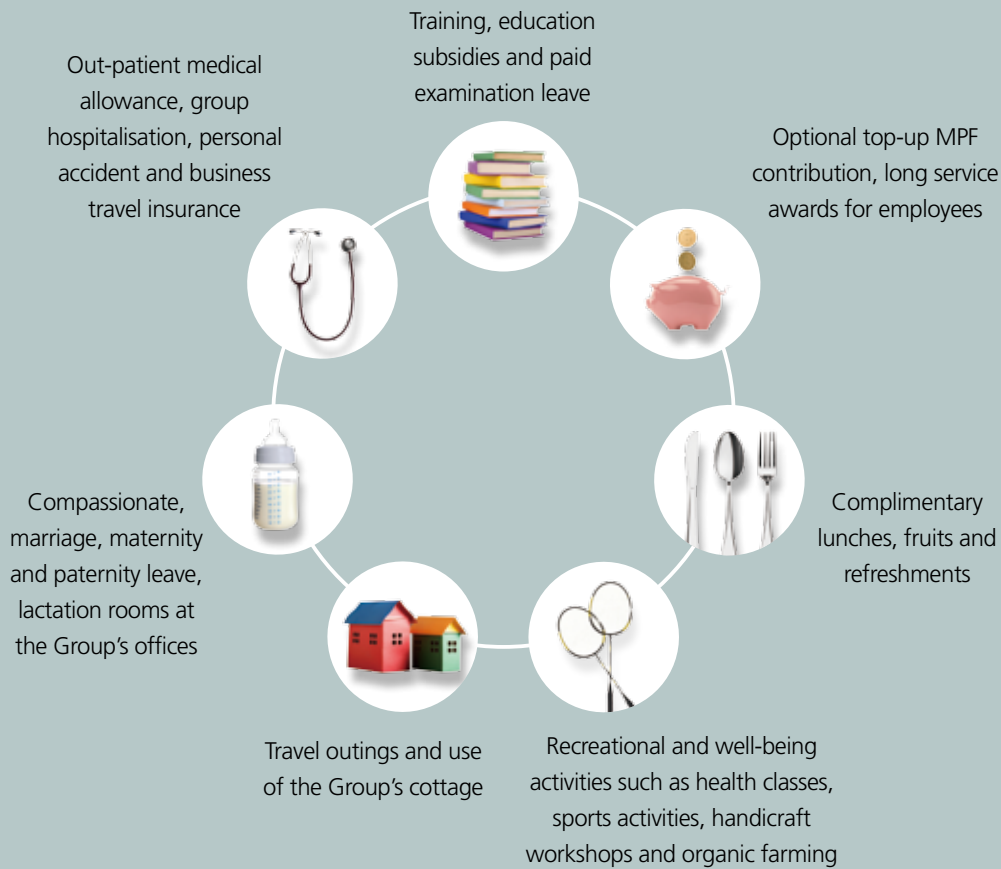
Employment and Employee Welfare

We comply with all labour laws and observe several workplace policies that stipulate the expectations of our employees, while ensuring they are treated fairly and with respect.

We regularly review and update our employment practices to remain competitive in the market and fulfil the needs of our employees. Staff are remunerated based on industry standards, their skills and experience with discretionary year-end bonuses awarded according to individual performance.

In 2018, we updated our Employee Handbook to incorporate several of our policies on matters such as personal data privacy, confidentiality and providing a breastfeeding-friendly workplace, in order to provide our staff with a more comprehensive guide to their workplace.

Benefits provided to full-time staff include:



Note: Extent and types of benefits vary according to different operations and staff grading.





OUR PEOPLE

Equal Opportunity and Diversity

We nurture an inclusive, non-discriminatory and fair working environment where all our employees can freely express their views and opinions. We comply with the Hong Kong Equal Opportunities Commission's Code of Practice as well as all other relevant laws, including those against discrimination by sex, marital status, pregnancy, disability, family status and race.

The diversity of our workforce provides the Group with a mix of perspectives, skills, experience and knowledge, which fosters the healthy growth of our business. Staff can report any concerns regarding discrimination or other grievances confidentially via the Group's intranet or by email to the Vice Chairman.

Training and Development

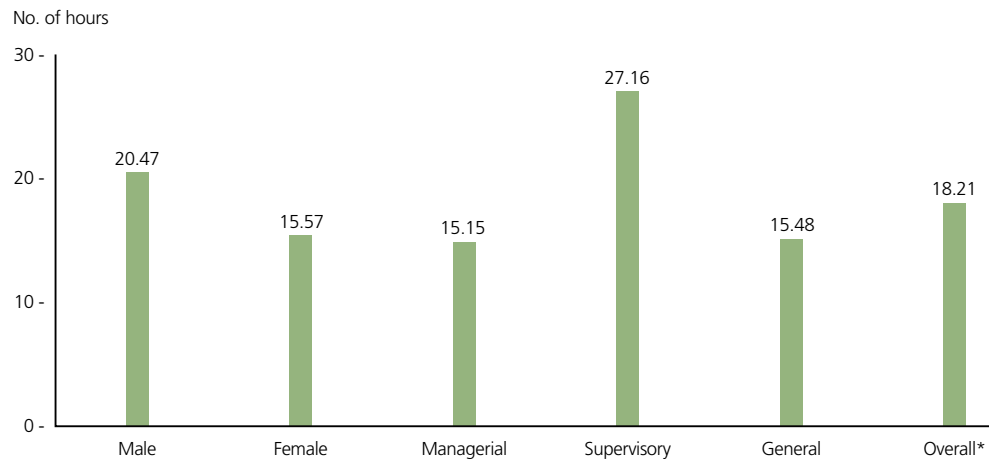
By providing training and development opportunities to our staff, we foster a committed workforce and promote operational improvements. The Group hosts internal seminars, talks and training workshops to enhance our employees' skills, capabilities and confidence. During the year, training was provided on subjects including computer software, regulatory compliance, health and first aid, business management, language skills, and China trade. Additional training resources are also available on our company intranet for employees to refer to and update their knowledge.

Our Human Resources Department regularly evaluates and updates training content, ensuring that it meets our latest operational needs and can build relevant employee capacities. Examination leave and educational subsidies are also provided to our full-time employees, enabling them to participate in external training as required.



New employees receive orientation training within 60 days of joining, to help them understand our organisation, strategy, values and purpose, and familiarise them with our corporate culture.

Average Training Hours per Employee by Gender and Employee Category



* The "Overall" number comprises all full-time and part-time employees of the Group in Hong Kong including those working at our headquarters, construction, property management and other subsidiaries



In 2018, we significantly increased the number of washrooms and provided shower rooms at our sites for the convenience of site staff.



OUR PEOPLE

Occupational Health and Safety

Employee well-being is paramount, and we spare no effort to minimise hazards in the workplace. We adhere to a Group-wide approach to occupational health and safety (OHS), from our offices to our construction sites, with each division implementing their own programmes and initiatives.

For the OHS management approach of our suppliers, please refer to p.40 of Our Value Chain section.

Construction sites

Henderson Land's dedicated OHS Committee oversees all safety matters on our construction sites and monitors performance. The Committee maintains close contact with our site staff and meets quarterly to share updates. We set our own high site safety standards that are benchmarked and evaluated using semi-annual independent safety audits, weekly site inspections by the Site Safety Subgroup, as well as reviews of all injury cases. During the year, 143 safety inspections were conducted which produced 930 safety findings. Results are carefully assessed and any risks are addressed promptly and effectively to enhance operational safety.

Site staff are encouraged to take OHS and first aid courses and new site workers are required to conduct our internal OHS assessment and programmes in order to familiarise themselves with our policies and procedures.

On our construction sites, we take measures to ensure all site staff work in healthy and safe conditions, for example, providing shelters, rest periods, ventilation facilities and potable water to those who spend long periods of time working outside during the hot summer months.

If any site worker is seriously injured during the course of their work, a senior executive will be delegated as the Case Manager to offer help and support to the worker's family for their immediate psychological and financial needs. Tragically, in mid-2018, a fatality occurred at our Middle Road site involving the Main Contractor's worker. We immediately appointed a Case Manager to help the worker's family. While the case is still under investigation by relevant authorities, a series of special meetings were conducted immediately after the incident with various parties to review the site safety to ensure all site safety measures are sufficient and effective. Additional training for site workers were also provided to enhance their awareness of work safety.



Managed properties

At our residential properties, Well Born and Hang Yick adopt OHSAS 18001 certification in their OHS management systems, and conduct routine workplace safety risk inspections. To keep staff aware and engaged in OHS matters, a yearly quiz is conducted, as well as participation in various government and industry schemes, and internal training activities.

At our leasing properties, Goodwill has engaged an external consultant to conduct annual safety inspections and identify areas for improvement. Guidelines are provided to maintenance staff to ensure they follow safety instructions when performing building maintenance work.

This year, Well Born and Hang Yick launched a staff mental health training programme for their permanent employees. The Mental Health Association of Hong Kong was commissioned to develop this programme for employees which covered many mental health issues, such as depression, stress and anxiety. With this, we hope to support a happy and healthy workforce.

CASE STUDY TOGETHER, WE MADE HISTORY!

Henderson Land is a keen supporter of sports development in Hong Kong and mainland China. In 2018, it was again our great pleasure to contribute to, inspire, and share in the outstanding performance of Hong Kong people in the international sports arena. This time, we were part of the record-breaking success of our elite athletes at the 2018 Asian Games and Asian Para Games where, in total, the Hong Kong, China Delegation won 94 medals at both events.



Mr Lau Kong Wah, Secretary for Home Affairs of the Hong Kong Special Administrative Region (2nd from left in the middle row); Mr Martin Lee Ka Shing, Vice Chairman of Henderson Land Group (3rd from left in the middle row) at the press briefing for the launch of the "Henderson Land Commendation Scheme for Elite Athletes".



We were delighted to be able to recognise and reward 153 medal winners through the Henderson Land Commendation Scheme for Elite Athletes, which was enabled by a HK\$15 Million donation by the Group's Chairman, Dr Lee Shau Kee, through his charitable Lee Shau Kee Foundation. Mr Lee Ka Shing, the Group's Vice Chairman and Chairman of our Corporate Social Responsibility

Committee, commented: "The Scheme was our way of showing appreciation for the dedication of individuals who excel at their sports and achieve extraordinary results. It is an example of the role that businesses can play in promoting the development of local sports and I hope it will motivate other corporations to provide their support in future."

The Hong Kong community rallied behind our athletes and witnessed their efforts pay off, as they recorded the best medals results ever achieved at the Asian Games and Asian Para Games. Their courage, determination and desire to win are an inspiration to us all.





OUR VALUE CHAIN

Henderson Land is committed to delivering premier products and services. Our value chain reflects our project development process, from land acquisition, property planning, project design and management, and construction through to completion and property management. At every stage we optimise resources to create value for our customers and our shareholders. We work closely with key stakeholders, ensuring the actions we take align with our sustainability values and strategies, bringing shared and long-lasting benefits to all our stakeholders and to the economy.

Our Customers

Our goal is to deliver the best products and services to our customers and we are committed to reliability, fairness, quality and transparency. Our customers comprise home owners, office tenants, shoppers and retailers. We use various channels to engage in regular dialogue so that we understand their needs and expectations.

During the year, there were no significant cases of non-compliance in relation to our operating practices, products and services.

Quality Products and Services

Transparent, accurate and up-to-date information is of paramount importance for our customers. For our residential properties, we commission external consultants to review all marketing and sales materials and show-flats in order to ensure they comply with all legal requirements. All product information is reviewed and approved by senior executives for accuracy prior to public disclosure and our sales and customer service staff adhere to strict internal operational guidelines.

Customer Health and Safety

We make it a priority to provide a pleasant and safe experience for our customers, whether they are visiting or residing in our properties. To ensure our projects comply with applicable legislation, including the Buildings Ordinance, Regulations and Codes of Practice and Places of Public Entertainment Ordinance, we appoint professionals to conduct compliance assessments, such as Authorised Persons, Registered Structural Engineers and Registered Contractors. All our projects adhere to the Hong Kong Planning Standards and Guidelines. Well Born and Hang Yick are certified for OHSAS 18001 Occupational Health and Safety Management System in their managed residential properties. Goodwill conducts regular facility safety checks at our shopping malls and other leasing properties.

Percentage of Properties that Conducted Health and Safety Impact Assessment

Goodwill	100% properties
Hang Yick	100% properties
Well Born	100% properties

CASE STUDY

BECOMING

CLIMATE RESILIENT



Powerful typhoons are an annual occurrence in the South China Sea and Pacific Ocean, affecting coastal regions including Hong Kong. However, scientists are warning that with global warming and climate change, these storms are intensifying, making them more powerful than ever before. In 2018, Hong Kong was in the direct path of super typhoon, Mangkhut.

In preparation for the typhoon, Goodwill, Well Born, Hang Yick and our Construction Department took precautionary measures at our commercial and residential properties, and construction sites. These included safety checks and the preparation of emergency materials such as sandbags and wooden boards. Notices and signs were also posted

to make occupants and visitors aware of the safety precautions.

In the aftermath of Mangkhut, we responded swiftly by inspecting all damage and carrying out remedial work where necessary. To prevent similar damage in the future, we are taking various measures to improve our resilience to typhoons, including discussions on structural safety, flood prevention, power supplies and water leakage on construction sites, and commissioning external experts to conduct training. For residential properties, where applicable, exhaust fans have now been covered to prevent rain seepage.



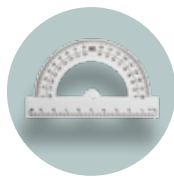
OUR VALUE CHAIN

Customer Engagement and Satisfaction

Engaging with our customers is the most effective way to understand their views on our performance. The Group's Customer Services Code of Conduct sets stringent standards for our staff to provide top-tier customer services in both property sales and property management.

For many people, investing in property is a life-time investment. As such, the Group's Customer Services Section develops and maintains close communication with our customers at the following stages:

Stages of Customer Service



Stage 1

Product Development Stage:

Customers provide feedback on project design to project management team, who then share it with designers, architects and contractors.



Stage 2

Building Inspection Stage:

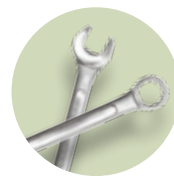
Our project management team conducts routine inspections to ensure products meet customers' needs and expectations.



Stage 4

After-sale Stage:

Our Customer Services Section is stationed within each property for the first year after completion to provide assistance and monitor maintenance works within the warranty period.



Stage 3

Product Delivery Stage:

Properties are introduced to our customers and checked for defects. Customer feedback is collected through on-site questionnaires and hotlines and acted upon.



Customer satisfaction is measured regularly through different channels such as on-site staff communications, customer service hotlines and emails. All feedback is assessed and responded to by our dedicated staff.

Results of Customer Satisfaction Survey

	Goodwill	Hang Yick	Well Born
Number of responses	1,864	2,526	9,833
Overall customer satisfaction	98.2%	98.9%	98.3%

Customer Data Privacy Protection

Respecting our customers' legal right to privacy, Henderson Land is committed to safeguarding data in compliance with the Hong Kong Personal Data (Privacy) Ordinance. When data is collected for operational purposes, we ensure each customer acknowledges what is being collected and how it will be used, as outlined in the Group's corresponding Personal Information Collection Statement. Guidelines are also provided to businesses and subsidiaries, ensuring they are familiar with the proper data handling practices.

During the year, the Group invited the Privacy Commissioner for Personal Data, Hong Kong (PCPD) to deliver a talk for our staff on responsible data handling and consequences of breaching the Personal Data (Privacy) Ordinance. Our employees also attended a PCPD professional seminar.

In 2018, we received no verified complaints concerning breaches of customers' privacy.



OUR VALUE CHAIN

Our Suppliers

We recognise that our procurement activities affect the economy and may create environmental and social impact along the value chain. We have stringent management systems in place throughout the Group to ensure our suppliers comply with local laws and regulatory requirements as well as our sustainability values.

Supply Chain Management

For construction projects, requirements and standards are clearly stipulated during the tendering and procurement process. The Audit Department monitors the process and ensures it is standardised, fair and transparent. We share our approach to environmental and social issues, including occupational health and safety issues, with our suppliers, and require them to adhere to the same standards.

To ensure consistency in product and service delivery, we maintain a list of consultants and contractors who possess the required qualifications and accreditations. At the division level, the Construction Department maintains an Internal Subcontractor Registrar and requires that all subcontractors are registered through the Construction Industry Council's Subcontractor Registration Scheme. The Department also periodically

conducts assessments of suppliers in respect of their environmental, social and OHS standards and compliance. Well Born and Hang Yick subscribed to the "Charter on Preferential Appointment of OSH Star Enterprise" of Occupational Safety & Health Council. Contractors who are approved under the "OSH Star Enterprise – RMAA Safety Accreditation Scheme" and have implemented effective safety management systems are given priority.

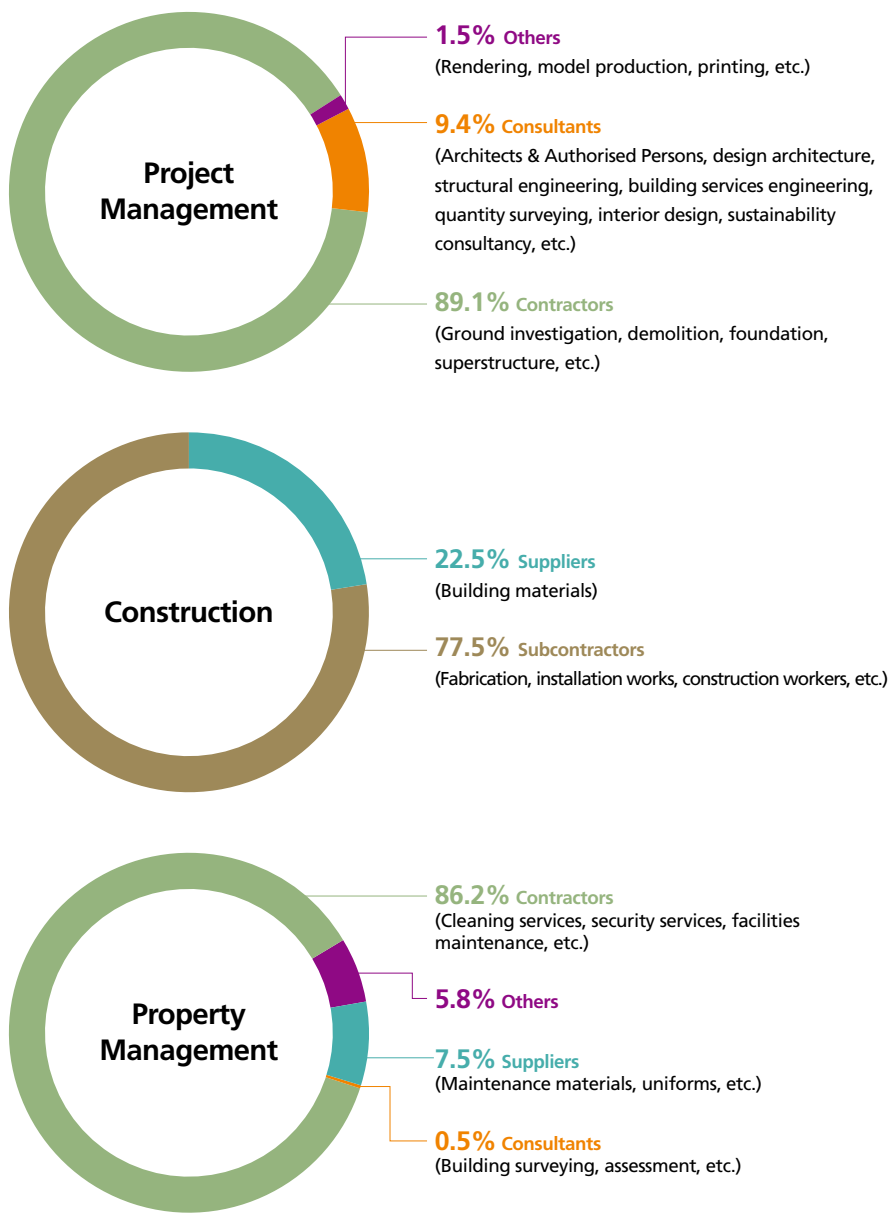
Non-compliance with our requirements during a period of service may result in suspension from tender lists and contract termination.

Our Supply Chain Portfolio

Our major suppliers provide goods and services that range from professional consultancy services and building materials to construction, maintenance and operations services. Our supply chain approach aims to promote local procurement to reduce carbon emissions arising from the transport of materials and products, while simultaneously creating value in the local economy. In 2018, our supply chain comprised over 3,800 suppliers, representing HK\$7.3 billion of expenditure.

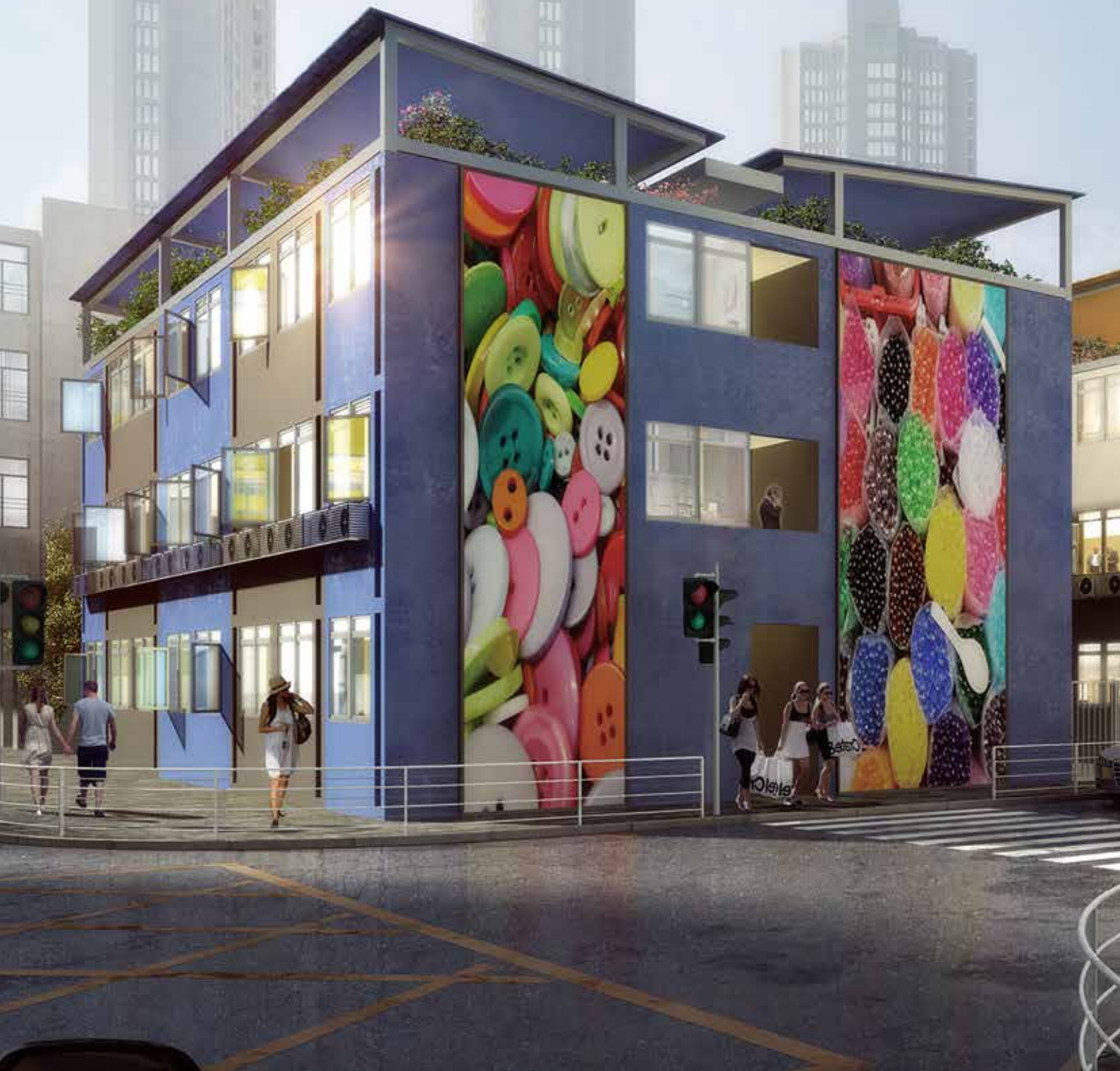


Percentage of Expenditure on Different Types of Suppliers for Project Management, Construction and Property Management



CASE STUDY

COMMUNITY HOUSING



As society increasingly embraces new forms of collective action to shape a sustainable future, Henderson Land is also expanding its community investment to encompass innovative social projects. In 2018, the Group supported Hong Kong's first "Modular Social Housing Scheme", which is facilitated by HKSAR Government and managed by the Hong Kong Council of Social Service ("HKCSS"). We offered the Scheme an 8,000-square-foot demolished site in Sham Shui Po, which was planned for redevelopment, by deliberately adjusting the redevelopment schedule of the project so that the site can provide temporary housing for around 90 needy families over a two-year term.

The Scheme is based on a green concept comprising Modular Integrated Construction (MiC) technology, which allows for free-standing modules to be assembled, dismantled and re-assembled in various locations. It involves housing modules that are prefabricated in a factory, complete with finishes, fixtures and fittings, before being installed on site. To further enhance its sustainability goals, the



Artist's impression

Scheme is also planning to provide life skills training to the residents and to build a community network of support to assist them in their future lives.

In addition to the site, since 2017 the Group has provided more than 190 temporary vacant units to various community housing schemes as transitional housing for low-income families who are awaiting public housing. The Group also took the initiative to refurbish more than 50 of the units to allow the families to move in quickly. In total, our contribution to these schemes is expected to benefit roughly 340 eligible families.



Mr Frank Chan Fan, Secretary for Transport and Housing of the Hong Kong Special Administrative Region (7th from left); Dr Raymond So Wai Man, Under Secretary for Transport and Housing of the Hong Kong Special Administrative Region (8th from left); Ms Ngan Suet Fong, Bonnie, General Manager of Corporate Communications Department, Henderson Land (4th from left) at the Launch of the Community Housing Movement's Good Homes Project.

Artist's impression



OUR COMMUNITY

Being a responsible business goes beyond our direct economic contribution. It requires us to recognise the impact that we have on society, both as a business and from the investments we make in the community. Over the long term, we continue to build and strengthen close relationships with our employees, business partners, government departments, community bodies and other stakeholders, and to respond to community needs in a positive and enduring manner.



In his capacity as the Chairman of UNICEF HK Fundraising Committee, the Group's Vice Chairman Mr Martin Lee Ka Shing (5th from left) officiated at the UNICEF Charity Run 2018 alongside other officiating guests including Mrs Carrie Lam Cheng Yuet Ngor, The Chief Executive of the Hong Kong Special Administrative Region (7th from left).

CASE STUDY

FROM HEADLINES TO HISTORY

Henderson Land is committed to transparency and has always cooperated openly with the press. To further our acknowledgement of the professionalism of the local news media and its role in our society, the Group became one of the major donors of the Hong Kong News-Expo (HKNE), which is the first news-themed exhibition-cum-education facility in Asia.

HKNE is the culmination of a revitalisation project of the former

Bridges Street Market in Central. This Grade 3 historic building was one of the first wet markets built after the Second World War and has now been transformed into a dynamic showcase for HKNE.

The 10,000 sq. ft. site features multiple exhibition areas over two floors. Visitors will be able to enjoy exciting features including multi-

media displays and experiential studios featuring interactive games. Guided tours of the venue will be hosted by senior media practitioners and HKNE will also host media education workshops for young people. HKNE was officially opened to the public in December 2018 and is expected to attract tens of thousands of visitors every year, including local citizens and tourists.



Community Initiatives

Henderson Land has a mature programme of community investment initiatives in place which is continually evolving. The Group works closely with NGO partners and has achieved significant social improvement by enabling access to opportunities and transforming the community in our four focus areas: poverty relief, environmental stewardship, arts and culture, and youth development. Our CSR Committee actively reviews our community investment strategy and direction every year, taking into consideration current social needs and the ongoing effectiveness of our activities. We measure the social impact and outcomes of all programmes to make sure our investments are creating positive long-term social outcomes. In 2018, we continued to expand our investments in the four priority areas identified by the CSR Committee, playing a central role in more than 100 community initiatives. Below are highlights and results of some of these programmes:

Poverty Relief



Community Housing and Modular Social Housing Schemes

Facilitated by the Hong Kong Government, and supported by HKCSS and NGOs, the schemes utilise unoccupied housing and site space in the community to provide transitional accommodation and support to low-income families. In 2017 and 2018, Henderson Land contributed more than 190 temporary vacant units to community housing schemes, plus an 8,000-square-foot demolished site in Shum Shui Po, which was planned for redevelopment, for the provision of modular social housing, both for a period of 2 years. In total, our contribution to these schemes is expected to benefit roughly 340 eligible families.

Blessing Farm

Since 2014, Henderson Land has sponsored Blessing Farm, a social enterprise-cum-farm in Fanling. The Farm provides part of its produce to "Home Market" for sale to the underprivileged at low prices. Over 4,600 kg of organic vegetables were distributed by Blessing Farm during the year, more than 14,900 kg in total over the past 5 years, with close to 30,000 underprivileged people benefitting during that period.





OUR COMMUNITY

Poverty Relief



Commission on Poverty "Future Stars" Programme - Upward Mobility Scholarship

Since 2014, we have offered scholarships to financially disadvantaged students who achieve academic excellence, with the aim of supporting them to continue their studies and pursue their aspirations. During the year, 171 students were awarded scholarships, and cumulatively over 930 'future stars' have benefitted, setting these students on track to become high achievers.



Hong Kong Community Network - Kwai Tsing Ethnic Minority Programme

Recognising the importance of fostering a caring and equal society, we have been donating to this programme since 2014 to help ethnic minorities and low-income groups receive effective assistance and support. The programme's diverse features include promoting education and employment, and assisting with integration into the community. Cumulatively, more than 550,000 people have received support from this initiative since the Group became its sponsor.

Warmth Giving Project

Established in 2011, our Warmth Giving Project brings our staff and members of the community together in outreach activities for the underprivileged. This year, volunteers of Henderson Land and Henderson Club knitted over 1,200 scarves and blankets for the elderly and less-privileged families, and engaged with them in various events, activities and home visits. Cumulatively, the project has benefitted more than 73,000 economically-disadvantaged and elderly people.



Poverty Relief



UNICEF Charity Run 2018

The Charity Run aims to raise funding for the treatment of children living with HIV in developing countries. This year, 35 runners from Henderson Land participated. Our Vice Chairman, Mr Lee Ka Shing, the Chairman of UNICEF HK's Fundraising Committee, personally invited his acquaintances to join the 3km Leadership Challenge, together with members of our senior management.

In total, HK\$12 million was raised from the Run this year, which can fund the treatment of 155,000 HIV infected children for a month.

Environmental Stewardship



Friends of the Earth (HK) Power Smart Energy Saving Contest

This year marked a decade of Henderson Land's sponsorship of this territory-wide energy conservation contest to raise awareness for lowering our carbon footprint and promoting energy savings in domestic households and commercial buildings. Cumulatively, over 420 million kWh of electricity has been saved over the past 10 years in Hong Kong through this competition, equivalent to reducing 300,000 tonnes of CO₂ emissions.

Plantation Enrichment Programme

Since 2007, we have supported the plantation of tree seedlings in Hong Kong. In 2017 and 2018, we sponsored the five-year tree planting programmes of Friends of the Earth (HK) and The Green Earth, respectively, in support of the AFCD's "Plantation Enrichment Programme." Henderson Land staff, families and friends have volunteered, working closely with our NGO partners to jointly plant around 6,500 seedlings as part of these programmes. To-date, our participation has resulted in the plantation of about 35,500 tree seedlings in Hong Kong.





OUR COMMUNITY

Environmental Stewardship



Green Power Hike

Since 2006, Henderson Land has been supporting this annual fundraising event for Green Power's ongoing educational initiatives. This year, the Group repeated its role as Title Sponsor of the Hike and recruited staff to participate. Over the years, the event has been attended by a total of 42,000 runners.

World Wide Fund For Nature Hong Kong ("WWF-Hong Kong") Walk for Nature @ Mai Po

The annual Walk at the birdwatchers' paradise in Mai Po is a meaningful activity which combines appreciation of nature with fundraising. Henderson Land has sponsored this event since 2010. This year, 50 participants from Stewards joined the Group's Volunteer Team. Since we commenced our sponsorship of the Walk, more than 21,000 individuals have participated, providing essential funding for WWF-Hong Kong to continue its important conservation and educational activities.



Greeners Action Amazing Greeners

We have sponsored the competition since it first started in 2017. The event raises funds for Greeners Action to implement environmental protection campaigns and community food donation projects. This year, 79 participants joined the event, while cumulatively, 175 people have participated and over 12,000 people have benefitted from food donation projects.

Youth Development



HKSAR Government Pilot Scheme on Corporate Summer Internship on the Mainland and Overseas

Henderson Land supported the Internship scheme, which was launched by the HKSAR Government in 2018 with the aim to nurturing young talents in Hong Kong with understanding of the workplace culture and career prospects in different places and an international perspective. The Group offered 12 placements of 8-week training at our commercial properties in Beijing, Shanghai and Guangzhou, through which the students gained hands-on experience on leasing operations and the Mainland market.

Summerbridge Hong Kong

We have repeated our pledge to support the provision of tuition-free, summer and after-school enrichment programmes for financially disadvantaged young students. This year, 330 students and 120 student teachers benefited from this initiative. While, cumulatively, about 3,300 students and 1,300 student teachers have benefitted since Henderson Land became an active donor in 2006.



Breakthrough Youth Development Project

The Project aims to inspire students, parents and youth carers about resilience and communication skills. We donated to the programme since 2017, with some funds used for the publication of illustrated books and game cards to raise awareness of the above issues. During the year, the project benefitted over 1,400 students, and the publications reached 18,000 people. Cumulatively, over 1,740 students benefitted and the publications reached 24,000 people.



Arts & Culture

District Arts and Cultural Activities

Henderson Land is an active supporter of district arts and cultural activities, such as the “Fall/Winter Sheung Wan Promenade” of Central and Western District, which has attracted over 835,000 visitors since we became the patron in 2007; “Tsuen Wan Festival Lightings and New Year Countdown” which has attracted more than 2,400,000 since we commenced sponsorship in 2007; and “2018 Sha Tin Festival”, which has attracted more than 200,000 visitors.



Le French May

Le French May is one of the largest cultural events in Asia. Henderson Land began sponsoring this event in 2008 and was once again the Grand Patron of the 2018 event. The festival has been enjoyed by millions of people in Hong Kong and Macau these past years.

The 16th Venice Biennale International Architecture Exhibition

We have provided a donation to this programme in 2014 and 2018. The exhibitions created worldwide synergies as a point of reference for designers, architects, professionals and trend setters from the worlds of art, fashion and communication. This year, the exhibitions attracted over 60,000 visitors.



During 2018, Henderson Land again supported various NGOs and educational institutions through the provision of free or discounted exhibition space at our venues. Our shopping malls subsidised venue rentals amounting to about HK\$2,160,000 for a total of 106 charitable events.

Volunteering

Henderson Land is closely connected with the communities in which we operate or have impact on. The Group, including our subsidiaries and associated companies, encourages a culture of volunteerism amongst our employees, customers and other stakeholders in our value chain. In 2018, our teams of volunteers organised more than 520 activities, amounting to a combined total of over 120,000 volunteer hours.

5 volunteer teams
under the Group

Altogether
4,500+ volunteers

Altogether
120,000+
service hours reached

Altogether held
520+ volunteer activities
in 2018





OUR COMMUNITY

Henderson Warmth Volunteer Team

Henderson Warmth Volunteer Team organised 18 service programmes in 2018, which benefitted more than 1,800 people in need. These included visits to the elderly and a youth field trip. They also joined hands with colleagues and Henderson Club members in the "Knit for the Needy" programme to produce around 1,200 scarves and blankets for the elderly and less privileged families in community. This year, the team again received the Gold Award for Volunteer Service (Organization) and also Award of 10,000 Hours for Volunteer Service from the Social Welfare Department.



Towngas Volunteer Service Team

Towngas Volunteer Service Team comprises more than 900 volunteers, who contributed over 91,000 service hours in 2018. The team received the Champion of the Highest Service Hour Award (Private Organizations – Best Customers Participation) from the Social Welfare Department for the 11th consecutive year.



Hong Kong Ferry Corporate Volunteer Team

Hong Kong Ferry Corporate Volunteer Team actively serves the elderly and low-income families. Throughout the year, the Team participated in more than 30 volunteer activities and contributed over 900 service hours.

Team of Care

Hang Yick and Well Born's Team of Care comprises more than 3,000 volunteers. The Team and this year's programme, "Building Your Dream Home" received the "Champion of Highest Service Hour Award (Private Organizations – Category I)" for the 13th year and was also the champion under the general corporate group in the "2016-2018 Best Corporate Volunteer Service Project Competition" organised by the Social Welfare Department, respectively.



Goodwill Volunteer Team

Goodwill Volunteer Team contributed over 1,400 hours of volunteer services during 2018, including green charity hikes and elderly visits.





AWARDS, EXTERNAL INITIATIVES AND MEMBERSHIPS

Sustainability Awards 2018



1



H Zentre*



2

18 King Wah Road project[#]



4



3



* The project images are artist's impressions

[#] The transfer of the equity interests in the companies holding the office building at 18 King Wah Road, North Point, was completed in early 2018. Please refer to p.11 in the Group's Annual Report 2018 for details



218 Electric Road*

5



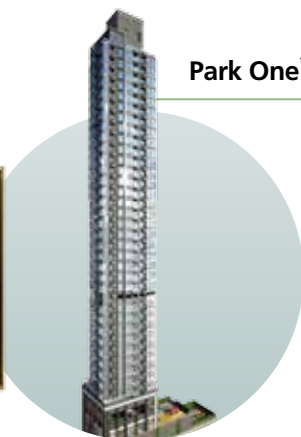
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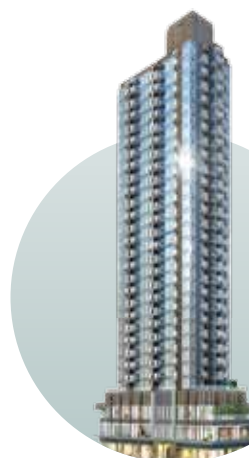
Parker 33*



7



Park One*



The Zutton*



9



8



The Globe



AWARDS, EXTERNAL INITIATIVES AND MEMBERSHIPS

Sustainability Awards 2018 (Continued)

Henderson Land



Goodwill



Hang Yick and Well Born



30



31



32



33



34



35



36



37



38



39



40



41



42

E Man



43



Sustainability Awards 2018 (Index)

H Zentre

- 1 **International Property Awards 2018-2019**
International Property Awards
Best International Commercial High-rise Development
- 2 **Asia Pacific Property Awards 2018-2019**
International Property Awards
Best Commercial High-rise Development Asia Pacific
Best Commercial High-rise Development Hong Kong – 5-Star
Best Mixed-use Development Hong Kong – 5-Star

18 King Wah Road project

- 3 **Quality Building Award 2018**
The Hong Kong Institute of Housing, The Hong Kong Construction Association, The Hong Kong Institute of Architects and six other institutes/ disciplines
Grand Award – Hong Kong Non-Residential (New Building – Non-Government, Institution or Community) Category
- 4 **HKIA Annual Awards 2017/18**
The Hong Kong Institute of Architects
Merit Award of Hong Kong – Commercial Building
Special Architectural Award – Architectural Sustainability

218 Electric Road

- 5 **The 2nd APIGBA Awards Competition**
Asia Pacific Intelligent Green Building Alliance
Gold Award (Design Category)

Parker 33

- 6 **Best Landscape Award for Private Property Development 2018**
Leisure and Cultural Services Department
Small-scale Domestic Property (Properties below 6 years of age) – Merit

Park One

- 7 **Asia Pacific Property Awards 2018-2019**
International Property Awards
Mixed-use Development Hong Kong – Award Winner

The Globe

- 8 **Asia Pacific Property Awards 2018-2019**
International Property Awards
Office Interior Hong Kong – Award Winner

The Zutten

- 9 **Best Landscape Award for Private Property Development 2018**
Leisure and Cultural Services Department
Small-scale Domestic Property (Properties below 6 years of age) – Merit

Henderson Land

- 10 **Caring Company 2018/19**
Hong Kong Council of Social Service
10 Years Plus Caring Company 2018/19
- 11 **HKQAA CSR Index Plus**
Hong Kong Quality Assurance Agency
Participating Organization
- 12 **HKQAA Sustainability Rating Seal**
Hong Kong Quality Assurance Agency
AA Rating
- 13 **Gold Award for Volunteer Service (Organization)**
Award of 10,000 Hours for Volunteer Service
Social Welfare Department
- 14 **BCI Asia Top 10 Awards 2018**
BCI Asia
Top 10 Developers Award
- 15 **The Listed Enterprise Excellence Awards 2018**
CAPITAL WEEKLY
Outstanding Corporate Results Performance Award

16 International ARC Awards 2018

MerComm, Inc.
Honors Award (Specialized A.R.: CSR – Corporate Social Responsibility Report)
Honors Award (Cover Photo/Design: Specialized A.R.: CSR – Corporate Social Responsibility Report)
Honors Award (Infographics: Specialized A.R.: CSR – Corporate Social Responsibility Report)

17 Hang Seng Corporate Sustainability Index Series

Hang Seng Indexes Company Limited
Constituent Company

18 The 4th Hong Kong Business Sustainability Index

The Chinese University of Hong Kong Business School's Centre for Business Sustainability
Top 20 HKBSI Companies
Achiever

19 Building Environmental Assessment Method (BEAM)

BEAM Society Limited
Platinum Standard (Double Cove Phases 4 & 5)

20 BEAM Plus (New Buildings)

Hong Kong Green Building Council
Final Gold Rating (High Park Grand)

21 Green Building Design Label (GBDL)

China Green Building Council and China Green Building (Hong Kong) Council
3-Star Rating (218 Electric Road)

22 WELL Building Standard

International Well Building Institute
Gold Level Pre-certification (218 Electric Road)

Goodwill

23 Caring Company 2018/19

Hong Kong Council of Social Service
10 Years Plus Caring Company 2018/19

24 ERB Manpower Developer Award Scheme

Employees Retraining Board
Manpower Developer (2012-20)

25 2017-18 "Hong Kong Citizen Hong Kong Heart" Volunteer Ambassador Program

Social Welfare Department
Certificate of Appreciation

26 2018-20 Social Capital Builder Awards

Labour and Welfare Bureau
Social Capital Builder Logo Award

27 2017/18 Family-Friendly Employers Award Scheme

Home Affairs Bureau and Family Council
Family-Friendly Employer (Corporations Category)
Special Mention (Gold) (Corporations Category)
Awards for Breastfeeding Support (Corporations Category)

28 The 9th Hong Kong Outstanding Corporate Citizenship Awards

Hong Kong Productivity Council
The 9th Hong Kong Outstanding Corporate Citizenship Logo (Enterprise Category)

29 BOCHK Corporate Environmental Leadership Awards 2017

Federation of Hong Kong Industries
3 Years + Eco Pioneer (19 awarded properties in total)
EcoPartner (20 awarded properties in total)

Hang Yick and Well Born

30 2017 International Customer Relationship Excellence Awards

Asia Pacific Customer Service Consortium
Customer Relationship Marketing Service of the Year 2017 (Property Management)
Corporate Environmental Leadership of the Year 2017 (Property Management)
16 Consecutive Years of Participation (Well Born)

31 Caring Company 2018/19

Hong Kong Council of Social Service
15 Years Plus Caring Company 2018/19

32 ERB Manpower Developer Award Scheme

Employees Retraining Board
MD – Grand Prize Award (2016-18)
Manpower Developer 1st (2010-20)

33 ERB Manpower Development Scheme

Employees Retraining Board
ERB Excellence Award for Employers 2018-19 (Well Born)
ERB Outstanding Award for Employers 2018-19 (Hang Yick)

34 Happiness at Work Promotion Scheme 2018

Promoting Happiness Index Foundation
Logo of "Happy Company 5 years+"

35 HKQAA CSR Index Plus

Hong Kong Quality Assurance Agency
Participating Organization (Well Born)

36 Excellence in Facility Management Award 2018

The Hong Kong Institute of Facility Management
Excellence Award (Large-scale Residential) (Double Cove) (Well Born)
Excellence Award (Medium-scale Residential) (The Beverly Hills) (Well Born)
Excellence Award (Small-scale Residential) (Hill Paramount) (Well Born)

37 2017 Security Services Best Training Awards

Vocational Training Council and Hong Kong Police Force Crime Prevention Bureau
Award of Gold (Licensed Security Company Type 1)

38 2016-2018 Best Corporate Volunteer Service Project Competition

Social Welfare Department
Champion (General Corporate Group)

39 Highest Service Hour Award 2017

Social Welfare Department
Champion (Private Organizations – Category I)
1st Runner up (Private Organizations – Best Customer Participation)

40 2017-18 Good MPF Employer Award Mandatory Provident Fund Schemes Authority

Good MPF Employer
E-Contribution Award
Support for MPF Management Award

41 Talent-wise Employment Charter and Inclusive Organization Recognition Scheme

Labour and Welfare Bureau
Outstanding Inclusive Team Award 2017-18 (Hang Yick)
Friendly Employment Award 2017-18 (Hang Yick)

42 2017/18 Family-Friendly Employers Award Scheme

Home Affairs Bureau and Family Council
Meritorious Family-Friendly Employer (Corporations Category) (Well Born)
Family-Friendly Employer (Corporations Category) (Hang Yick)
Special Mention (Gold) (Corporations Category)
Awards for Breastfeeding Support (Corporations Category)

E Man

43 HKCA Safety Award 2017

Hong Kong Construction Association
HKCA Safety Merit Award
HKCA Proactive Safety Contractor Award (Heng Lai and Heng Shung)



AWARDS, EXTERNAL INITIATIVES AND MEMBERSHIPS

Project Accreditation in 2018

Accreditation	Development	Rating
Building Environmental Assessment Method (BEAM)	Double Cove Phases 4 & 5	BEAM – Platinum Standard
BEAM Plus	High Park Grand	BEAM Plus (New Buildings) – Final Gold Rating
Green Building Design Label (GBDL)	218 Electric Road	3-Star Rating
WELL Building Standard (WELL)	218 Electric Road	Gold Level Pre-certification

External Initiatives

Initiatives	Organisation
4Ts Charter	Environmental Bureau and Electrical and Mechanical Services Department
Energy Saving Charter	Environmental Bureau and Electrical and Mechanical Services Department
Food Wise Charter	Food Wise Hong Kong Steering Committee, Environment Bureau
Green Event Pledge	Environmental Protection Department
Hong Kong Green Shop Alliance	Hong Kong Green Building Council

Memberships

Organisation	Position
BEAM Society	Member of Development Sub-committee and various positions
Business Environment Council	Board Director and various positions
China Green Building (Hong Kong) Council	Executive Member and Corporate Member
Egret Research Group, the Hong Kong Bird Watching Society	Convenor
IUCN Heron Specialist Group	Member
HKSAR Advisory Committee on Recycling Fund	Member
HKSAR Appeal Tribunal Panel (Buildings)	Member
HKSAR Land and Development Advisory Committee	Member of Land Sub-Committee and Planning Sub-Committee
HKSAR Statistics Advisory Board	Member
Hong Kong Green Building Council	Patron Gold Member and various positions
The Hong Kong Institute of Architects	Fellow member
The Hong Kong Institution of Engineers	Fellow member
The Hong Kong Institute of Housing	Council Member
The Hong Kong Institute of Planners	Council Member
The Real Estate Developers Association of Hong Kong	Vice President and various positions
Vocational Training Council	Chairman of The Real Estate Services Training Board



KEY FACTS AND STATISTICS

Approach to Defining Sustainability Disclosure

Engaging with Stakeholders

We continue to meet the expectations of all our constituents through comprehensive stakeholder engagement activities. Our stakeholders include our employees, business and joint venture partners, shareholders and investors, customers and tenants, consultants, suppliers and contractors, government and regulators, industry associations and professional bodies, local communities, non-governmental organisations, and the media. We maintain regular communication with them throughout the year and their feedback helps us to proactively identify and respond to emerging trends and concerns.



In his capacity as the Chairman of the Board of Directors of One Country Two Systems Research Institute, Dr Peter Lee Ka Kit, Vice Chairman of the Group (2nd from left) gave a keynote speech at the Hong Kong ASEAN Summit 2018 titled "The Role and Positioning of the Greater Bay Area in the Economy of Asia".

Our engagement activities are carried out according to the needs of individual stakeholder groups and are conducted through many different channels at regular intervals, ranging from daily to annually. These channels include satisfaction surveys and loyalty programmes for customers and tenants; meetings and roadshows for shareholders and investors; welfare and interest groups for our employees; social media and public events for the

public; project collaboration and social gatherings for community groups and NGOs; meetings for business partners, consultants, suppliers and contractors; talks and seminars for industry associations, professional bodies and academia; press briefings, annual gathering, feedback and responses to enquiries for media; and active participation in regulatory and Government-led initiatives.

Defining Material Topics and Boundaries

In the preparation of this year's Report, we appointed an independent consultant who conducted a stakeholder engagement exercise to identify and prioritise our material sustainability topics and corresponding impact boundary. This exercise involved internal and external stakeholders, including senior executives and frontline staff, as well as subcontractors and home buyers. Feedback from staff and customers was collected through a focus group and online survey, while face-to-face and telephone interviews were conducted with senior executives and subcontractors. Participants were selected based on their expertise, relationship with the Group and willingness to participate.

Below are the steps we took to determine sustainability topics for disclosure:

1



Identify topics in reference to:

- GRI Standards and HKEX ESG Reporting Guide
- Our previous Sustainability and CSR Reports
- Topics relevant to our industry
- Topics relevant to our location of operations within the reporting scope

2



Prioritise topics by soliciting feedback from our stakeholders.

3



Validate topics and corresponding boundary by engaging with the Group's senior management to confirm list of material sustainability topics for disclosure in this Report.

4



Review the topics and corresponding impact boundary regularly to ensure those remain material to the Group.



KEY FACTS AND STATISTICS

As shown in table below, a total of 20 topics were considered to be high priority. These are similar to previous years as there was no significant change to our business operations.

Henderson Land's Material Sustainability Topics

Material topics	Within the Group	Outside of the Group			Corresponding report section
		Supply chain	Customers	Communities	
Economic Performance	✓	✓		✓	About Our Group
Anti-corruption	✓	✓			Corporate Governance
Materials	✓	✓	✓		Our Environment
Emissions	✓			✓	Our Environment
Compliance (Environment)	✓	✓	✓	✓	Our Environment
Energy Efficiency	✓		✓	✓	Our Environment
Waste Management	✓			✓	Our Environment
Water Management	✓		✓		Our Environment
Employee Engagement	✓				Our People
Diversity and Inclusion	✓				Our People
Talent Attraction and Retention	✓			✓	Our People
Occupational Health, Safety and Well-being	✓	✓			Our People
Training and Development	✓	✓			Our People
Information Privacy and Security	✓	✓	✓	✓	Our Value Chain

Material topics	Within the Group	Outside of the Group			Corresponding report section
		Supply chain	Customers	Communities	
Customer Engagement and Satisfaction	✓		✓		Our Value Chain
Customer Health and Safety	✓		✓		Our Value Chain
Compliance (Product Responsibility)	✓	✓	✓	✓	Our Value Chain
Supply Chain Management	✓	✓			Our Value Chain
Marketing and Labelling	✓		✓		Our Value Chain
Community Investment				✓	Our Community



KEY FACTS AND STATISTICS

Response to Stakeholders from Engagement Exercises

During the stakeholder engagement exercise, some common themes and topics arose. These have been summarised in the table below, together with our response:

Topics	Our response
Environment	
Consider incorporating additional sustainable lifestyle elements into buildings from the design stage	<p>For all new development projects, our dedicated team will conduct detailed research and analysis to identify opportunities for incorporating environmentally friendly and wellness features.</p> <p>For further details about our sustainable building practice, please refer to p. 20 to 27 of Our Environment section.</p>
People	
Regularly benchmark and review employment packages and monitor employee welfare in order to maintain and improve standing as an employer of choice	<p>We conduct regular assessments of employees' remuneration, welfare, benefits and other employment practices to benchmark them against the market and ensure the packages offered to our employees remain competitive.</p> <p>Please refer to p. 28 to 33 of Our People section for details.</p>
Our Value Chain	
Actively share information on the Group's sustainability performance	<p>Our property management subsidiaries regularly engage with residents about various environmental and social initiatives. In 2018, we conducted an online survey with our customers, and we will explore other engagement channels to communicate our sustainability performance to our customers in the future.</p> <p>Please refer to p. 62 to 63 of the current section for details.</p>

Aligning with Sustainable Development Goals

We recognise that the impacts of our business extend far beyond our office walls. The United Nations Sustainable Development Goals (SDGs) provide a blueprint for a better and more sustainable future for all. The 17 goals relate to poverty, inequality, climate, water, energy, and sustainable cities and communities for all. In 2017, we mapped our material topics to the SDGs and in future we intend to align our targets and actions to these goals.

Goal	What this means for our business	Our approach to supporting this goal
Affordable and Clean Energy 	Increase energy efficiency and renewables	<ul style="list-style-type: none"> • Apply green building design features in new developments in line with international standards to minimise energy use and increase the use of renewable energy • Install energy efficient technologies and features in existing buildings to reduce energy use
Decent Work and Economic Growth 	Supporting decent working conditions for employees and those in the supply chain	<ul style="list-style-type: none"> • Require screening of labour standards of our subcontractors • Publicly disclose health and safety information on our construction sites, including the nature and number of incidents • Empower an Occupational Health and Safety Committee to oversee occupational health and safety
Sustainable Cities and Communities 	Improving access to resilient buildings, transport, green spaces and utilities	<ul style="list-style-type: none"> • Incorporate green facility designs into new developments, including communal areas to support social interaction
Responsible Consumption and Production 	Closing material loops and conducting sustainability reporting	<ul style="list-style-type: none"> • Opt for green and recycled building materials in accordance with our Environmental Policy • Publish an annual standalone Sustainability and CSR Report since 2014
Life on Land 	Preventing degradation of natural ecosystems	<ul style="list-style-type: none"> • Establish partnerships during planning and implementation of biodiversity offsetting • Establish a “design out” approach that minimises potential adverse impacts on ecological value and resources • Follow environmental impact assessment and town planning guidelines to develop sustainably • Closely monitor all activities on our land that is located near/ in ecologically sensitive areas

Source: United Nations' SDGs (www.un.org/sustainabledevelopment/sustainable-development-goals/)



KEY FACTS AND STATISTICS

Waste and Materials Used from Construction Sites 2018

Non-hazardous waste	
General waste (tonnes)	10,696.60
Recycled (tonnes)	14.12
Non-renewable materials recycled and/or reused	
Metal (tonnes)	109.35
Materials recycled and/or reused that come from renewable resources	
Timber (tonnes)	401.99
Total weight of materials used	
Concrete (tonnes)	56,602.37
Steel (tonnes)	1,868.93
Prefabricated unit*(tonnes)	2,959.25

*New data collected in 2018

Recycled Waste at Properties Managed by Goodwill[^]

	2018	2017	2016
Paper (tonnes)	1,134.63	1,532.86	1,442.94
Plastic (tonnes)	17.18	20.72	16.70
Metal (tonnes)	27.01	26.91	25.07
Total (tonnes)	1,178.82	1,580.49	1,484.71

[^]The data is confined to 33 properties managed by Goodwill in 2018 (2017: 30 properties; 2016: 27 properties)

GHG Emissions and Energy Consumption[^] of our Headquarters and Properties Managed by Goodwill

Type	2018	2017	2016
Total Scope 1 emissions (tCO ₂ e)	837	852	850
Total Scope 2 emissions (tCO ₂ e)	95,801	99,285	100,479
Total GHG emissions - Scope 1 & 2 (tCO ₂ e)	96,638	100,137	101,329
Building GHG emissions intensity (tCO ₂ e /m ² total GFA)	0.1207	0.1220	0.1277
Total electricity consumption (kWh)	136,859,007	141,835,574	143,541,381
Total energy consumption [#] (kWh)	139,963,093	145,692,472	146,434,346
Building energy intensity (kWh/m ² total GFA)	175	178	185

[^]The data is confined to our offices at Two ifc, AIA Tower and 33 properties managed by Goodwill in 2018 (2017 and 2016: 33 properties)

[#]The scope of this data includes electricity, fuel and town gas consumption of headquarters and properties managed by Goodwill

Water Consumption and Corresponding GHG Emissions[^] of our Headquarters

Type	2018	2017	2016
Water consumption (m ³)	1,841	1,687	1,666
GHG emissions (tonnes)	0.74	0.68	0.67

[^]Indirect emissions from water consumption at our offices at Two ifc and AIA Tower

Water Consumption and Corresponding GHG Emissions[^] of Properties Managed by Goodwill

Type	2018	2017	2016
Water consumption (m ³)	325,574	325,998	339,022
GHG emissions (tonnes)	131	131	136
No. of properties	33	33	33

[^]Indirect emissions from water consumption



KEY FACTS AND STATISTICS

Total Workforce in Hong Kong by Employment Type

	No. of employees	Full-time	Part-time
Group Headquarters	1,420	1,416	4
Construction	511	511	0
Property Management	3,380	3,205	175
Other Subsidiaries	3,672	2,861	811
Overall*	8,983	7,993	990

Employees in Hong Kong by Position Level, Gender and Age

	Position level	No. of employees	Male	Female	Aged below 30	Aged 30-50	Aged over 50
Group Headquarters	Managerial	392	261	131	2	224	166
	Supervisory	640	355	285	74	454	112
	General	388	129	259	112	193	83
Construction	Managerial	4	4	0	0	1	3
	Supervisory	147	147	0	16	50	81
	General	360	253	107	68	115	177
Property Management	Managerial	141	110	31	0	97	44
	Supervisory	820	572	248	114	376	330
	General	2,419	1,441	978	373	525	1,521
Other Subsidiaries	Managerial	145	82	63	0	70	75
	Supervisory	516	235	281	49	264	203
	General	3,011	1,255	1,756	374	1,191	1,446
Overall*	Managerial	682	457	225	2	392	288
	Supervisory	2,123	1,309	814	253	1,144	726
	General	6,178	3,078	3,100	927	2,024	3,227

Full-time Employee Turnover in Hong Kong by Gender and Age

	No. of employees	Male	Female	Aged below 30	Aged 30-50	Aged over 50
Group Headquarters	223	95	128	71	127	25
Construction	193	145	48	31	80	82
Property Management	1,236	738	498	285	315	636
Other Subsidiaries	1,484	746	738	192	636	656
Overall	3,136	1,724	1,412	579	1,158	1,399

New Hires in Hong Kong by Gender and Age

	No. of employees	Male	Female	Aged below 30	Aged 30-50	Aged over 50
Group Headquarters	283	127	156	111	159	13
Construction	153	104	49	25	75	53
Property Management	1,150	678	472	413	344	393
Other Subsidiaries	1,808	836	972	399	708	701
Overall*	3,394	1,745	1,649	948	1,286	1,160

Average Training Hours per Employee by Gender and Employee Category

	No. of hours
Male	20.47
Female	15.57
Managerial	15.15
Supervisory	27.16
General	15.48
Overall*	18.21

* The "Overall" number comprises all full-time and part-time employees of the Group in Hong Kong including those working at our headquarters, construction, property management and other subsidiaries



KEY FACTS AND STATISTICS

Team of Professionals

Qualification	Number
BEAM Professional	23
Certified Arborist	4
Ecologist	1
GBL Qualified Manager	8
HKQAA Sustainable Building Index Verifier	2
LEED Accredited Professional	7
LEED Green Associate	2

Board of Directors Composition

By gender	
Male	89%
Female	11%
By age	
30-49	6%
50 or above	94%

Occupational Health and Safety Data in 2018[^]

	Male	Female	Overall
Work-related fatalities	0	0	0
Injury rate per 1,000 employees	13.14	1.09	8.30
Lost days due to work-related accidents and disease (occupational)	1,323.00	459.00	1,782.00
Lost days due to other sick leave (not related to work-related injuries)	5,524.00	5,075.00	10,599.00
Absentee rate per 200,000 working hours	3,470.70	4,181.78	3,756.19

[^]The OHS data includes only the employees of the Group's headquarters, Goodwill and construction subsidiaries

Accident Rate per 1,000 Workers per Annum in Construction

	2018	2017	2016
E Man	9.8	9.6	6.1
Hong Kong Construction Industry Average Accident Rate [^]	31.4 [^]	32.9	34.5

[^]Projected figure based on statistics up to the 3rd Quarter of 2018 by Hong Kong Housing Authority

Percentage of Expenditure on Different Types of Suppliers for Project Management, Construction and Property Management

Project Management	
Consultants (Architects & Authorised Persons, design architecture, structural engineering, building services engineering, quantity surveying, interior design, sustainability consultancy, etc.)	9.4%
Contractors (Ground investigation, demolition, foundation and superstructure, etc.)	89.1%
Others (Rendering, model production, printing, etc.)	1.5%
Construction	
Suppliers (Building materials)	22.5%
Subcontractors (Fabrication, installation works, construction workers, etc.)	77.5%
Property Management	
Consultants (Building surveying, assessment, etc.)	0.5%
Contractors (Cleaning services, security services, facilities maintenance, etc.)	86.2%
Suppliers (Maintenance materials, uniforms, etc.)	7.5%
Others	5.8%

Overall Customer Satisfaction Rate at our Property Management Subsidiaries

Subsidiary	Aspect		Channel	Satisfaction result
Goodwill	<ul style="list-style-type: none"> • Service Quality • Cleaning Quality • Security Quality 	<ul style="list-style-type: none"> • Maintenance Quality • Customer Service • Facilities & Activities 	Questionnaires & Interviews	98.2%
Hang Yick	<ul style="list-style-type: none"> • Customer Service • Security Service • Club House Service 	<ul style="list-style-type: none"> • Landscape Service • Carpark Management • Shuttle Bus Service 	Customer Services Survey	98.9%
Well Born	<ul style="list-style-type: none"> • Facility Management • Cleaning Service 	<ul style="list-style-type: none"> • Communication 		98.3%



GRI AND HKEX ESG CONTENT INDEX

GRI Standard	Disclosure Number and Title	HKEX ESG KPI (if applicable)	Remarks	Page No.
GRI 100: Universal Disclosures 2016				
GRI 102: General Disclosures 2016				
102-1	Name of the organisation		About Our Group	10
102-2	Activities, brands, products and services		About Our Group	10-12
102-3	Location of headquarters		About Our Group	10
102-4	Location of operations		About Our Group	10
102-5	Ownership and legal form		About Our Group	10
102-6	Markets served		About Our Group	10-11
102-7	Scale of the organisation		About Our Group	13
102-8	Information on employees and other workers	B1.1	Our People Key facts and Statistics	28, 70-72
102-9	Supply chain	B5.1	Our Value Chain	40-41
102-10	Significant changes to the organisation and its supply chain		There were no significant changes to size, structure or ownership during the reporting period	/
102-11	Precautionary principle or approach		About Our Group	18-19
102-12	External initiatives		Awards, External Initiatives and Memberships	60
102-13	Membership of associations		Awards, External Initiatives and Memberships	61
102-14	Statement from senior decision maker		Message from Management	6-7

GRI Standard	Disclosure Number and Title	HKEX ESG KPI (if applicable)	Remarks	Page No.
102-16	Values, principles, standards and norms of behavior		Corporate Values and Ethics	19
102-18	Governance structure		Corporate Governance	18
102-40	List of stakeholder groups		Key Facts and Statistics	62
102-41	Collective bargaining agreements		The majority of Henderson Land's employees are in Hong Kong where there is no statutory recognition of collective bargaining agreements	/
102-42	Identifying and selecting stakeholders		Key Facts and Statistics	62-63
102-43	Approach to stakeholder engagement		Key Facts and Statistics	62-63
102-44	Key topics and concerns raised		Key Facts and Statistics	64-66
102-45	Entities included in the consolidated financial statements		About Our Group	11
102-46	Defining report content and topic boundaries		Key Facts and Statistics	62-65
102-47	List of material topics		Key Facts and Statistics	64-65
102-48	Restatements of information		The accident rate per 1,000 workers used in 2017 has been restated due to an amendment in calculation	/
102-49	Changes in reporting		There are no significant changes from previous reporting periods in the list of material topics and topic boundaries	/



GRI AND HKEX ESG CONTENT INDEX

GRI Standard	Disclosure Number and Title	HKEX ESG KPI (if applicable)	Remarks	Page No.
102-50	Reporting period		About this Report	4
102-51	Date of most recent report		Our Sustainability and CSR Report 2017 was published in April 2018	/
102-52	Reporting cycle		About this Report	4
102-53	Contact point for questions regarding the report		About this Report	4
102-54	Claims of reporting in accordance with the GRI Standards		About this Report	4
102-55	GRI content index		GRI and HKEX ESG Content Index	74-81
102-56	External assurance		We did not seek external assurance for this Report	/
Material Topics				
GRI 200: Economic Topics 2016				
GRI 201: Economic Performance 2016				
GRI 103 Management Approach 2016			About Our Group	12-13
201-1	Direct economic value generated and distributed		About Our Group	13
GRI 203: Indirect Economic Impacts 2016				
GRI 103 Management Approach 2016		GD-B8	About Our Group	13
203-1	Infrastructure investments and services supported	B8.1, B8.2	About Our Group	13

GRI Standard	Disclosure Number and Title	HKEX ESG KPI (if applicable)	Remarks	Page No.
GRI 205: Anti-corruption 2016				
GRI 103 Management Approach 2016		GD-B7	Corporate Governance	19
205-2	Communication and training about anti-corruption policies and procedures	B7.2	Corporate Governance	19
205-3	Confirmed incidents of corruption and actions taken	B7.1	Corporate Governance	19
GRI 300: Environmental Topics 2016				
GRI 301: Materials 2016				
GRI 103 Management Approach 2016		GD-A2, GD-A3	Our Environment	20-23
301-1	Materials used by weight or volume	A2.5	Key Facts and Statistics	68
GRI 302: Energy 2016				
GRI 103 Management Approach 2016		GD-A2, GD-A3	Our Environment	20, 24-26
302-1	Energy consumption within the organisation	A2.1	Our Environment Key Facts and Statistics	26, 69
302-3	Energy intensity	A2.1	Our Environment Key Facts and Statistics	26, 69
CRE1	Building energy intensity	A2.1	Our Environment Key Facts and Statistics	26, 69
302-4	Reduction of energy consumption	A2.3, A3.1	Our Environment Key Facts and Statistics	24-26, 69



GRI AND HKEX ESG CONTENT INDEX

GRI Standard	Disclosure Number and Title	HKEX ESG KPI (if applicable)	Remarks	Page No.
GRI 303: Water 2016				
	GRI 103 Management Approach 2016	GD-A2, GD-A3, A2.4	Our Environment	27
303-1	Water withdrawal by source	A2.2	Our Environment Key Facts and Statistics	27, 69
GRI 305: Emissions 2016				
	GRI 103 Management Approach 2016	GD-A1, GD-A3, A1.5	Our Environment	20, 24-25
305-1	Direct (Scope 1) GHG emissions	A1.1, A1.2	Our Environment Key Facts and Statistics	26, 69
305-2	Energy indirect (Scope 2) GHG emissions	A1.1, A1.2	Our Environment Key Facts and Statistics	26, 69
305-4	GHG emissions intensity	A1.2	Our Environment Key Facts and Statistics	26, 69
CRE3	GHG emissions intensity from buildings	A1.2	Our Environment Key Facts and Statistics	26, 69
305-5	Reduction of GHG emissions	A1.5, A3.1	Our Environment	26, 69
GRI 306: Effluents and Waste 2016				
	GRI 103 Management Approach 2016	GD-A1, GD-A3, A1.6	Our Environment	21-23
306-2	Waste by type and disposal method	A1.3, A1.4	Our Environment Key Facts and Statistics	21-23, 68
GRI 307: Environmental Compliance 2016				
	GRI 103 Management Approach 2016		Our Environment	20-27
307-1	Non-compliance with environmental laws and regulations	GD-A1	Our Environment	20

GRI Standard	Disclosure Number and Title	HKEX ESG KPI (if applicable)	Remarks	Page No.
GRI 400: Social Topics 2016				
GRI 401: Employment 2016				
GRI 103 Management Approach 2016		GD-B1, GD-B4	Our People	28-33
401-1	New employee hires and employee turnover	B1.2	Key Facts and Statistics	71
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	GD-B1	Our People	29
GRI 403: Occupational Health and Safety 2016				
GRI 103 Management Approach 2016		GD-B2, B2.3	Our People	30-33
403-2	Types of injury and rates of injury, occupational diseases, lost days, absenteeism and number of work-related fatalities	B2.1, B2.2	Our People Key Facts and Statistics	32, 72
GRI 404: Training and Education 2016				
GRI 103 Management Approach 2016		GD-B1	Our People	30-31
404-1	Average hours of training per year per employee	B3.1, B3.2	Our People Key Facts and Statistics	31, 71
GRI 405: Diversity and Equal Opportunity 2016				
GRI 103 Management Approach 2016		GD-B1	Our People	28, 30
405-1	Diversity of governance bodies and employees	B1.1	Key Facts and Statistics	70-72



GRI AND HKEX ESG CONTENT INDEX

GRI Standard	Disclosure Number and Title	HKEX ESG KPI (if applicable)	Remarks	Page No.
GRI 406: Non-discrimination 2016				
	GRI 103 Management Approach 2016	GD-B1	Our People	28, 30
406-1	Incidents of discrimination and corrective actions taken	GD-B1	Our People	30
GRI 413: Local Communities 2016				
	GRI 103 Management Approach 2016	GD-B8, B8.1, B8.2	Our Community	44-53
413-1	Operations with local community engagement, impact assessments and development programs	GD-B8, B8.1, B8.2	Our Community	44-53
GRI 416: Customer Health and Safety 2016				
	GRI 103 Management Approach 2016	GD-B6	Our Value Chain	36
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		Our Value Chain	36
GRI 417: Marketing and Labelling 2016				
	GRI 103 Management Approach 2016	GD-B6	Our Value Chain	36
417-1	Requirements for product and service information and labelling	GD-B6	Our Value Chain	36
417-2	Incidents of non-compliance concerning product and service information and labelling	B6.2	Our Value Chain	36
417-3	Incidents of non-compliance concerning marketing communications	B6.2	Our Value Chain	36

GRI Standard	Disclosure Number and Title	HKEX ESG KPI (if applicable)	Remarks	Page No.
GRI 418: Customer Privacy 2016				
GRI 103 Management Approach 2016		GD-B6, B6.5	Our Value Chain	39
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	B6.2	Our Value Chain	39
CRE8	Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment		Awards, External Initiatives and Memberships	60
GRI 419: Socioeconomic Compliance 2016				
GRI 103 Management Approach 2016		GD-B4, GD-B7	Corporate Governance Our People Our Value Chain	18, 28, 36, 39
419-1	Non-compliance with laws and regulations in the social and economic area	B7.1	During the year, there were no significant fines and non-monetary sanction for non-compliance with laws and/or regulations in the social and economic area	/



HENDERSON LAND

We recognise that we have a clear obligation and responsibility to serve the wider community and we are proud of our progress to-date in devising and delivering impactful community programmes in areas such as poverty relief, environmental stewardship, arts and culture, and youth development. These programmes are meaningful and beneficial thanks to close collaboration with our NGO partners, and the engagement of our employees, their families and friends, customers, associated companies and other working partners.



UNICEF Charity Run 2018



Summerbridge Hong Kong



HKCSS Community Housing Movement



HKSAR Government Pilot Scheme on Corporate Summer Internship on the Mainland and Overseas

Photo provided by Home Affairs Bureau



Knit for the Needy 2018



WWF – Hong Kong Walk for Nature @ Mai Po



HENDERSON LAND



Friends of the Earth (HK)'s Tree Planting Challenge 2018



Volunteer team elderly home visit



The Green Earth Plantation Enrichment Project – Tree Planting Day 2018



Breakthrough Youth Development Project



Green Power Hike



Hong Kong Community Network – Kwai Tsing Ethnic Minority Programme



2018 Sha Tin Festival



HONG KONG AND CHINA GAS

Hong Kong and China Gas is committed to ethical and responsible business practices, which form the cornerstone of its corporate, environmental and social activities. Following the success of its Chef Anchor programme in 2017, Hong Kong and China Gas established another volunteer team which is the first in Hong Kong to specialise in home visits to patients suffering with Mild Cognitive Impairment. The company also launched Hong Kong's first cognitive training cookbook, entitled *I Can Cook*. The programme has earned recognition both in Hong Kong and in Singapore.



Inter-school VR Games Design Competition



Mad Dog Café Charity Programme



Chef Anchor Volunteer Team



From Farm to Fork Carnival



The Plantation Enrichment Project – Tree Planting Day 2018



We Can Cook – Farm to Table



Mooncakes for the Community



World Environment Day 2018 – Zero Waste Fun Fair



HONG KONG FERRY GROUP

Hong Kong Ferry Group organised a variety of activities to broaden the youth's horizons, including CSR cruise parties, health talks, simple living sharing sessions, and visits to Hong Kong Sea School, where around 1,400 children and parents from low-income families were benefited. The Company also nurtured youth by providing visits, training and internship opportunities to over 260 engineering students at its shipyard throughout the year.



Loving Hong Kong Loving Home Cruise Party



Happy Halloween Cruise Party with Pok Oi Hospital



Commission on Poverty “Life Buddies” Mentoring Scheme – Job Tasting Programme



The Hong Kong Federation of Youth Groups Neighbourhood First – Tuen Ng Festival Visit Activity



Student Internship at Hong Kong Shipyard



MIRAMAR GROUP

With a long-standing commitment to giving back to society, Miramar Group encourages its staff to participate in various community service programmes that benefit the needy. It has joined forces with its staff, business partners and community organisations to promote environmental protection and sustainable development, and to care for the community.



Jockey Club Museum of Climate Change, The Chinese University of Hong Kong—"Green Family Day 2018"



Volunteers Help Preparing Meal Boxes in Food Angel's Central Kitchen



Volunteers Visit Hong Chi Morninghill School



Mira Place x Hong Kong Institute of Animal Assisted Intervention "Meet & Greet" with Animal Ambassadors



UNICEF Charity Run 2018



Green Power Hike



Student Visit at The Mira Hong Kong



HANG YICK AND WELL BORN

Hang Yick and Well Born supported programmes to benefit the elderly, low-income families and ethnic minorities. Their initiatives included the “Mini U for the Third Age” programme which helped elderly participants to fulfil their dreams of going to college, and the “Intergenerational Exchange Tour 2018” to foster harmony between family generations.



Mini-U for the Third Age Programme 2018 Graduation Ceremony



Visit to The LINK Centre of Hong Kong Community Network



2018 Seminar on Corporate Volunteering cum Award Presentation Ceremony



Poon Choi Feast for Elderly



Institute of Active Ageing, The Hong Kong Polytechnic University – Intergenerational Exchange Tour 2018



GOODWILL

Goodwill has been partnering with local universities to offer internship opportunities at our shopping malls and commercial buildings. The company also works with charitable organisations to extend outreach activities to the elderly and children from underprivileged families.



Green Power Hike



Goodwill Volunteer Team Elderly Visit



Hong Kong Christian Service "The Love Network"



Summer Internship Programme 2018 for IVE Students



Hong Kong Christian Service "Outing with North Point Happy Teen Club"



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