



恒基兆業地產有限公司
HENDERSON LAND DEVELOPMENT COMPANY LIMITED

Stock Code: 12

SUSTAINABILITY AND CSR REPORT 2014

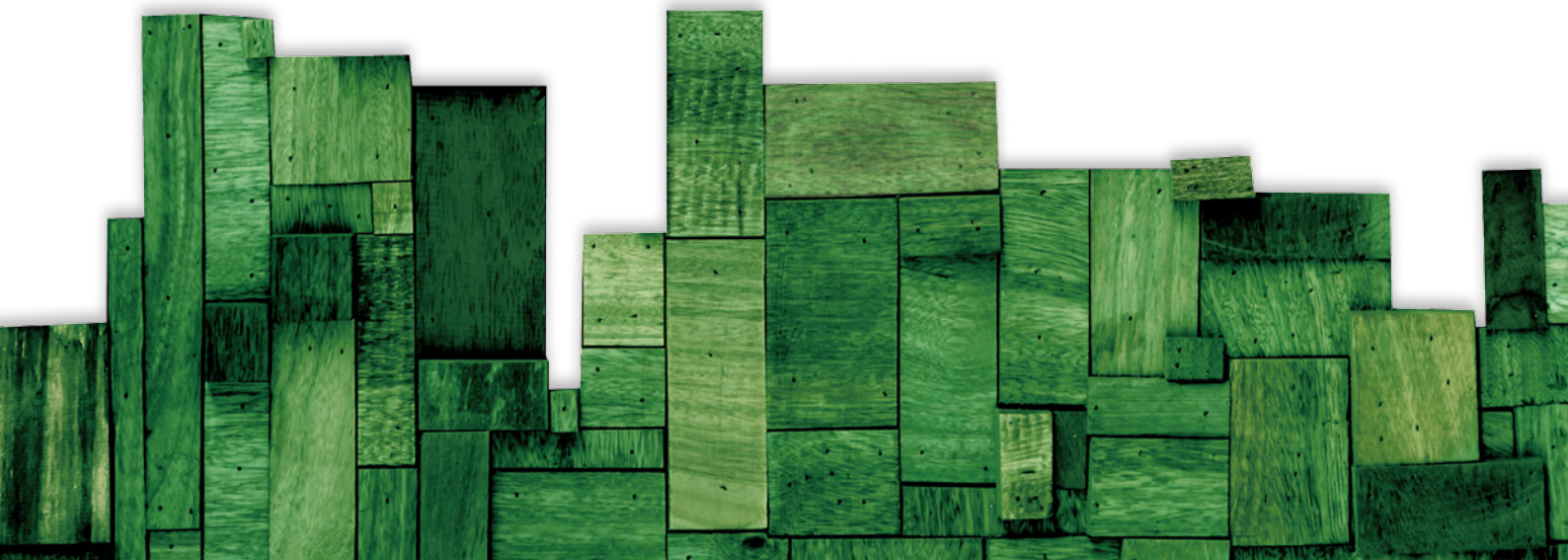


**PLAN
VIBRANT,
BUILD
GREEN**

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ABOUT THIS REPORT

SCOPE OF THE REPORT

This is the first standalone annual Sustainability and CSR Report (“the Report”) of Henderson Land Development Company Limited (“Henderson Land” or “the Group”) and sets out our approach, commitments and strategy in respect of sustainability.

The Group is committed to transparently communicating our sustainability impacts and to managing them responsibly. As with the previous report published on 23 April 2014, this Report provides information on the environmental, social and economic impacts of the Group’s operations in Hong Kong during the calendar year ended 31 December 2014. It highlights both our historic performance and our plans and targets for the future. It also includes some illustrative case studies from 2014.

The Report covers the activities of our headquarters and our wholly-owned property management and construction subsidiaries, Goodwill Management Limited (“Goodwill”), which manages the Group’s investment properties, and E Man Construction Company Limited (“E Man”), which operates and manages the Group’s construction sites. Different from last year and in order to provide a more comprehensive disclosure, this Report also covers the activities of our property management subsidiaries, Well Born Real Estate Management Limited (“Well Born”) and Hang Yick Properties Management Limited (“Hang Yick”), which manage over 170 properties.

HOW WE REPORT

The Report is prepared in accordance with the “Core” option of the internationally recognised Global Reporting Initiative’s (GRI) latest sustainability reporting guidelines (G4) and the Environmental, Social and Governance Reporting Guide (“the ESG Reporting Guide”) issued by The Stock Exchange of Hong Kong Limited. In preparing the Report, an independently-managed stakeholder engagement as well as materiality assessment was conducted.

MATERIALITY ASSESSMENT PROCESS

1

Identifying Stakeholder Preference

- Stakeholder preference is an essential factor when deciding what Aspects should be covered in the Report
- Key stakeholders were identified by a specialist third party organisation
- Stakeholders were asked to rate the 46 GRI Aspects in accordance with their level of importance to them and the perceived impact of activities by the Group and our subsidiaries on each particular Aspect

2

Benchmarking Sustainability Disclosure Practice of Peers

- Industry best practice is another important reference point to consider when establishing the materiality of an Aspect
- Reviewing industry peers’ work provides a useful guidance for examining the industry’s economic, environmental and social impacts from a macro perspective and identifying industry standards or commonalities on GRI disclosure
- The sustainability reports of five of the Group’s local industry peers were reviewed and analysed

3

Determining Material Issues

- Consolidating inputs from both stakeholder engagement review and disclosure practices amongst industry peers

LIST OF MATERIAL ISSUES AND CORRESPONDING ASPECT BOUNDARY

High priority issues	Impact location (Within/ outside of the Group)		Where impacts occur outside of the Group	Sections in this Report where the issue is addressed
	Within	Outside		
Economic Performance	√	√	<ul style="list-style-type: none"> Customers and tenants Investors/ Analysts Suppliers and contractors 	About Our Group
Materials	√			Our Environment
Energy	√			Our Environment
Water	√			Our Environment
Emissions	√	√	<ul style="list-style-type: none"> Local communities and NGOs 	Our Environment
Effluents and Waste	√	√	<ul style="list-style-type: none"> Local communities and NGOs 	Our Environment
Products and Services	√			Our Environment
Employment	√			Our People
Occupational Health and Safety	√	√	<ul style="list-style-type: none"> Industry associations and professional bodies Suppliers and contractors 	Our People
Training and Education	√			Our People
Non-discrimination	√			Our People
Local Communities	√	√	<ul style="list-style-type: none"> Local communities and NGOs 	Our Community
Anti-corruption	√			Our Vision for Sustainability
Customer Health and Safety	√	√	<ul style="list-style-type: none"> Customers and tenants Suppliers and contractors 	Our Value Chain
Product and Service Labelling		√	<ul style="list-style-type: none"> Customers and tenants Suppliers and contractors 	Our Value Chain
Marketing Communications	√	√	<ul style="list-style-type: none"> Customers and tenants Government and regulators Media 	Our Value Chain
Customer Privacy		√	<ul style="list-style-type: none"> Customers and tenants Government and regulators Suppliers and contractors 	Our Value Chain
Compliance (Product Responsibility)	√	√	<ul style="list-style-type: none"> Government and regulators 	Our Value Chain

The Report does not include performance data from companies in which Henderson Land does not have a controlling interest. Employees of contractors and subcontractors for whom the Group has no direct responsibility are not considered as part of Henderson Land's workforce. All numerical data are presented as absolute figures and all financial data are in Hong Kong Dollars, unless otherwise noted.

The Report and additional corporate information are available on our website (www.hld.com). We welcome your views, comments or feedback on this Report and on our sustainability performance. Please send your feedback on this Report and other sustainability related enquiries to corpcomm@hld.com.

MESSAGE FROM MANAGEMENT

I am delighted to introduce the first standalone Sustainability and CSR Report of Henderson Land.

Over the years, we have continually improved our sustainability disclosure. Starting in 2006, we included a chapter on our CSR activities in our Annual Report. By 2012, we had started to publish this chapter on a more structured basis with reference to the Global Reporting Initiative ("GRI") G3.1. This year marks our first standalone Sustainability and CSR Report, and our first Report published in accordance with GRI G4 Core Option and with reference to the ESG Reporting Guide issued by The Stock Exchange of Hong Kong Limited.

I firmly believe that interaction with our stakeholders is essential for gauging the Group's progress towards our ongoing sustainability and CSR objectives and for ensuring we pursue appropriate future strategies. In 2014, we conducted a comprehensive engagement exercise, involving key internal and external stakeholders, to gain a thorough understanding of their expectations on our CSR disclosure as well as their perceptions and concerns on key social and environmental issues relevant to our business and operations. Their feedback is reflected in this Report and has helped us to begin to develop our longer-term objectives.



We have always conducted our business in a way that contributes to society and invests in the future. Testament to the Group's caring culture are our carefully designed projects, the close cooperation of our supply chain partners, and our many long-term community initiatives in Hong Kong and on the mainland.

As one of the first developers to apply internationally recognised green building standards and adopt new sustainable building technologies, we have been at the forefront of green building in Hong Kong. Our continuing progress and commitment are exemplified by the extensive team of professional green building specialists we now have across our operations and the many major green awards we have been honoured with. Furthermore, we are continuing our ardent support for environmental education and for promoting industry best practices and standards, having committed over HK\$4.7 million in 2014 to diverse programmes, initiatives, industry forums and seminars.

We strive to be regarded as an employer of choice while creating a workforce of tomorrow. The Group promotes a caring workplace, where the safety and well-being of our staff are our priorities. Our superior site safety measures and training have ensured accident rates remain well below the industry average.

Our community investment activities are targeted at the core areas of poverty relief, youth development, environmental

education, social enterprise, and art and culture. As well as our own employees' award-winning volunteering activities, we also pursue long-term partnerships with community bodies to create positive change through innovative projects and initiatives.

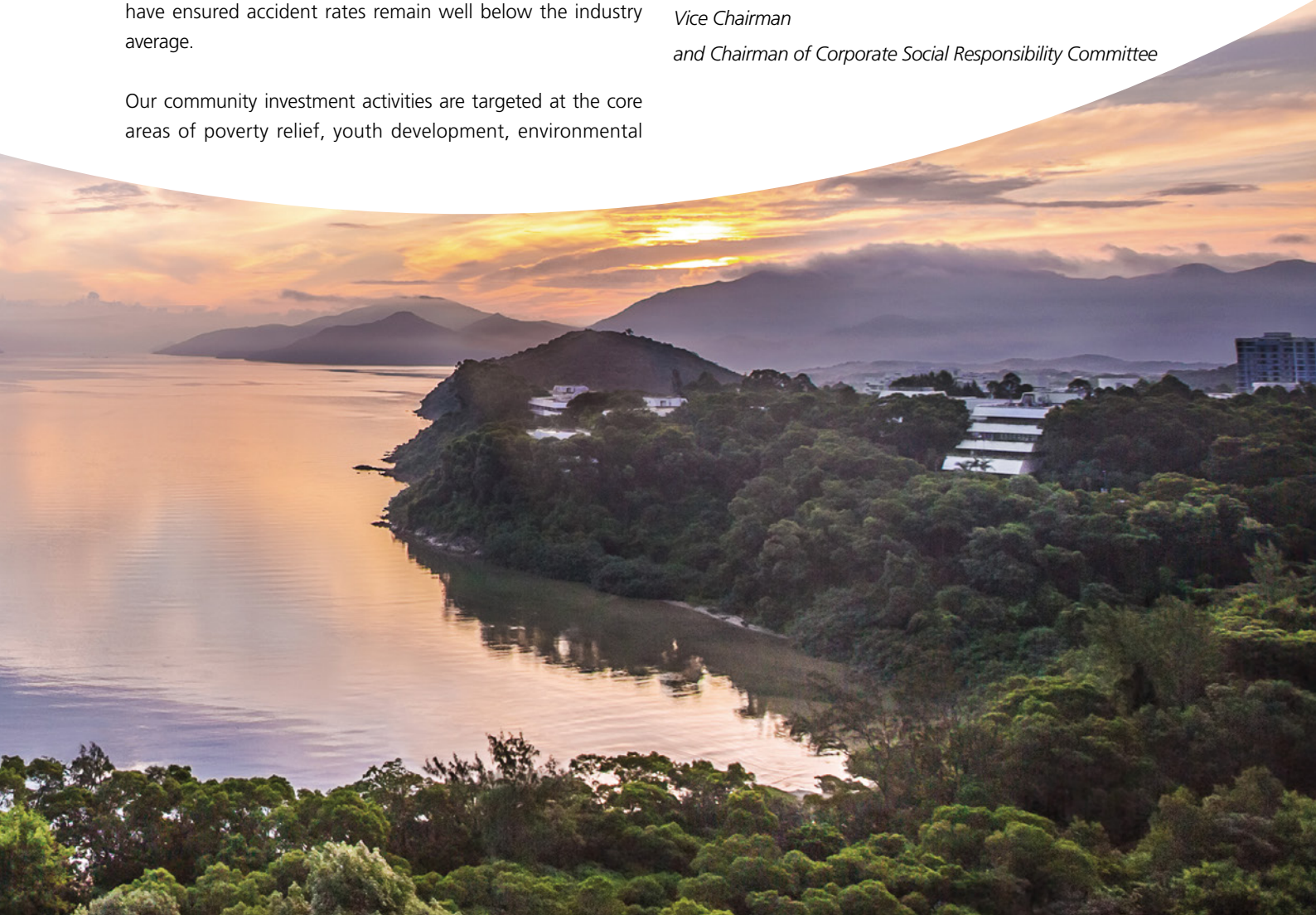
As a leading developer, one of the key challenges Henderson Land must respond to is Hong Kong's urgent and ongoing need for more and better homes and workplaces. Together with constraints on land, materials and skilled labour, it is one of the most pressing concerns expressed by our stakeholders. Our imperative is to contribute to the supply of property. We are doing this through land-use conversion of the Group's substantial landbank in the New Territories, by pursuing urban redevelopment projects that ultimately re-energise older districts, and by acquiring new prime sites for development.

Looking ahead, sustainability and CSR remain at the heart of our operations and our aspiration for the future is to contribute to building a more prosperous and sustainable society by maximising long-term value in terms of our economic performance and the positive social and environmental impacts of our operations.

LEE KA SHING

Vice Chairman

and Chairman of Corporate Social Responsibility Committee



ABOUT OUR GROUP

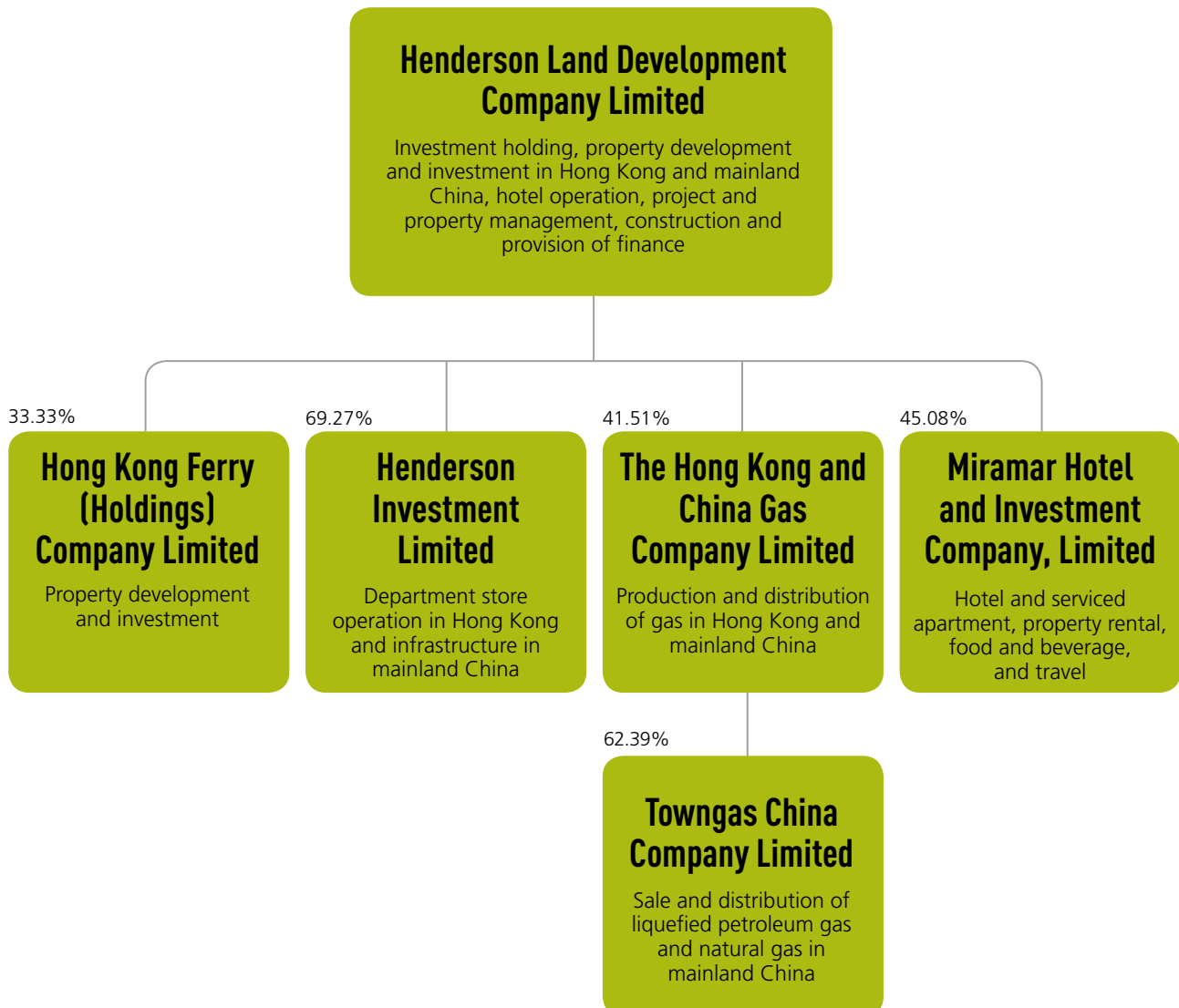
CORPORATE PROFILE

Henderson Land is a leading property developer with a focus on Hong Kong and mainland China. Founded in 1976 by its Chairman, Dr The Honourable Lee Shau Kee, GBM, the Group has been listed in Hong Kong since 1981 where it is one of the largest property groups.

Our core businesses comprise property development and property investment. In addition, the Group has direct equity interests in a listed subsidiary, Henderson Investment Limited, and three listed associates, The Hong Kong and China Gas Company Limited ("HKCG") (which in turn has equity stakes

in a listed subsidiary, Towngas China Company Limited), Hong Kong Ferry (Holdings) Company Limited ("HKF") and Miramar Hotel and Investment Company, Limited ("Miramar").

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 properties such as 39 Conduit Road, The Gloucester and Double Cove. Our projects are the result of close collaboration with some of the world's foremost architects and professionals to ensure we deliver contemporary designs that are appropriate to their context.



Note: all percentage shareholdings shown above were figures as of 31 December 2014.

BUSINESS OVERVIEW

The Group's diversified business model comprises "three pillars", namely property development, property investment and strategic investment in both Hong Kong and mainland China. Our property development business is a dynamic profit driver, while the property investment business and strategic investment provide a reliable and growing income source to the Group.

With this model as our framework, the Group has adopted a deliberate strategic direction for delivering economic performance and maximising value for shareholders over the long term.

OUR BUSINESS MODEL

Three Pillars

Property Development

- Cost effective approach of land banking:
 - acquire old buildings for redevelopment in the urban areas
 - convert the land-use of New Territories land
- Development business in Hong Kong is vertically integrated, enabling the design, development, construction, sales and management of development projects to be executed in an efficient manner
- Focus on large-scale residential developments in the second and third-tier cities in mainland China

Property Investment

In Hong Kong:

- Substantial, balanced and diverse property investment portfolio:
 - mainly comprises offices and shopping arcades in prime locations
 - large-scale shopping malls in strategic locations above or adjacent to MTR stations
 - own a number of residential properties and industrial/ office buildings

In mainland China:

- Own exceptionally well designed and quality large-scale commercial complexes situated in prime locations in first-tier cities in mainland China for rental purposes

Strategic Investment

- The Group is the largest shareholder of three listed associates:
 - The Hong Kong and China Gas Company Limited
 - Miramar Hotel and Investment Company, Limited
 - Hong Kong Ferry (Holdings) Company Limited

2014 FINANCIAL HIGHLIGHTS

As at 31 December 2014, Henderson Land had a market capitalisation of

HK\$163 billion

and the combined market capitalisation of the Group, including its listed subsidiary and associates was

HK\$381 billion

Revenue

HK\$23.4 billion



Profit attributable to equity shareholders

HK\$16.8 billion



Dividends per share

HK\$1.10



Properties in Hong Kong

(attributable floor area)

23.8 million sq. ft.



Properties in mainland China

(attributable floor area)

135.9 million sq. ft.



Total number of full-time employees

8,560

For more information on our economic performance, please refer to our Annual Report 2014.
(http://www.hld.com/en/investor/annual_14.shtml)

CORPORATE GOVERNANCE

We acknowledge the importance of robust corporate governance practices and procedures. Our pre-eminent Board of Directors, sound internal controls and accountability to all shareholders are the core elements of the Group's corporate governance principles. We endeavour to ensure that we conduct our business in accordance with all rules and regulations, applicable codes and standards.

The Group is governed by a Board of Directors, which is responsible for our business strategy and for the overall management of our business. The Board has five Committees, namely, the Standing Committee, the Audit Committee, the Remuneration Committee, the Nomination Committee, and the Corporate Governance Committee. The Corporate Governance Committee comprises three independent non-executive directors and is our highest governance body to develop and review the Company's policies and practices on corporate governance and monitor such policies and practices or compliance with legal and regulatory requirements. The Audit

Committee assesses the effectiveness of the Group's systems of risk management and internal control. The Group has also established a Corporate Social Responsibility Committee ("CSR Committee"), which is chaired by the Group's Vice Chairman with several directors and department heads as members. The CSR Committee is responsible for reviewing the policies and overseeing the issues with respect to sustainability and corporate social responsibility.

The day-to-day management, administration and operation of the Group are delegated to the management team. The Board gives clear directions to the team as to their powers of management and circumstances in which they should report back. Furthermore, a direct email link to the Vice Chairman is available for all employees to use to express their opinions or concerns about the Group's operations.

More details of our corporate governance structure, of which sustainability is a part, are contained in our Annual Report and on our website (www.hld.com).

MAJOR AWARDS & RECOGNITIONS

Major awards received in 2014

Organiser	Award
Asian Institute of Intelligent Buildings	Intelligent Office Building of Year 2014 - Distinction Rank (Greentech Tower and Henderson 688, Shanghai)
Asia Pacific Customer Service Consortium	2013 Customer Relationship Excellence Awards <ul style="list-style-type: none">• Corporate Environmental Leadership 2013 (Property Management) (Hang Yick and Well Born)• Field Support Team 2013 (Property Management) (Hang Yick and Well Born)• 12 Consecutive Years of Participation (Well Born)
Autodesk	Autodesk HK BIM Awards 2014 (14-30 King Wah Road)
BCI Asia	BCI Asia Top 10 Developers Award 2014
CAPITAL WEEKLY	2014 Corporate Social Responsibility Awards

ABOUT OUR GROUP

Organiser	Award
Ensign Media and Perspective Limited	China Property Awards 2014 <ul style="list-style-type: none"> • Best Developer • Best Green Development (China) (14-30 King Wah Road) • Best Residential Development (China) (Double Cove) • Best Residential Development – Large Scale (Hong Kong) (Double Cove) • Best Residential Development (Hong Kong) – Highly Commended (High Park & High Park Grand)
Hang Seng Indexes Company Limited	Constituent Company of the Hang Seng Corporate Sustainability Index Series
HKSAR Leisure and Cultural Services Department	Best Landscape Award for Private Property Development <ul style="list-style-type: none"> • Gold Award (Double Cove Phase 1)
Hong Kong Construction Association	HKCA Proactive Safety Contractors Award 2013 (E Man, Heng Shung, Heng Tat)
Hong Kong Council of Social Services	Caring Company 2013/14
Hong Kong Green Building Council	Green Building Award 2014 – Merit Award (14-30 King Wah Road)
International Property Awards	Asia Pacific Property Awards 2014 -2015 <ul style="list-style-type: none"> • Apartment (Hong Kong) – Highly Commended (Double Cove) • Office Development (Hong Kong) – Highly Commended (14-30 King Wah Road) • Residential High-rise Development (Hong Kong) – Highly Commended (The Hemispheres)
iProperty Group	iProperty Best Development Awards 2014 <ul style="list-style-type: none"> • Best Urban Living Development (The H Collection)
Reed MIDEM	MIPIM Asia Awards 2014 <ul style="list-style-type: none"> • Best Hotel & Tourism Development – Bronze Prize (Mira Moon)
The Community Chest Hong Kong	President's Award
The Hong Kong Institute of Housing, Hong Kong Construction Association, The Hong Kong Institute of Architects and six other institutes/ disciplines	Quality Building Award 2014 Merit Award (Hong Kong Residential [Single Building Category]) (The Gloucester)

PROJECT ACCREDITATION IN 2014

Rating organisation	Development	Rating
Building Environmental Assessment Method (BEAM) certified	AIA Tower	HK-BEAM Platinum Standard
	The Gloucester	HK-BEAM Platinum Standard
	The Reach	HK-BEAM Platinum Standard
BEAM Plus certified	14-30 King Wah Road	BEAM Plus (New Buildings) – Provisional Platinum Rating
	33 Shing On Street	BEAM Plus (New Buildings) – Provisional Gold Rating
	200 Ma Tau Wai Road	BEAM Plus (New Buildings) – Provisional Gold Rating
	Global Trade Square	BEAM Plus (New Buildings) – Provisional Gold Rating
	H • Bonaire	BEAM Plus (New Buildings) – Provisional Gold Rating
	50-56 and 58-64 Ma Tau Kok Road & 162-168 Pau Chung Street	BEAM Plus (New Buildings) – Provisional Silver Rating
	High One	BEAM Plus (New Buildings) – Provisional Bronze Rating
Green Building Design Label (GBDL)	Mira Moon	3-star Rating
	14-30 King Wah Road	3-star Rating

To-date we have achieved five LEED, 17 BEAM, 13 BEAM Plus and four Green Building Design Label project accreditations for our projects, comprising 14 office and commercial developments, 16 residential developments and one hotel property.

5 LEED

17 BEAM

13 BEAM PLUS

4 GREEN BUILDING DESIGN LABEL

TEAM OF PROFESSIONALS

Qualification	Total number (persons)
BEAM Affiliate	1
BEAM Professional	25
Certified Arborist	3
Ecologist	1
GBL Qualified Manager	11
HKQAA Sustainable Building Index Verifier	4
LEED Accredited Professional	9
LEED Green Associate	2

MEMBERSHIPS AND CHARTERS

Henderson Land and its executives actively participate in industry professional bodies to share expertise, promote best practice and increase cooperation across the sector. During 2014, the Group's many memberships included:

Organisation	Position
BEAM Society	Corporate Member
Business Environment Council	Council Member and Chairman of Waste Management Advisory Group Steering Committee
China Green Building Council	Executive Committee Member
China Green Building (Hong Kong) Council	Founding Member and Corporate Member
Construction Industry Council	Council Member and various positions
Zero Carbon Building (CIC)	Chairman

Organisation	Position
Harbour Business Forum	Patron Member
HKSAR Land and Development Advisory Committee	Member of Planning Sub-Committee and Land Sub-Committee
HKSAR The Harbourfront Commission	Member
Hong Kong Construction Association	Permanent Supervisor and Council Member
Hong Kong Green Building Council	Patron Gold Member and various positions
The Hong Kong Institute of Engineers	Member of Authorised Persons, Registered Structural Engineers and Registered Geotechnical Engineers Committee
The Hong Kong Polytechnic University	Member of The Departmental Advisory Committee, Building and Real Estate Department
The Real Estate Developers Association of Hong Kong	Vice President and various positions
Vocational Training Council	Member of The Real Estate Services Training Board

The Group also participated in external environmental charters including:

Charter	Organisation
Be Our Greening Partner Charter	Greening, Landscape and Tree Management Section, Development Bureau
Carbon Reduction Charter	Environmental Protection Department
Energy Saving Charter on Indoor Temperature	Environment Bureau and Electrical and Mechanical Services Department
Energy Saving Charter on "No Incandescent Light Bulbs"	Environment Bureau and Electrical and Mechanical Services Department
Food Wise Charter	Food Wise Hong Kong Steering Committee, Environment Bureau

OUR VISION FOR SUSTAINABILITY



CORPORATE SOCIAL RESPONSIBILITY POLICY

Henderson Land takes a highly proactive approach to sustainability and CSR, which is driven by our senior management team. We make every effort to meet and, where possible, exceed all applicable legal and regulatory requirements. By pursuing best practices of corporate social responsibility at all levels of our operations, we endeavour to maximise the economic, social and environmental benefits the Group delivers to the community.

- Meet all applicable legal and regulatory requirements for CSR matters
- Pursue sound CSR practices in our operations
- Implement policies relating to workplace quality, environmental protection, operating practices and community involvement
- Minimise potential environmental impact
- Provide a safe and healthy working environment to all our employees and site staff
- Support meaningful community-oriented activities in partnership with our employees, community bodies, society and government
- Encourage our staff to be proactive in CSR and provide training to them
- Promote CSR awareness among our consultants and contractors
- Engage our stakeholders in the CSR process
- Constantly monitor and improve our performance in CSR

Our approach is manifested in the various policies and systems that are implemented by our dedicated Corporate Social Responsibility Committee. The Committee assists our Board of Directors in planning, developing, reviewing and overseeing all CSR initiatives including workplace quality, environmental protection, operating practices and community involvement. The Committee is chaired by the Group's Vice Chairman, Mr Lee Ka Shing, and comprises several directors and department heads.

ORGANISATIONAL VALUES

Henderson Land strives to build a more prosperous and sustainable society. In doing so, we place absolute priority on our social responsibilities and on acting with utmost integrity, putting our stakeholders at the heart of everything we do. Our vision is to continue to be an industry leader by maximising long-term value for society in terms of our economic performance and the positive social and environmental impacts of our operations.

We are committed to enriching the lifestyles of our customers through creating high-quality, aesthetically pleasing, innovative new homes and commercial developments that enhance, as well as integrate with, their surrounding natural and built environments to address the aspiration of modern lifestyles and sustainable living.

We are continuously improving the way we operate and we seek to generate mutual benefits for our stakeholders. We prioritise the reduction of waste and energy consumption in all of our operations.

We cultivate a caring company culture and invest in our people and their skills to help meet new challenges. We also prioritise the health and safety of every single person linked to our operations.

CODE OF CONDUCT

We adhere to a strict Code of Conduct that includes provisions for conflicts of interest, intellectual property rights, privacy and confidentiality of information, bribery and corruption and equal opportunities. The Code is communicated to our staff in an Employee Handbook and all new employees of the Group are

shown a video about anti-corruption as part of their orientation training. Anti-corruption seminars are conducted regularly and related messages are passed to all new employees during our new staff orientation programme.

Also during 2014, our gift policy was updated to clearly state the required process and procedure for handling and accepting gifts. During the reporting period, there were no incidents of corruption or discrimination. We provide a private feedback system for our employees and any opinions or concerns can be reported on the Group's intranet or emailed to the Vice Chairman directly.

We carefully scrutinise our operating standards by using thorough internal controls. Our internal Audit Department, which reports directly to the Audit Committee and is independent of our daily operations, is responsible for conducting regular audits on the major activities of the Group. Its objective is to ensure that all material controls, including financial, operational and compliance controls and risk management functions are in place and function effectively.

During the year, the Audit Committee reviewed the effectiveness of our internal control systems. The Audit Committee also held discussions with the management to ensure that the Group has adequate resources, qualified and experienced staff, training programmes and budget to support the accounting and financial reporting function. The Committee reported to the Board that it was satisfied that such systems were effective and adequate.

STAKEHOLDER ENGAGEMENT

We recognise the importance of interacting with our stakeholders as an integral part of our business operations and corporate development. We do so in an active and effective manner in order to maintain an open dialogue with them and respond to their varied and sometimes conflicting priorities.

Henderson Land's Stakeholder Groups



In preparing this Report, we conducted our first formal engagement exercise involving internal and external stakeholders. Eight major stakeholder groups were selected for engagement through focus groups and face-to-face interviews. Participating stakeholders were identified according to their level of interest in and influence over our operations. The objectives of the exercise were to collect their views and assess their expectations in respect of our sustainability performance, and to identify and prioritise key sustainability issues for our further action and reporting needs.

Engagement undertaken as part of the report preparation in 2014:

- Employees (Senior Management)
- Employees (Henderson Warmth Volunteer Team)
- Occupational Health & Safety Sub-Committee
- Business Partners
- NGOs
- Investors/ Analysts
- Tenants
- Professional Bodies

Key topics and suggestions raised from the engagement exercise:

1. Increase the number of volunteer opportunities for the Group
2. Improve communication on the Group's sustainability initiatives
3. Increase recycling opportunities for our tenants



OUR ENVIRONMENT

As a major property developer, Henderson Land owns, develops and manages a substantial portfolio of properties in Hong Kong and mainland China. Throughout all our operations and developments, we adhere to a sustainable approach, targeting optimal environmental performance and minimal environmental impact. In this section, we have endeavoured to outline how we optimise specific aspects of our environmental performance and operating efficiency in the context of our core business activities, namely project planning and design, construction and property management.

Henderson Land's Environmental Policy guides the Group's overall approach, ensuring that we wholly integrate environmental considerations into our corporate decision-making process, management and organisational culture and at every stage of our operations, from project planning and design, construction to completion, and through to property management. The Environmental Policy imperatives apply to our people and supply chain, and cover key aspects ranging from environmental stewardship and green building labelling, to nature and resource conservation, optimised energy performance and green purchasing. Our Environmental Policy can be accessed online: <http://www.hld.com/en/csr/envpolicy.shtml>.

Our Green Building Sub-Committee which is composed of representatives from Project Management, Construction, Property Management, Portfolio Leasing and Sales Departments, formulates and updates our green strategies, and provides training and knowledge sharing to our green building professionals to keep them abreast of the latest best practice. To further strengthen our green practice, we have established a Planting Sub-Committee which formulates landscaping research and design.

For the Group's construction activities, our Safety and Environmental Committee, identifies, recommends and monitors all safety and environmental measures ranging from green purchasing to continuous improvement of our employees' working environment. We also adhere to sustainable design by working in partnership with green BEAM, Building Information Modeling (BIM) and landscape consultants.

We always aim to optimise the environmental performance of buildings we manage. Our property management and construction subsidiaries hold ISO 14001 certification for the environmental management systems.

Well Born and Hang Yick formed a Green Committee to promote energy saving and review and update energy saving targets as well as to promote water quality and water savings at the properties they manage. Our other property management subsidiary, Goodwill, also developed and implemented Environmental Instructions (EI) which cover emissions in accordance with the requirement of ISO 14001.

Henderson Land has dedicated task forces to ensure we maintain a leadership position in sustainable procurement and green purchasing, thereby promoting best practice through our supply chain. Our commitment in this area dates back to a decade and we continue to work towards further performance enhancement and better cost effectiveness. To achieve these best practice standards, we have systematically formulated our own specifications, including standardised manuals that have been created by our in-house team and are maintained by a designated Drawing Audit Committee.



ENERGY EFFICIENCY AND EMISSIONS

We seek to maximise the energy efficiency of our property development projects. This begins at the planning and design stage, as we incorporate environmentally beneficial features wherever feasible to improve their overall comfort and environmental performance. We have developed standardisation requirements for all our development projects which ensure they adhere to specific criteria and regulations such as the Building Energy Code and the Building Energy Efficiency Ordinance. All installations, from electricity to air conditioning, must comply with design standards, and we use renewable or recyclable materials throughout.

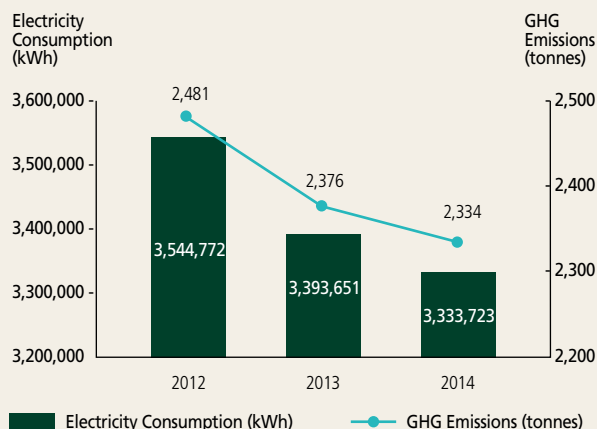
Our Energy Goals for New Property Projects

- Comply with Building Energy Code
- For commercial developments and hotels, design to aim at a reduction in annual energy consumption of 11% as compared with BEAM Plus baseline
- For residential developments, design to aim at a reduction in annual energy consumption of 7% as compared with BEAM Plus baseline
- Aim for certified energy efficient appliances to account for 80% of the total rated power consumption of all electric appliances provided within the project
- Energy efficient electric lighting, air conditioning and ventilation systems to be used in both residential and commercial buildings

At our construction sites, all lighting for the site offices uses T5 or LED bulbs, and only highly efficient air conditioning equipment is used.

A comprehensive range of energy saving measures is adopted throughout our portfolio of leasing properties. For example, we achieve thermal insulation and protect our buildings from solar radiation by using green roofs and podiums, window blinds

Electricity consumption and corresponding GHG emissions[^] of our headquarters



[^] Energy indirect emissions from electricity consumption at our offices at Two i/c and AIA Tower

Electricity consumption and corresponding GHG emissions[^] of properties managed by Goodwill

	2014	2013	2012
Electricity consumption (MWh)	168,003	145,977	144,933
GHG emissions (tonnes)	117	102	101
No. of properties	30	29	30

[^] Energy indirect emissions from electricity consumption in these properties

and solar films. Further efficiency is gained from using timers and sensors to control lighting systems, while lift and escalator systems are operated according to preset schedules. Where practical, power analysers are installed to detect further energy saving possibilities.

In 2014, 56 properties under the management of Well Born and Hang Yick compiled carbonless reports detailing their energy consumption. 14 properties obtained "Green Organisation Labels" and 34 properties obtained "Carbon Reduction Certificates" under Hong Kong Awards for Environmental Excellence.

Our Emission Goals for New Property Projects

- No chlorofluorocarbon (CFC)-based refrigerants to be used in HVAC&R systems
- Use products in building fabric and services that do not have ozone depleting substances in their manufacture, composition or use
- Apply adequate mitigation measures for dust and noise emissions during construction as recommended by the Environmental Protection Department

Our Goals for Purchasing and Recycling for New Property Projects

- Avoid using virgin forest products for temporary works during construction
- Application of modular and standardised design in both residential and commercial buildings so as to reduce waste generation
- Flexible design of services that can adapt to changes of layout and use
- At least 10% of all building materials used in the project to be manufactured within 800km of the site so as to reduce the environmental impacts arising from transportation

Used materials that are recycled at our office buildings and shopping malls

- Paper
- Plastic
- Metal
- Rechargeable batteries
- Fluorescent tubes
- Waste cooking oil
- Food waste
- CD ROM
- Printing cartridge
- Computers
- Mooncake containers
- Lai See packets
- Peach blossoms
- Christmas trees



using an environmentally-friendly construction approach, designs and materials and exploring green alternatives in all our projects. We also try to conserve resources by using renewable or recyclable materials, minimising the non-recyclable use of paper and minimising the generation of waste. For example, at our construction sites, timber panels used on site are recyclable.

At our offices, we are committed to a Reduce, Recycle and Reuse (3R) policy. Recycling bins are provided in our major offices in Hong Kong and paper waste is collected for recycling. The Group has also participated in Ricoh's Toner Bottles and Cartridges Recycling Programme, with some 251 used toner bottles and cartridges refilled or recycled in 2014. Another 773 toner and inkjet cartridges were also collected and recycled during the year as part of the Friends of the Earth (HK)'s "Used Printer Cartridge Reuse & Recycling Programme". We also donate used office furniture and machines to NGOs.

GREEN PURCHASING AND RECYCLING

We focus on the efficient usage of materials to reduce the impact of our operations on the environment. This involves

Our property management subsidiaries follow established green purchasing and procurement policies. Goodwill adheres to green purchasing work instructions under ISO 14001, which specify requirements for purchase of sustainable and environmentally-friendly products and services.



Our Goals for Waste Reduction and Management at Construction Sites

- A waste management system that comprises sorting, recycling and proper disposal of construction/ demolition materials
- Provision of facilities for the collection, sorting, storage and disposal of waste and recovered materials
- Reduction in annual sewage volumes by 20% or more

WASTE REDUCTION AND MANAGEMENT

We avoid wastage wherever possible throughout the Group's operations and ensure the disposal of waste in an environmentally responsible manner.

At the Group's leasing properties, we aim to minimise wastage and manage waste properly in the daily operations through a range of measures including separation, reuse, recycling, disposal and storage. For example, waste is collected and separated by types, and recyclable waste is collected, labelled and stored for collection by recycling contractors on a regular basis. For waste that is non-reusable or non-recyclable, disposal is conducted by cleaning contractors to ensure proper handling.

Materials and recycling data of six of our construction sites*

Project name/ location	Big Star Centre	Double Cove Phases 2 & 3	Double Cove Phases 4 & 5	High Park Grand	H • Bonaire	High Park
Materials used						
Electricity (kWh)	144,114	842,093	866,956	159,470	3,095	12,133
Concrete (kg)	862,400	29,052,960	75,269,520	3,920,000	3,016,000	6,797,000
Steel (kg)	227,000	2,107,275	8,752,992	113,000	462,000	2,188,000
Waste Disposal						
Construction and demolition waste (kg)	4,163,000	6,364,000	3,182,000	1,369,600	51,100	1,080,000
Recycled and Reused						
Metal recycled (kg)	168,200	117,000	580,350	2,300	9,240	20,000

* Sites are at different stages of progress, use of materials data from 2014 only

OUR ENVIRONMENT

Recycled materials at properties managed by Goodwill

	2014	2013	2012
Paper (kg)	1,224,977	1,095,139	1,103,710
Plastic (kg)	15,570	15,043	13,915
Metal (kg)	19,523	15,331	15,322
No. of participating properties	24	24	24

WATER

Our Goals for Water for New Property Projects

- Ensure the quality of potable water meets Water Supplies Department's drinking water quality standards at all points of use
- Use water efficient devices with the aim of achieving an estimated aggregate annual saving of 20% compared with the BEAM Plus baseline

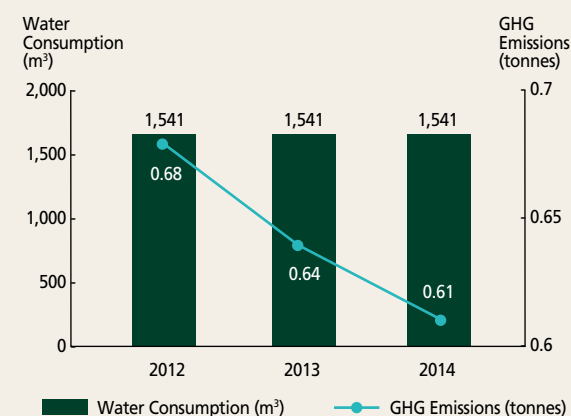
Our Goals for Water for Leasing Properties

- Aim to have all office buildings to join the Quality Water Recognition Scheme (QWRS) and the Flushing Water Plumbing Quality Maintenance Recognition Scheme
- Replace by infra-red sensor faucets where applicable
- Replace by dual flush cisterns and infra-red sensor flushing urinal where applicable

At our property construction sites, key priorities in our daily operations are to conserve water and ensure the proper discharge of wastewater.

At residential properties managed by Well Born and Hang Yick, notices and newsletters are used from time to time to encourage residents to replace outdated and wasteful water equipment. Regular cleansing of communal fresh water and flushing of water tanks is carried out in accordance with the applicable regulations and guidelines.

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

	2014	2013	2012
Water consumption (m³)	370,622	280,395	375,309
GHG emissions (tonnes)	147	116	165
No. of properties	27	27	29

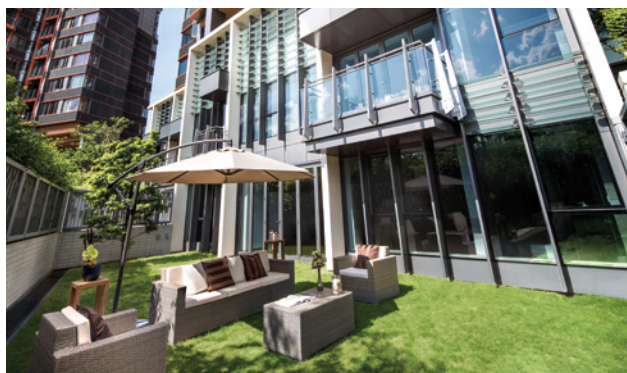
[^] Indirect emissions from water consumption in these properties

PRODUCTS AND SERVICES

We are moving towards passive sustainable design in our projects, which is a relatively new and innovative approach, aiming to reduce our energy, water and carbon footprints. An increasing amount of sustainable materials are being used in our construction projects, and it is anticipated the Group will achieve a higher cost-effectiveness due to economies of scale.

Our Product and Services Goals for New Property Projects

- For residential developments, landscaping and planting to cover at least 20% of the total site area
- Site design appraisal to be carried out for each site with the aim of achieving a greater integration of environmentally-friendly site planning and design
- High emissivity roofing material or vegetation roofing to be widely used in new projects
- Provide adequate mitigation measures regarding construction noise for all Noise Sensitive Receivers and ensure compliance with the criteria recommended in the Hong Kong Planning Standards and Guideline
- Provide adequate measures to reduce water pollution during construction
- Construction Environmental Management Plan, Waste Management Plan and Indoor Air Quality Management Plan to be implemented on all construction sites



Goodwill, the Group's property management subsidiary implements an ISO 9001 & ISO 14001 Integrated Management System Manual and System Procedural Manual, which sets out relevant policies for products and service compliance including:

- The latest legal and other requirements for proper observance of its whole service delivery process
- Measurement mechanisms, including annual internal audits, quarterly external audits by HKQAA and Federation of Hong Kong Industries, external and internal customers surveys, and periodic meetings with internal customers

During the reporting period, there were no incidents of non-compliance with laws and regulations concerning the provision and use of products and services.

To further enhance the Group's environmentally-friendly working environment, the Group's Information Technology Department developed various applications for paperless internal and external stakeholder communications. These applications include iCPM, a web-based collaboration system for construction suppliers and consultants; BQCS, a mobile and web application for building quality inspection; LAS, a web-based staff leave system; and DMS, a web-based documentation system for information management.

OUR PEOPLE

Our human resources are the most valuable asset of Henderson Land. Attracting, developing and retaining talent is vital to the Group's success. We strive to be considered an employer of choice by providing optimal talent and professional development opportunities. We are also committed to sustaining a safe and healthy working environment for all employees and site staff, and to abiding by non-discriminatory, equal opportunity employment practices.

EMPLOYMENT AND EMPLOYEE WELFARE

The Group aims to create a positive and inclusive workplace, where staff is rewarded for their contribution to our success. The remuneration package structure for our full-time employees comprises competitive compensation and benefits, which include a medical allowance, free lunch and refreshments, flexible working hours, paid paternity and marriage leave, retirement benefits, training and subsidies. Additional benefits for our staff include travel outings, barbeques, and use of the Group's cottage on a rental basis. They are also encouraged to participate in workshops with external professionals such as health classes, brain strengthening and gymnastics. We review these benefits and welfare opportunities regularly by conducting a survey of our staff's interests.

CASE STUDY - SPORTS AND RECREATION COMMITTEE



Our employees have access to a wide variety of recreational activities including cooking, singing and wine-tasting classes, and organic farming. Overseeing many of their extracurricular activities is the Group's Sports and Recreation Committee that, together with various Sub-Committees, organises events such as annual skiing trips and regular basketball and badminton sessions.

Total workforce in Hong Kong by employment type

	No. of employees	Full-time	Part-time
Group Headquarters	1,463	1,458	5
Construction	552	552	0
Property Management	3,352	3,261	91
Other Subsidiaries	1,879	1,647	232
Overall*	7,246	6,918	328

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	381	281	100	4	224	153
	Supervisory	678	389	289	128	469	81
	General	404	141	263	120	208	76
Construction	Managerial	3	3	0	0	0	3
	Supervisory	151	151	0	9	56	86
	General	398	289	109	74	150	174
Property Management	Managerial	128	96	32	2	101	25
	Supervisory	685	490	195	125	330	230
	General	2,539	1,576	963	458	714	1,367
Other Subsidiaries	Managerial	138	75	63	1	86	51
	Supervisory	228	108	120	37	152	39
	General	1,513	375	1,138	246	652	615
Overall*	Managerial	650	455	195	7	411	232
	Supervisory	1,742	1,138	604	299	1,007	436
	General	4,854	2,381	2,473	898	1,724	2,232

* 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

OUR PEOPLE

New hires in Hong Kong

	No. of employees	Male	Female	Aged below 30	Aged 30-50	Aged over 50
Group Headquarters	240	53.8%	46.2%	47.9%	48.8%	3.3%
Construction	241	75.5%	24.5%	20.3%	43.6%	36.1%
Property Management	1,065	60.4%	39.6%	34.3%	33.4%	32.3%
Other Subsidiaries	1,051	25.1%	74.9%	31.0%	36.7%	32.3%
Overall*	2,597	46.9%	53.1%	32.9%	37.1%	30.0%

* 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

Full-time employee turnover in Hong Kong

	No. of employees	Male	Female	Aged below 30	Aged 30-50	Aged over 50
Group Headquarters	278	44.6%	55.4%	34.2%	55.4%	10.4%
Construction	257	80.5%	19.5%	14.4%	49.0%	36.6%
Property Management	1,118	61.0%	39.0%	30.9%	32.6%	36.5%
Other Subsidiaries	554	38.6%	61.4%	16.6%	38.3%	45.1%
Overall*	2,207	55.6%	44.4%	25.8%	38.8%	35.4%

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



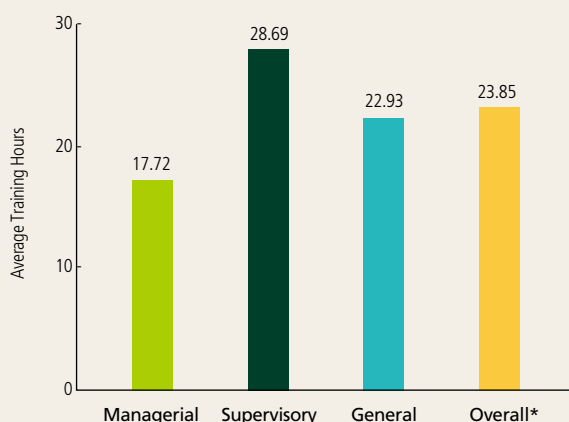
STAFF TRAINING AND EDUCATION

Recognising that the knowledge, skills and capabilities of our employees are vital to the Group's continued business growth and success, we have a comprehensive function in place to ensure the professional development of our staff to their fullest potential. Training programmes and plans are developed every year and reviewed periodically, with the Human Resources Department actively seeking employees' feedback. Education subsidies and examination leaves are provided for our staff, thereby encouraging them to develop their skills and expand their knowledge.

During the year, the Group organised 45 internal training courses for its staff, with total training hours amounting to over 170,000 hours including internal, external or subsidised training, and examination leave. The training courses attended by our employees from across the Group included language skills, management, supervisory, computer skills, first aid, health and safety seminars, Chinese Commerce seminars, email correspondence, BEAM professionals and accreditation, and health and safety training.

During the year, arrangements were made for speakers to deliver talks and presentations to Board of Directors on relevant topics with emphasis on the roles, functions and duties of directors, as well as corporate governance. Talks arranged during the year included the topic of taxation related to properties (“房地產行業稅務更新 – 增值稅改革的影響及香港稅務最新概況”) and an overview of the Competition Ordinance. Monthly legal and regulatory updates are provided to the Directors for their reading. Directors are also encouraged to attend outside talks and seminars to enrich their knowledge in discharging their duties. On a regular basis, information on seminars organised by professional bodies is provided to the Directors, and seminar enrolments are handled by the Company Secretarial Department.

Average training hours per employee by employee category



* The “Overall” number denotes 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

OCCUPATIONAL HEALTH AND SAFETY

The health and safety of every single employee and member of our site staff is our highest priority. At our headquarters, an occupational health and safety assessment is provided for newly hired employees, with inspections and recommendations made when necessary. Our staff are also encouraged to take Occupational Health and Safety and First Aid courses.

Henderson Land’s property management subsidiary, Goodwill, circulates a safety handbook about maintenance work to all on-site staff, which covers personal protective equipment, electrical safety and emergency procedures.

At our construction sites, a range of safety measures is implemented such as a care programme for workers who are new to a construction site, additional rest periods and the provision of shelters, ventilation facilities and potable water for workers during hot weather. Our short term site accident rate target is not exceeding 10/1,000 workers, as mentioned in our Health and Safety policy statement 2013. An independent safety audit is conducted at each of our construction companies and sites every six months.

Our 20-person Occupational Health & Safety Committee consists of division heads and a Committee Chairman. The Committee meets every three months, encouraging direct communications between division heads and site staff on site safety matters. New measures resulting from the Committee meetings are communicated to all site workers from time to time, as well as information on any recent accidents or injuries and respective precautionary measures to be taken.

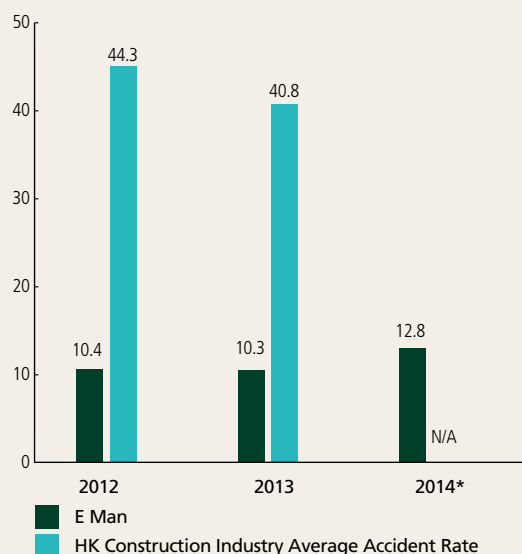
The Group also has a Site Safety Subgroup, which comprises professional architects, engineers, surveyors and safety officers. Safety inspections are carried out once a week at different sites by members of the Site Safety Subgroup. This serves to ensure that any major unsafe practice or condition, if observed, is rectified immediately, while other minor issues are rectified before a proposed due date. Half-yearly meetings take place with the Project Management, Engineering and Construction Departments at which some of these findings and improvements and solutions concerning site safety are explored and discussed.

OUR PEOPLE

The Site Safety Subgroup conducted 103 safety inspections of our superstructure, substructure, demolition and alteration and addition projects in 2014. Around 1,236 safety findings were made and most of these were related to critical site activities such as working on bamboo scaffolding, lifting operations, material handling with risks of objects falling, flame cutting and welding, installation of curtain walls, excavation and bored piling. The safety inspection team reports with recommendations on what had been issued to front-line site management for follow-up action. Besides, site safety inspections are carried out once a week for all projects by site agent, safety officer and subcontractor safety representatives.



Accident rate per 1,000 workers per annum in construction



* Industry average accident rate in 2014 is not available as of the date of the Report

Should a serious injury occur, senior executive within the Construction Department will be delegated as the Case Manager to liaise with the worker's family to provide assistance and understand their immediate needs in terms of physiological and financial support. The Case Manager will also assist in contacting various charity organisations to offer different kinds of assistance to the families in need.

In late 2014, a fatality occurred at the Group's Lok Wo Sha site involving a sub-contracted worker. We immediately appointed a Case Manager to liaise with the worker's family. A special safety meeting for this case was conducted by various parties to identify the cause and to formulate heightened preventive measures. Consequently, the frequency of site safety inspections has been increased, and enhanced safety control measures such as installation of double layers of safety nets and erection of special sloping scaffolding have been implemented on our sites. Specific site safety training and a "Safety Alert" leaflet are also provided to all site workers to enhance their awareness on site safety.

Occupational health and safety data in 2014 [^]

	Male	Female	Overall
Number of staff involved in work-related fatalities	0	0	0
Injury rate per 1,000 employees	18.79	4.5	13.57
Lost days due to work-related accidents and disease (occupational)	1,007	192	1,199
Lost days due to other sick leave (not related to work-related injuries)	5,374.5	4,865	10,239.5
Absentee rate per 200,000 working hours	2,872.07	3,954.74	2,928.91

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

CASE STUDY - ANNUAL SAFETY AND ENVIRONMENTAL SEMINAR



Our Occupational Health & Safety Committee organised an annual safety and environmental seminar in June 2014. During the meeting, our senior management, staff and all subcontractors signed an occupational safety charter, which pledged the concerted efforts of all three parties to provide a safe and healthy working environment for construction workers. There was also a panel discussion on site safety.

OUR COMMUNITY

Henderson Land is committed to being a good corporate citizen and demonstrating the highest standards of integrity and ethical behaviour as we pursue objectives that are of great importance both to our success and to the future well-being of the community at large. We have formalised our approach to community involvement and charitable giving in a Corporate Social Responsibility Policy, which endorses our support for meaningful community-oriented activities in partnership with our employees, community bodies, society and government.

Through our corporate philanthropy and employee volunteerism activities, we hope to encourage and foster a sustainable world for future generations. As a vigorous supporter of various community programmes for many years, we provide not only financial assistance but also manpower and the dedicated personal involvement of our senior executives.

We cherish long-term partnerships with NGOs, which enable continuous momentum to bringing positive change to the community. Beyond our monetary support for such initiatives, we also attach importance to our role in formulating, initiating and implementing new ideas and programmes.

During 2014, we initiated, supported or participated in approximately 90 community programmes and 12 volunteer activities forging close collaboration with various NGOs and creating significant social impact for the betterment of the community.



Highlights of Community Programmes

Poverty Relief		
Initiative/ Beneficiary	Support in 2014	Accumulative Social Impact
Henderson Warmth Foundation Emergency Relief	Donated about HK\$700,000 to support individuals and families who have suffered tragic events	Has benefitted over 7,200 individuals and families since its inception in 2010
Commission on Poverty "Future Stars" Programme - Upward Mobility Booster Project	Supported four of our respective NGO partners' youth engagement programmes by offering monetary sponsorship, career orientation and workplace induction	Has benefited some 270 young participants, helping them to set clearer goals for the future and assisting them to move up the social ladder
Commission on Poverty "Future Stars" Programme - Upward Mobility Scholarship	Provided scholarships to underprivileged students who have shown progress in academic performance	Has offered scholarships to about 170 students, helping them to further their studies

Poverty Relief		
Initiative/ Beneficiary	Support in 2014	Accumulative Social Impact
Blessing Farm	Offered sponsorship and mobilised our corporate volunteer team to support the operation of an organic farm as a social enterprise	The Farm has provided about 800kg of organic vegetables for the Group to give away to the underprivileged. We offered some of the crops to the elderly at Pok Oi Hospital Chan Feng Men Ling Care & Attention Home, and others to low-income individuals and families through Home Market, a not-for-profit convenience store chain supported by Lee Shau Kee Foundation. More than 1,700 people benefitted
Book with Love Project	Provided full sets of new textbooks to over 320 secondary school students from financially disadvantaged families, and offered scholarships or tablets to 14 outstanding students	We have co-organised and sponsored the project since 2011, cumulatively benefitting close to 1,200 students from low-income families
Warmth Giving Project	Donated winter sustenance packs to about 12,000 elderly and low-income families, and organised a fun day for the elderly as well as giving away scarves knitted by our volunteer team and Henderson Club members	We have co-organised and sponsored the project since 2011, cumulatively benefitting more than 48,000 elderly and low-income families

Environmental Education		
Initiative/ Beneficiary	Support in 2014	Accumulative Social Impact
Friends of the Earth (HK) ("FoE") Tree Planting Challenge	Sponsored and participated in the Challenge in which 5,500 seedlings were planted in Ma On Shan Country Park. The event attracted nearly 700 participants	We have been a Main Sponsor of the activity since 2012. Since then, accumulatively over 2,200 participants have planted a total of 19,000 seedlings in Hong Kong under the Challenge. The newly planted seedlings in 2014 are expected to absorb 260 tonnes of carbon dioxide per year to alleviate climate change
World Wide Fund Hong Kong ("WWF-HK") Walk for Nature @ Mai Po	Sponsored the Walk and invited 50 members from the Association for the Rights of Industrial Accident Victims to participate in the Walk with our volunteers to visit the birdwatchers' paradise Mai Po	We have been sponsoring the Walk since 2010 to support World Wide Fund For Nature Hong Kong's conservation and education work, and over 14,000 beneficiaries have participated in the Walk to explore the natural environment of the Mai Po Nature Reserve
Green Power Hike	Committed as Title Sponsor of the activity and recruited nine staff teams to participate in the Hike, to support its ongoing environmental education work	We have been the Hike's Title Sponsor since 2006. Cumulatively a total of 35,000 runners participated in the annual fundraising activity to support Green Power's ongoing efforts in environmental education

OUR COMMUNITY

Art & Culture		
Initiative/ Beneficiary	Support in 2014	Accumulative Social Impact
"Symphony of Nature" Art Exhibition	The Group held an art exhibition at ifc mall under the theme "Symphony of Nature." The free exhibition showcased a series of 11 art pieces from the Double Cove contemporary art collection created by international and local artists	The exhibition attracted more than 15,000 viewers
Le French May	As the Patron (Grand Mécène) of Le French May 2014, we worked closely with the organiser to initiate a series of community outreach programmes	We have been sponsoring the festival since 2008, and cumulatively benefitting millions of people in Hong Kong and Macau. In 2014 alone, the festival reached out to over 38,000 spectators, while the exhibitions and public events attracted over 2.3 million spectators. Additionally, more than 3,000 free tickets were given to youngsters and the underprivileged

Youth Development		
Initiative/ Beneficiary	Support in 2014	Accumulative Social Impact
Make A Difference ("MaD")	Sponsored the year-round programme MaD Good Lab, as well as subsidising financially disadvantaged youth to participate in the MaD Forum and MaD Excursion, an eye-opening overseas exchange programme. The Group's Corporate Volunteer Team and Henderson Club also collaborated with MaD Good Lab to organise activities for members of the community	We have been sponsoring the MaD youth development platform since 2011, benefitting about 33,000 young people in Hong Kong and around Asia. Over 6,500 participants from local secondary schools, NGOs and youth organisations were directly involved in the key programmes of MaD Good Lab 2014. 20 young people took part in the MaD Excursion to Taipei to get inspiration from the latest developments in the Taiwanese cultural and creative sectors
Summerbridge Hong Kong	Pledged a donation to support the provision of tuition-free, summer and after-school enrichment programmes for financially disadvantaged young students, as well as recruited corporate volunteer members to assist in its first fundraising Walkathon event	We have been an active donor to the scheme since 2006, cumulatively benefitting about 2,100 students and 900 student teachers

Social Enterprise		
Initiative/ Beneficiary	Support in 2014	Accumulative Social Impact
The Good Lab	Provided sponsorship to support its mission to facilitate cross-sector collaboration and entrepreneurial ventures/ projects that deliver new solutions to mitigate social problems. Our Vice Chairman also sits on the Steering Committee to give advice	As the Founding Patron of The Good Lab, we have been providing sponsorship to support its establishment and operation since 2012. The Good Lab had 275 individual members and 119 team members by the end of 2014. Its services and activities attracted over 17,700 visitors and followers in Hong Kong and from around the world
Good Kitchen	Provided sponsorship to support its operation, enabling it to provide employment opportunities and on-the-job training for the underprivileged, and to serve the poor and needy	Since 2012, we have funded and subsidised Good Kitchen, operated by Hong Kong Sheng Kung Hui Welfare Council. Cumulatively, 16 underprivileged people have been offered employment opportunities and 6,000 hours of on-the-job training have been provided. Additionally, about 100 underprivileged people were served with free lunches

During the year, Henderson Land again supported various NGOs and educational institutions through the provision of free or discounted exhibition space at our venues. A total of 150 charitable events were held in our shopping malls during the year, with subsidised venue rentals for these charitable events amounting to about HK\$1,800,000.

OUR COMMUNITY

"Future Stars" Programme - Upward Mobility Booster Project



Blessing Farm



Book with Love Project

Warmth Giving Project



Walk for Nature @ Mai Po

Tree Planting Challenge



MaD Excursion
(Photo Courtesy of MaD)



"Symphony of Nature" Art Exhibition



Summerbridge Hong Kong Charity Walkathon

VOLUNTEERING

We actively promote a culture of volunteering and we have established a dedicated Volunteer Team that looks for long-term partnership opportunities with suitable causes. This year our Volunteer Team has been enthusiastically helping the community through a wide range of initiatives, such as promoting arts and culture, and environmental education. In collaboration with NGOs on different programmes, the Team provides assistance to the underprivileged and also builds a positive relationship with the local community. Families of volunteers are invited to jointly participate in the volunteer activities because we believe it raises the morale and spirits of our employees.

Since many of our Volunteer Team members possess professional knowledge of different subjects, their activities are

carried out based on their specialisms. For example, during our Walk For Nature @ Mai Po activity, volunteers with knowledge of bird species helped to guide participants as they explored the natural environment of the Mai Po Nature Reserve.

During the year, Henderson Warmth Volunteer Team dedicated more than 6,000 hours (double their voluntary hours of 2013) and organised and participated in 12 activities, benefitting over 1,400 needy individuals. The Team received the "Gold Award for Volunteer Service" again this year from the Volunteer Movement programme of the Social Welfare Department.

Well Born and Hang Yick's volunteer team received the "Champion of Highest Service Hour" again in 2014. Goodwill also won "Gold Award of Volunteer Service" and "Corporate Citizenship Logo" from the Hong Kong Outstanding Corporate Citizenship Award (Enterprise) again this year.

HENDERSON WARMTH VOLUNTEER TEAM



Henderson Land's Vice Chairman, Mr Lee Ka Shing, presented appreciation certificates to volunteer team members at the Volunteer Annual General Meeting. The volunteer with the highest service hours had committed over 340 hours for voluntary work in 2014.



CASE STUDY - WARMTH GIVING PROJECT

Warmth Giving Project is an example of how we commit to long-term partnerships with NGOs to bring about positive change in the community, in this case poverty relief. Since 2011, we have co-organised this project together with Oriental Daily News Charitable Fund and The Sun Charitable Fund.

The Project has evolved over four years from its inception as series of home visits by our Vice Chairman and other volunteers to distribute winter



sustenance packs. In 2014, we teamed up with a social enterprise, Jade Club, which specialises in promoting positive aging, to organise an exceptional cross-generation, fun-filled interactive party for the elderly and low-income families.

The Project has cumulatively benefitted more than 48,000 elderly and low-income families, as well as gaining wide exposure in the media, thereby helping to promote the importance of caring for the elderly.



OUR VALUE CHAIN

PRODUCT SAFETY AND QUALITY

We aim to continuously improve our building practices, providing Henderson Land customers with the very best construction quality. We carefully monitor all our construction stages and techniques, maintaining stringent safety standards and a conscientious focus on health and safety issues to ensure absolute product safety.

Our construction sites are operated and managed by Henderson Land's subsidiary, E Man. As a Registered Main Contractor, together with its subcontractors, E Man closely monitors our building works to ensure that we adhere to applicable health and safety regulations. Its work is supplemented by a professional team responsible for site supervision and a Site Quality and Progress Monitoring Team, which checks the quality and workmanship of all Henderson Land projects. We also engage consulting surveyors to ensure completed buildings meet appropriate standards and to complete pre-handover quality and workmanship audit inspections. Our inter-department handover team is responsible for ensuring the standards of newly completed apartments, and that any rectification works are completed when necessary.

Our Customer Health and Safety Goals

- Fresh air supply to commercial buildings shall satisfy the minimum requirements of ASHRAE 62.1-2007 [1] in respect of Outdoor Air Quality and Minimum Ventilation Rate
- Comprehensive and effective security measures and facilities to be provided for new property projects
- The design criteria of plumbing and drainage systems for new property projects include reducing the potential for transmission of harmful bacteria viruses and odours
- The design, installation and operation of air conditioning and water systems shall follow the recommendations given in the Code of Practice of the Prevention of Legionnaires Disease
- De-ordourising facilities to be provided in the major refuse storage chambers for new property projects so as to improve hygienic conditions





CUSTOMER'S RIGHTS AND PRIVACY

Henderson Land prides itself on providing a dedicated and efficient interface for customers and we strictly comply with relevant laws and regulations to protect consumers' rights. We adhere to applicable laws and regulations when conducting property sales activities. In particular, our first-hand sales of residential properties, where applicable, are conducted with rigid adherence to the 2013 Residential Properties (First-hand Sales) Ordinance, which stipulates the requirements in first-hand sales of residential properties in respect of the accuracy, transparency and disclosure of information concerning all marketing and sales activities and materials. All public sales and marketing information is checked by our senior executives to make sure it complies with the law and is not false or misleading in any way. As necessary, we also develop and use internal operational manuals to guide our staff on how to prepare and use such materials. During the year, staff from various departments and our architectural consultants attended internal training seminars to enable their better understanding of and compliance with the Ordinance mentioned above.

We are conscientious about secure communication and data protection and we respect individuals' legal rights to privacy. It is our policy to comply with the requirements of the Personal Data (Privacy) Ordinance (Cap. 486) and our Privacy Policy and Personal Information Collection Statement explain our data protection practices in more detail (see <http://www.hld.com/en/others/privacy.shtml>). In the case of

direct marketing, a disclaimer is included on all our materials to enable recipients to opt out if they do not want to receive further information from the Group. Information collected from our sales activities is used for business development and customer relationship management purposes. During the reporting period, there were no substantiated complaints received concerning breaches of customer privacy and losses of customer data.

Henderson Club, a subsidiary of the Group that operates our customer loyalty scheme, manages a database of over 150,000 members. It has updated its relevant forms enabling members to opt in and opt out of receiving promotional and direct marketing materials at any time. The Club also has a Personal Data Privacy Officer to ensure proper management and handling of members' personal data. Henderson Club staff attended seminars held by Office of the Privacy Commissioner for Personal Data (PCPD) during 2014 to learn the latest information.

Goodwill, our property management subsidiary, only collects personal data for operational needs, and clearly informs all tenants or customers of the purpose as well as their rights to review and revise the data. All collected personal data is treated as confidential and is kept securely, accessible by designated personnel only.

OUR VALUE CHAIN

CUSTOMER SERVICE

Henderson Land values the views and opinions of all our customers and actively seeks their feedback through various means and channels.

For property sales, our Customer Services Section is responsible for customer relations and after-sales services and actively seeks and responds to comments relating to purchases of our residential and commercial properties. An established procedure is in place to resolve any discrepancies swiftly and efficiently, and to systematically record complaints and feedback for regular review by senior management.

Similarly, our property management subsidiaries, Goodwill, Well Born and Hang Yick, also regularly conduct surveys and seek feedback to ensure they are delivering a satisfactory service to tenants and property owners. Where necessary, Goodwill conducts interviews to follow up with tenants on their comments and views and follow up actions are taken to make improvements. Tenants' satisfaction rate with Goodwill's management services was 95.99% in 2014. Training is provided to our frontline staff to ensure they continuously deliver professional and quality customer services.

Our Tenant Care Targets for 2015

- 85% of tenants rate satisfactory or above on average in the customer satisfaction survey
- No. of verbal and written complaints to be the same as or no more than that of year 2014
- 80% of colleagues of other sections of Portfolio Leasing Department rate satisfactory or above in the internal survey

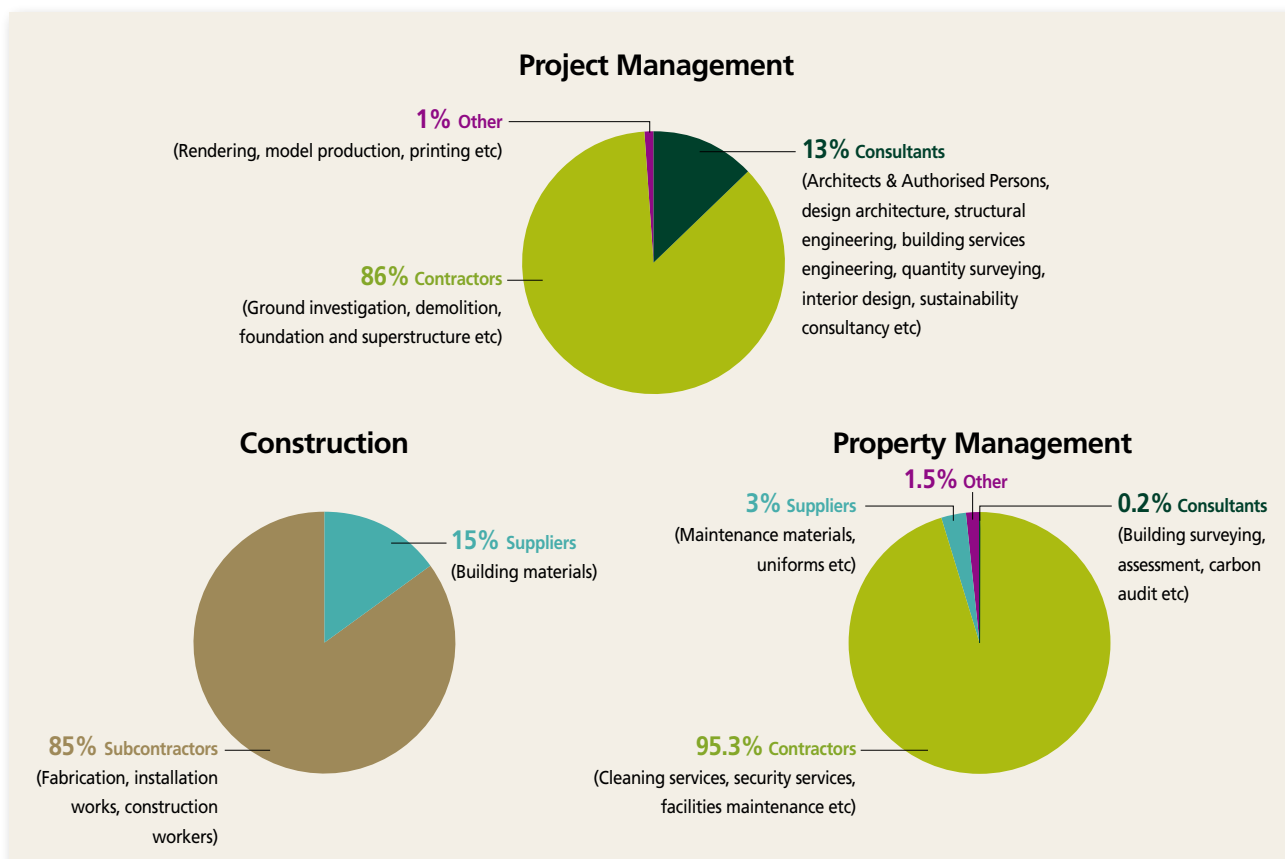


Well Born and Hang Yick have appointed The Chinese University of Hong Kong to conduct an Annual Customer Services Survey. According to the feedback for the latest survey conducted in March 2014, the satisfaction rate with Well Born's and Hang Yick's management services recorded by residents was 99.7% and 99.6% respectively overall.

SUPPLY CHAIN MANAGEMENT

Henderson Land is committed to developing and maintaining effective and mutually fruitful working relationships with our supply chain. We have over 4,200 suppliers, representing an expenditure of over HK\$7.4 billion for the year. The majority of our suppliers are local businesses and include architects, surveyors, professional/ technical consultants, designers, contractors, subcontractors, building materials suppliers, renderers, model makers, advertising agencies, photographers, film production consultants, printers, media service suppliers, lawyers, event organisers, and real estate agents.

Expenditure for different types of suppliers for Project Management, Construction and Property Management



We recognise that supply chain management is essential to operational efficiency, and we work closely with suppliers and contractors to meet our customers' needs in an effective and efficient manner, while emphasising responsible operating practices. The Audit Department works closely with all other departments to make sure that our tendering and procurement process is conducted in an open, fair and just manner. To ensure strict management control over the tendering process, we follow clear, transparent and standardised guidelines. Our social, environmental, occupational health and safety requirements and standards are set out clearly in tendering documents and are communicated clearly to suppliers and subcontractors before the commencement of a project.

To assist us on our property development projects, we maintain a list of approved consultants and contractors, all of which have relevant professional qualifications/ accreditations as prerequisites.

Our Construction Department keeps an internal Subcontractor Register, and we require all our subcontractors to be registered with the Construction Industry Council's Subcontractor Registration Scheme. Any subcontractors may be suspended or removed from the Scheme and from our Register if they breach the accepted standards. Our site management teams closely communicate with subcontractors, and also monitor their performance on site. All subcontractors engaged by Henderson Land are required to comply with relevant performance standards including those related to working hours, noise, nuisance, pollution, protection of environment, occupational health, safety and MPF contributions.

Hang Yick and Well Born both use an approved contractor list which is used for selecting most vendors, and to remain on the list, vendors are appraised and scored annually.

GRI AND HKEX CONTENT INDEX

GRI Indicator	HKEx ESG Reporting Guide General Disclosures & KPI's	Page No./ Comments
Strategy and Analysis		
G4-1		Message from Management (P.4-5)
Organisational Profile		
G4-3		About This Report (P.2)
G4-4		About Our Group (P.6)
G4-5		Contents (P.1)
G4-6		About Our Group (P.6)
G4-7		About Our Group (P.6)
G4-8		About Our Group (P.6-7)
G4-9	KPI A1.1	About Our Group (P.8)
G4-10	KPI A1.1	Our People (P.25)
G4-11		No employees in Hong Kong are covered by collective bargaining agreements
G4-12	KPI C1.1, KPI C1.2	Our Value Chain (P.40-41)
G4-13		There were no significant changes in organisation size, structure and ownership during the reporting period
G4-14		Our Vision for Sustainability (P.15)
G4-15		About Our Group (P.13)
G4-16		About Our Group (P.12)
Identified Material Aspects and Boundaries		
G4-17		About This Report (P.2)
G4-18		About This Report (P.2)
G4-19		About This Report (P.3)
G4-20		About This Report (P.3)
G4-21		About This Report (P.3)
G4-22		There are no restatements of information provided in previous reports
G4-23		There are no significant changes from previous reporting periods in the scope and aspect boundaries
Stakeholder Engagement		
G4-24		Our Vision for Sustainability (P.17)
G4-25		Our Vision for Sustainability (P.17)
G4-26		Our Vision for Sustainability (P.16)
G4-27		Our Vision for Sustainability (P.17)
Report Profile		
G4-28		About This Report (P.2)
G4-29		About This Report (P.2)
G4-30		About This Report (P.2)
G4-31		About This Report (P.3)
G4-32		About This Report (P.2) GRI and HKEx Content Index (P.42-44)
G4-33		We did not seek external verification of this Report. However, we will consider seeking external assurance for the report in future
Governance		
G4-34		About Our Group (P.9) Our Vision for Sustainability (P.14)
Ethics and Integrity		
G4-56		Our Vision for Sustainability (P.15)

GRI Indicator	HKEx ESG Reporting Guide General Disclosures & KPI's	GRI Specific Standard Disclosures	Page No./ Comments
Economic Performance			
G4-DMA			About Our Group (P.7)
G4-EC1	KPI D1.2	Direct economic value generated and distributed	About Our Group (P.8) Our Community (P.30-33)
Materials			
G4-DMA	GD-B2, GD-B3		Our Environment (P.20)
G4-EN2	KPI B1.6	Percentage of materials used that are recycled input materials	Our Environment (P.21)
Energy			
G4-DMA	GD-B2, KPI B2.3		Our Environment (P.18-19)
G4-EN3	KPI B1.2, KPI B2.1	Energy consumption within the organisation	Our Environment (P.19, 21)
Water			
G4-DMA	GD-B2		Our Environment (P.22)
G4-EN8	KPI B2.2	Total water withdrawal by source	Our Environment (P.22)
Emissions			
G4-DMA	GD-B1, KPI B1.5		Our Environment (P.20)
G4-EN16	KPI B1.2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Our Environment (P.19)
Effluents and Waste			
G4-DMA	GD-B1, KPI B1.6		Our Environment (P.21)
G4-EN23	KPI B1.3, KPI B1.4	Total weight of waste by type and disposal method	Our Environment (P.21-22)
Products and Services			
G4-DMA	GD-B2, GD-B3		Our Environment (P.23)
G4-EN27	KPI B3.1	Extent of impact mitigation of environmental impacts of products and services	Our Environment (P.23)
Employment			
G4-DMA	GD-A1, GD-A4,		Our People (P.24)
G4-LA1	KPI A1.1, KPI A1.2	Total number and rates of new employee hires and employee turnover by age group, gender, and region	Our People (P.26)
Occupational Health and Safety			
G4-DMA	GD-A2, KPI A2.3		Our People (P.27)
G4-LA6	KPI A2.1, KPI A2.2, KPI A2.3	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Our People (P.28-29)
Training and Education			
G4-DMA	GD-A3		Our People (P.27)
G4-LA9	KPI A3.1, KPI A3.2	Average hours of training per year per employee by gender, and by employee category	Our People (P.27)
Non-discrimination			
G4-DMA			Our Vision for Sustainability (P.15)
G4-HR3		Total number of incidents of discrimination and corrective actions taken	Our Vision for Sustainability (P.15)

GRI AND HKEX CONTENT INDEX

GRI Indicator	HKEx ESG Reporting Guide General Disclosures & KPI's	GRI Specific Standard Disclosures	Page No./ Comments
Local Communities			
G4-DMA	GD-D1		Our Community (P.30)
G4-SO1	KPI D1.1	Percentage of operations with implemented local community engagement, impact assessments, and development programmes	Our Community (P.30-33)
Anti-corruption			
G4-DMA	GD-C3		Our Vision for Sustainability (P.15)
G4-SO5	KPI C3.1	Confirmed incidents of corruption and actions taken	Our Vision for Sustainability (P.15)
Customer Health and Safety			
G4-DMA	GD-C2, KPI C2.4		Our Value Chain (P.38, 40)
G4-PR1		Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Our Environment (P.19) Our Value Chain (P.38, 40)
Product and Service Labelling			
G4-DMA	GD-C2		Our Environment (P.18, 20) Our Value Chain (P.40)
G4-PR3	KPI C2.4	Type of product and service information required by the organisation's procedures for product and service information and labelling, and percentage of significant product and service categories subject to such information requirements	Our Environment (P.18- 20, 23)
Marketing Communications			
G4-DMA			Our Value Chain (P.39)
G4-PR7		Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	We did not receive any formal warning concerning marketing communications, including advertising, promotion, and sponsorship during the reporting period
Customer Privacy			
G4-DMA	KPI C2.3, KPI C2.5		Our Value Chain (P.39)
G4-PR8	KPI C2.5	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Our Value Chain (P.39)
Compliance (Product Responsibility)			
G4-DMA	GD-C2		Our Environment (P.23)
G4-PR9	KPI C2.2	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	There were no cases of non-compliance with laws and regulations concerning the provision and use of products and services



恒基兆業地產有限公司
HENDERSON LAND DEVELOPMENT COMPANY LIMITED

