



新鴻基有限公司  
SUN HUNG KAI & CO. LIMITED

Stock Code: 0086



2025

ESG REPORT

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

## About This Report

Sun Hung Kai & Co. Limited (stock code: 86), referred to as SHK & Co., or the Company along with its subsidiaries (collectively known as the Group), is delighted to present its Environmental, Social, and Governance (ESG) Report setting out the Group's sustainability approach, policies, initiatives, and performance, for 1 January to 31 December 2025 (the Reporting Period).

We prepared the Report in line with the Environmental, Social, and Governance Reporting Code ("ESG Code"), outlined in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), and the Global Reporting Initiative ("GRI") Standards 2021. The report has been independently verified by SGS Hong Kong Limited under the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information.

This report covers SHK & Co.'s Credit, Investment Management, and Alternative Solutions (formerly known as Funds Management) businesses in Hong Kong and Mainland China. It does not extend to companies which have no physical operations nor joint ventures where the Group has no operational control. Unless stated otherwise, the Report encompasses the offices and branches of the following units and their subsidiaries in Hong Kong and Mainland China:

- Sun Hung Kai & Co. Limited (SHK & Co.)
- United Asia Finance Limited (UAF)
- Sun Hung Kai Credit Limited (SHK Credit)

This Report has been compiled using information gathered within the Group. The Group has internal control and formal review processes to check the accuracy and reliability of that information. The Board of Directors (the Board) has reviewed and approved this Report. The HKEX sets out four reporting principles, which we have addressed as follows:

### Materiality

This Report is based on the results of a comprehensive materiality assessment conducted through active stakeholder engagement. The materiality of issues was reviewed and confirmed by the Board and senior management.



### Quantitative

This Report discloses material environmental and social key performance indicators ("KPIs") of the offices and branches from SHK & Co., UAF and SHK Credit.



### Balance

This Report presents an overview of the Group's ESG performance with both achievements and areas of improvements disclosed.



### Consistency

This Report adopts methodologies for the calculation of KPIs that are materially consistent with those of previous years for fair comparison of ESG data over time. For further details of the quantification methodologies, please refer to the "Our Environment" section.



For further background information, please review our Annual Report and Corporate Governance Report.

## Opinion and Feedback

We gather and value feedback on our sustainability performance and targets. Please get in touch to share your views at:

Sun Hung Kai & Co. Limited  
40/F, Lee Garden One  
33 Hysan Avenue, Causeway Bay  
Hong Kong

Tel: (852) 3748 2823

Email: [investor.relations@shkco.com](mailto:investor.relations@shkco.com)

**Board Statement**

**We have integrated ESG considerations into our strategy, operations and decision making, confirming these as an important aspect of how we grow and manage the business. We are pleased to report on the progress and fruits of our efforts this year. We remain committed to building resilient, strong foundations for the business, to invest in our people and support our wider community for the long term. The Board thanks our staff for their ongoing efforts to deliver on these shared aims and we commend this report to our stakeholders.**

Governance is the bedrock of our business. Our 2025 materiality assessment, conducted with stakeholder participation, confirmed our view that strong governance is essential and a key driver of trust.

The Board provides strategic direction on ESG matters, supported by the ESG Committee and ESG Working Committee, to embed sustainability considerations across the Group. We strengthened our governance framework with enhanced monitoring mechanisms and more regular performance reviews, furthering ESG initiatives across business units. This whilst maintaining a disciplined, responsible investment approach, applies ESG screening processes across our investment portfolio.

We recognise that sustainability requires attention to our people and culture. We measure success not only through financial performance but through the wellbeing, development, and engagement of our team. In 2025, we improved our programmes supporting work-life balance and personal wellness, health and safety and continued to invest in our people: for the second consecutive year, 100% of SHK & Co. employees took advantage of training opportunities we offer. Additionally, we reach out to the wider community via the Sun Hung Kai & Co. Foundation, which supports for example, Sailability Hong Kong to provide life-changing sailing courses to underrepresented youth and Dalton School Hong Kong’s new campus to nurture future leaders. Our aim: to continue to cultivate a culture and environment where people choose to stay, contribute and grow. Our people and our business are thriving together.

We continued to strengthen engagement with investors through transparent communication on performance. We have improved our own environmental performance and encourage suppliers to do the same.

In particular we are focused on reducing our Scope 2 greenhouse gas (“GHG”) emissions and we consider United Nations Sustainable Development Goals (“UNSDGs”) in investment decisions to be aware of how we can prudently channel capital into areas that matter and can make a difference.

These steps are core to who we are – leading responsibly, promoting environmental stewardship within our control and **“Creating Sustained Value”** for our investors, stakeholders, and communities.

**Creating Sustained Value**

<b>Business</b> 	<b>Investors and Customers</b> 	<b>Employees</b> 	<b>Community</b> 	<b>Environment</b> 
 <p>We operate with the high standards of integrity through robust governance while effectively managing ESG risks.</p>	 <p>We safeguard against risks, nurture trusted relationships, and drive continuous improvement in our services.</p>	 <p>A culture of high performance through an inclusive and business aligned people strategy.</p>	 <p>We invest in initiatives that strengthen a sustainable society and develop future leaders.</p>	 <p>Through investment decisions and green practices, we support the global transition to a low-carbon economy.</p>

## ESG Performance Highlights

### Business

Maintain at least  
**50%** of the Group's investment portfolio with alignment to UNSDGs annually



Listed Enterprises of the Year by Bloomberg Businessweek



Asian Excellence Awards - Sustainable Asia Award by Corporate Governance Asia



### Environmental

Maintained steady progress towards the target to reduce GHG scope 2

emissions by **35%** by **2030**, compared to FY20 baseline



**100%**

Sustainable paper sourcing achieved (paper purchased)



**Green Office Awards Label and Eco-Healthy Workplace** from World Green Organisation's **Green Office Award Labelling Scheme (GOALS)**



Water usage reduced by  
**12%** compared with 2024 level



Electricity usage reduced by  
**17%** compared with 2024 level



Advancing **Scope 3** emissions measurement

**Scope 3** emissions, including waste generated in operation and employee commuting)



Paper consumption reduced by  
**15%** compared with 2024 level



GHG emissions reduced by  
**27%** compared with 2024 level



### Social

Donated over  
**HKD4,000,000** towards families affected by the Tai Po fire via HKSAR Government's Support Fund for Wang Fuk Court



**98.6%**

training on anti-corruption and anti-bribery



## Our Approach to Sustainability

Our sustainability approach reflects how we operate: prioritising long-term value creation and disciplined, consistent execution. Our Sustainability Policy and Climate Change Policy are guides for our strategic planning, risk management, and decision-making. In addition, UNSDGs are incorporated into our private assets portfolio management system to monitor sustainable investments and track progress, with a target to maintain at least 50% portfolio alignment. Our ESG targets are set in line with international initiatives and progress is reviewed annually by management and overseen by the Board.

Environmental Aspects	Targets	Our Progress as of the End of 2025
General	• Maintain at least 50% of the Group's investment portfolio with alignment to UNSDGs annually.	Achieved
	• Conduct at least one ESG training for all staff annually.	In Progress
Greenhouse Gases	• By 2030, reduce GHG scope 2 emissions by 35%, compared to FY20.	In Progress
Waste	• By 2025, reduce absolute paper usage (kg) by 35%, compared to FY19.	Achieved
	• By 2030, reduce absolute paper usage (kg) by 50%, compared to FY19.	In Progress
	• By 2025, maintain use of paper cheques issued for customer funding to be 10% or below at UAF.	Achieved
	• Ensure that 90% of office paper is certified FSC or PEFC paper annually.	Achieved
Electricity	• By 2025, reduce absolute electricity usage by 25% compared to FY19.	Achieved
	• By 2030, reduce absolute electricity usage by 30% compared to FY19.	In Progress
Water	• By 2026, reduce the consumption of bottled / barrel water by 30%, compared to FY23.	In Progress

## Stakeholder Engagement

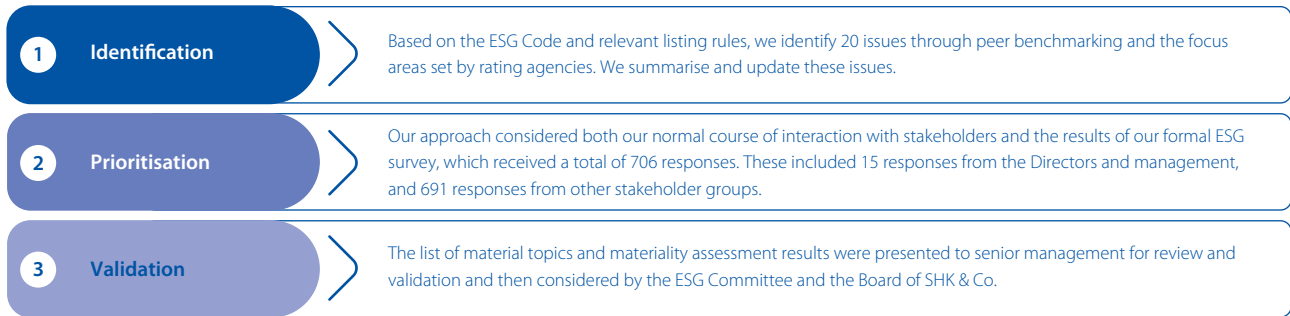
We proactively engage stakeholders to understand their concerns, stay informed on industry trends, and identify effective sustainability measures. We believe that transparent and active stakeholder engagement fosters collaboration to address material challenges and ultimately creates greater value for our stakeholders. We communicate with our stakeholders in many different ways:

Key Stakeholder Groups	Engagement Channels
 <b>Shareholders/Investors</b>	<ul style="list-style-type: none"> <li>• General meetings</li> <li>• Press releases</li> <li>• Annual/interim reports</li> <li>• Sustainability reporting</li> <li>• Circulars and announcements</li> <li>• Investor meetings, roadshows and correspondences</li> <li>• Stakeholder survey</li> </ul>
 <b>Employees</b>	<ul style="list-style-type: none"> <li>• Business meetings</li> <li>• Conferences</li> <li>• Goals and performance discussion meetings</li> <li>• Departmental meetings and briefings</li> <li>• Global Townhall</li> <li>• Surveys and comment boxes</li> <li>• Training and orientation programmes</li> <li>• Newsletters</li> <li>• Informal employee events</li> </ul>
 <b>Customers</b>	<ul style="list-style-type: none"> <li>• Personal contact</li> <li>• Social media</li> <li>• Satisfaction survey</li> <li>• Meetings and correspondences</li> <li>• Circulars and internal memorandum</li> <li>• Mobile applications</li> </ul>
 <b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Site visits</li> <li>• Meetings and correspondences</li> <li>• Stakeholder survey</li> </ul>
 <b>Community Partners/ Non-governmental Organisations</b>	<ul style="list-style-type: none"> <li>• Charity activities</li> <li>• Volunteering opportunities</li> <li>• Sponsored events and projects</li> <li>• Stakeholder survey</li> </ul>
 <b>Media</b>	<ul style="list-style-type: none"> <li>• Interviews</li> <li>• Press releases</li> <li>• Meetings and correspondences</li> <li>• Stakeholder survey</li> </ul>
 <b>Government Bodies</b>	<ul style="list-style-type: none"> <li>• Site visits</li> <li>• Meetings and correspondences</li> </ul>
 <b>Banks/Brokers</b>	<ul style="list-style-type: none"> <li>• Annual/interim reports</li> <li>• Meetings, emails and correspondences</li> <li>• Compliance reports</li> <li>• Stakeholder survey</li> </ul>
 <b>Fund/Business Partners</b>	<ul style="list-style-type: none"> <li>• Annual/interim reports</li> <li>• Meetings, emails and correspondences</li> <li>• Stakeholder survey</li> </ul>
 <b>Investees/Portfolio Companies</b>	<ul style="list-style-type: none"> <li>• Annual/interim reports</li> <li>• Meetings, emails and correspondences</li> <li>• Stakeholder survey</li> </ul>

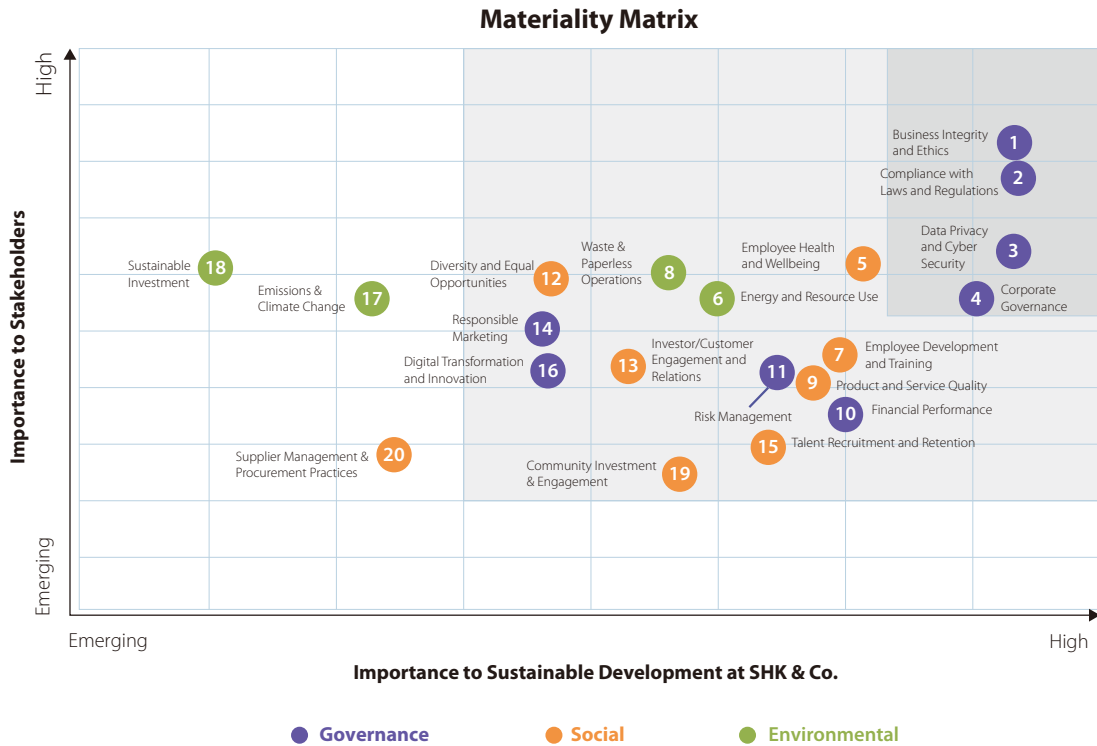
## Materiality Assessment

Materiality guides our sustainability disclosures. We engaged an independent consultant to facilitate stakeholder engagement and evaluate ESG materiality, to be confident that our strategies are both resilient and aligned with the long-term interests of our stakeholders, community, and the environment. In accordance with principles defined by the GRI Standards, we take a three-step approach to assess the materiality of ESG issues:

### Materiality Assessment Approach



The following materiality matrix presents the relative importance of the material issues to our stakeholders and to the sustainable development of the Group.



In 2025, stakeholders continued to prioritise governance issues, identifying business ethics, legal compliance, data security and corporate governance as the most material issues. At the same time, they placed growing emphasis on practical environmental actions, particularly improving energy, resource use, waste and paperless operations. Reflecting evolving priorities, we updated the material issues list by adding two new topics – Digital Transformation and Innovation, and Sustainable Investment, and consolidated community-related topics into Community Investment & Engagement.

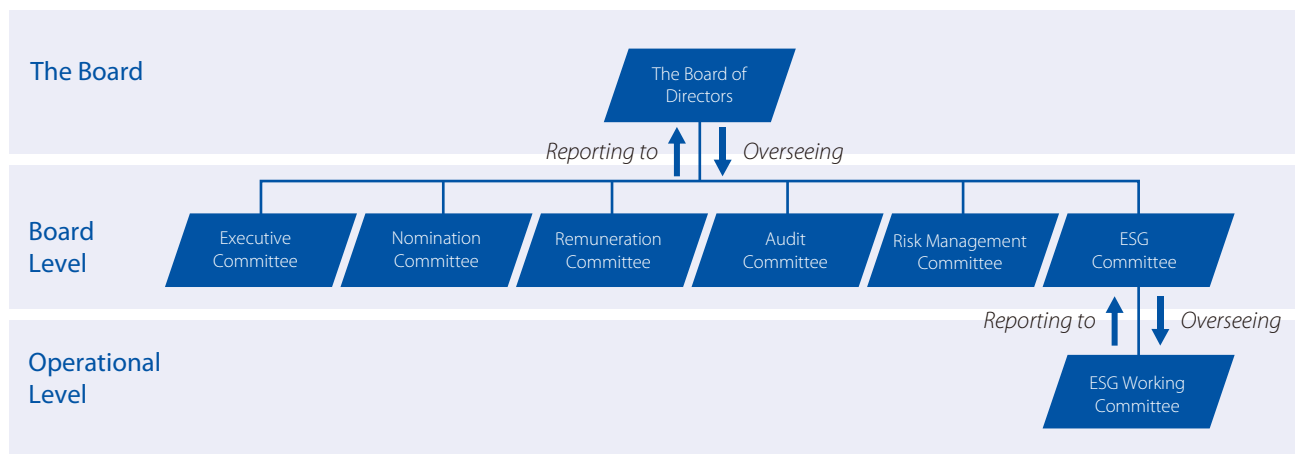
## Our Business and Governance

The Group has incorporated ESG factors into our core strategy to drive sustainable business operations, supported by governance and proactive management. Our governance framework is shaped by years of experience in Hong Kong's regulatory environment and is designed for stability, effective oversight and support long-term performance. This approach, together with clear ethical standards, underscores our commitment to operating as a trusted and responsible financial institution.

### Corporate Governance Governance Structure

The Group maintains high standards of corporate governance, built on transparency, integrity, accountability, and fairness. Our governance framework helps us to manage risks and seize opportunities, target sustainable growth and safeguard the long-term interests of our stakeholders. To comply with current regulations and best practices, the Board has established six standing committees to assist in discharging its duties. Our Corporate Governance Policy (the "CG Policy") sets out the roles and responsibilities of the Board, together with the structure and operation of Board Committees, Risk Management, Company Secretary, Internal Control, External Auditors, and shareholder communications.

#### Three-tier Governance Structure



The Group recognises that diversity strengthens board effectiveness and governance. Guided by our Board Diversity Policy, we ensure a well-rounded mix of genders, ethnicities, and professional backgrounds, with expertise across finance, legal, management, and multiple industries. As of the end of 2025, 58.33% of the Board are Independent Non-executive Directors, of whom two are female.

## Sustainability Governance



### Board

The Board serves as the Group's highest management authority and is responsible for overseeing the Group's ESG matters. The Board directs the Group's sustainability governance practices and strategic development by:

- overseeing and encouraging ESG and climate-related strategies
- approving the Group's ESG reports and disclosures
- overseeing the ESG Committee and reviewing ESG performance



### ESG Committee

The ESG Committee is a Board-level committee comprising independent directors, management, and executives across all key business units. It reports to the Board at least twice a year and supports the Board in overseeing sustainability practices by:

- shaping and reviewing the Group's ESG vision, performance, strategies, and practices
- overseeing policy implementation and evaluating ESG performance and targets
- staying abreast of evolving ESG standards and regulations
- organising and evaluating training programmes
- identifying and managing ESG risks for integration into the broader risk management framework
- reporting and recommending strategies to the Board for addressing significant ESG-related risks



### ESG Working Committee

The ESG Working Committee is an operational-level subcommittee comprising dedicated members from key business units across SHK & Co. and its subsidiaries. The ESG Working Committee reports to the ESG Committee and supports the implementation of sustainability strategies by:

- executing and implementing plans in accordance with relevant ESG policies and strategies
- facilitating Group-wide ESG targets
- promoting our ESG commitments and vision internally and externally
- collecting and monitoring the data for the ESG Report

## Corporate Responsibility

### Policy Commitments

The Group integrates ESG policies on responsible business conduct, covering ethics, environmental management and labour practices, into our operations and reinforces these through training, contractual controls, and regular updates under the oversight of the Board and ESG Committee. During the reporting period, policies were reviewed and updated to align with regulatory changes, business needs, and stakeholder expectations. For full details of our policies, see our ESG Policies section at [www.shkco.com/en/Policy.aspx](http://www.shkco.com/en/Policy.aspx).

### Code of Conduct (Conflict of interests)

The Group Code of Conduct mandates high ethical standards, requiring employees to avoid conflicts between personal and Group interests. This applies to financial ties with clients, suppliers, or competitors, as well as personal relationships with colleagues or industry peers. Employees must obtain prior written authorisation for any potential conflict, submit an annual declaration of outside interests, and proactively report emerging issues to management. We updated our Code of Conduct to include enhanced Anti-Discrimination and Anti-Harassment trainings, reinforcing our commitment to a respectful workplace.

### Anti-Bribery and Anti-Corruption

The Group is committed to complying with all applicable laws and regulations, including the Prevention of Bribery Ordinance in Hong Kong and equivalent laws and regulations in Mainland China. Business units are required to develop tailored measures to address applicable licensing and legal requirements. Any breach or suspected breach of the policy will be investigated, with disciplinary actions including termination of employment and reporting to authorities where necessary. To strengthen awareness, the Group regularly provides training for the employees, including sessions delivered by the legal and compliance department, and UAF organised an Independent Commission Against Corruption (ICAC) seminar for all employees to strengthen awareness of corruption risks and enhance skills in identifying and managing potential integrity issues.

### Anti-Money Laundering

Our Anti-Money Laundering ("AML") and Counter-Terrorist Financing ("CTF") Policy sets out controls to combat money laundering, terrorist financing and sanctions evasion. These include monitoring protocols for loan applications and subsequent transactions, and providing AML and CTF training.

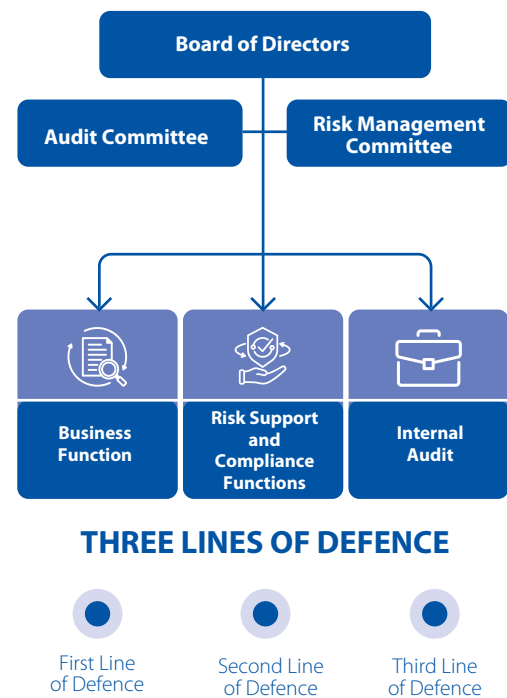
### Whistleblowing

The Group maintains a Whistleblowing Policy that enables employees and stakeholders to report suspected misconduct confidentially. Any reports are reviewed by the Audit Committee, and the Group enforces zero tolerance for retaliation. During the reporting year, no concerns were reported under this policy.

## Risk Management

### Risk Management and Structure

Risk management is a key element of the Group's governance framework. Our Enterprise Risk Management (ERM) framework is based on the Three Lines of Defence to identify, assess, and monitor risks, with quarterly reviews by the Risk Management Committee and reporting to the Board. The ERM framework, aligned with SFC and Stock Exchange requirements, integrates risk assessment into strategic planning. Regular training, risk bulletins and ongoing risk appetite reviews ensure risk mitigation remains embedded in operations, supporting sustainable growth.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

The Board oversees the Group's risk governance framework through the Risk Management Committee and the Audit Committee. The Risk Management Committee identifies, assesses, and mitigates material risks and assesses the adequacy and compliance of risk management systems and internal controls. The Audit Committee enquires as to the effectiveness of these systems and reviews significant investigations and audit findings.

Our risk governance approach follows the "Three Lines of Defence" model. The first line comprises business functions and their line managers, who own and manage risks within their operations. The second line includes risk, support and compliance functions, supported by other oversight functions such as Finance. The third line is the Internal Audit function, which provides independent assurance over the first and second lines, with external consultants engaged as needed to support internal audit reviews.

#### **Disaster Recovery Plan**

We have a comprehensive Disaster Recovery Plan ("DRP") for business continuity and resilience during unplanned incidents, such as natural disasters (e.g. fire and flooding), power outages, cyber-attacks, and other disruptions. Our DRP is reviewed and updated annually to provide clear guidelines for response and escalation procedures. Incidents are classified into four levels of failure based on likelihood and severity, with each level having tailored recovery procedures. These include prioritised recovery of business units, recovery time objectives, recovery point objectives, and escalation paths.

### **Business Integrity and Ethics**

#### **Intellectual Property**

Protecting intellectual property (IP) rights is a core element of ethical business practice. Our Employee Culture Guide and Handbook set out clear guidelines, which are reviewed annually to ensure they remain current and effective. Unauthorised use of the Group's name, slogan, or trademarks for personal benefit or by third parties is strictly prohibited, and formal approval is required for any such use. To safeguard technology integrity, the Information Technology Team conducts regular checks for unauthorised software. As of end of 2025, the Group held 26 trademark registrations in Hong Kong and Mainland China and 55 overseas, reflecting our commitment to protecting IP globally.

#### **Human Rights**

Respecting human rights is fundamental to our corporate values. We maintain a zero-tolerance approach to child and forced labour, a standard that applies equally to our own operations, our suppliers, and the businesses in which we invest. We enforce this through rigorous recruitment due diligence, including identity verification and background checks, and have found no incidents of child labour, forced labour, or other human rights violations related to any of the Group's businesses.

#### **Supplier Management and Procurement Practices**

Our engagements with all suppliers, data providers, and contractors, except financial counterparties, are governed by our Group Procurement Policy, which takes account of ESG considerations.

**Supplier Due Diligence Form:** To manage risk effectively, we conduct comprehensive due diligence for all suppliers with an annual spend exceeding HKD5,000,000. This process assesses partners on critical factors including sustainable development, business ethics, occupational health and safety, data privacy, business continuity, and human rights practices.

Our Supplier Code of Conduct requires all suppliers to comply with relevant laws and international standards on human rights, ethics, equality, and fair employment, ensuring responsible practices throughout our value chain.

- **Business Ethics:** Suppliers must implement their own anti-bribery policies, declare any conflicts of interest, and comply with SHK & Co.'s Anti-Bribery and Anti-Corruption Policy and proactively avoid and declare any conflicts of interest.
- **Data Protection:** Suppliers must implement their own cybersecurity or information security policies and comply with applicable data protection laws, safeguard all personal and confidential data. They are required to protect sensitive data and meet all contractual obligations to ensure compliance with our standards.

As of the end of 2025, the Group had 626 suppliers globally, including those based in Hong Kong, Mainland China, Singapore, the United Kingdom and the United States. In alignment with the Authorised Agents Manual, we partner with external debt collection agencies to support our loan business. Authorised agents undergo regular evaluation focusing on factors such as data management, service effectiveness and relevant compliance.

## Our People and Culture

At SHK & Co., our employees are not just our greatest asset – they are the engine behind our sustainable growth. The Group is committed to enhancing our employee value proposition by creating a safe, inclusive, and dynamic work environment that fosters equality, diversity, and talent development. By cultivating an environment where diversity is valued and talent is nurtured, we ensure that every employee has the tools, opportunities, and support to excel. Our comprehensive approach includes targeted development programs, competitive compensation structures, and integrated well-being initiatives, all designed to unlock individual potential and fuel collective achievement.

Our people strategy is underpinned by the Employee Handbook, which articulates the Group's guidelines across all key areas including employment, recruitment and promotion, working conditions, benefits and remuneration, training and development and code of conduct. Regularly reviewed and updated by the People & Culture Team, the Handbook remains agile and aligned with evolving business needs, market trends, and legal requirements, ensuring our people practices are not only compliant but also forward-thinking and purpose driven.

### Diversity, Equity and Inclusion Opportunities

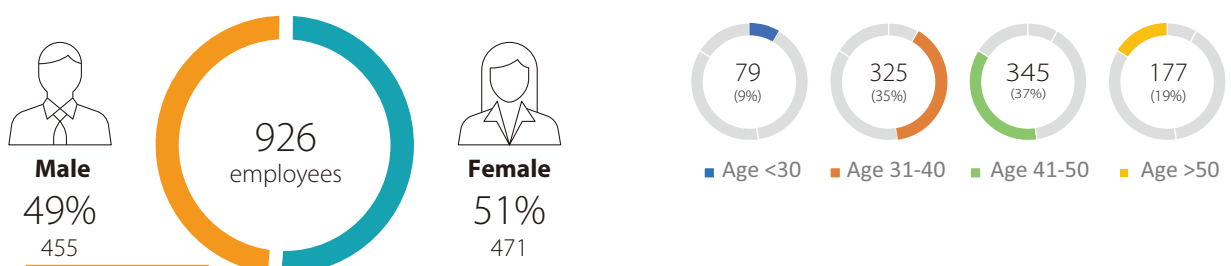
#### *Principles of fairness and equality in our employment practices*

The Group upholds the principle of equitable opportunity across all employment stages, ensuring that people grow based on merit, performance and capability, and fostering a diverse culture where different perspectives drive innovation and organisational performance. As part of this commitment, the Women in Leadership – Fireside Chat brought together senior leaders to share their career journeys, leadership insights and practical ways to empower women in the workplace.

Discrimination is strictly prohibited under our Anti-Discrimination Policy, with explicit safeguards against unfair treatment related to gender, age, race, disability, or other protected attributes. Violations are subject to formal review and appropriate disciplinary measures, in line with our zero-tolerance approach. As a signatory of the Equal Opportunities Commission's Racial Diversity and Inclusion Charter for Employers, we provide reasonable accommodation for disabilities and encourage reporting of harassment, discrimination, victimisation, or defamation via our established reporting channels. All reports are overseen by the Head of People and Culture to ensure impartial handling and prevent retaliation. At executive level, our Board Diversity Policy ensures that governance reflects a broad range of experiences and perspectives.

### Employee Workforce

#### *Workforce Data*



## Recognising and Rewarding Talents

At the heart of our organisational success lies a culture rooted in trust, where employees feel heard, respected, and empowered to perform at their best. We foster this through active listening, transparent communication, and flexibility, most notably through the Unlimited Paid Leave Policy in SHK & Co. and SHK Credit, which enables employees to manage their time effectively and maintain focus and wellbeing. Our competitive, performance-driven compensation model combines a stable base salary with tailored variable rewards, including bonuses and incentives; sales roles further benefit from structured base pay and incentives programs. Beyond financial remuneration, our comprehensive benefits schemes encompass insurance and healthcare coverage, parental leave, retirement provisions, and participation in the Employee Ownership Scheme for eligible employees at our SHK & Co. and SHK Credit Hong Kong offices.

Recognising our ongoing commitment to employee welfare, both SHK & Co. and UAF have been awarded the “Good MPF Employer Award” by the Mandatory Provident Fund Schemes Authority for excellence in retirement benefits and MPF administration. They have also been recognised as “Happy Companies,” demonstrating our longstanding dedication to employee wellbeing and a supportive organisational culture.

### Diverse Benefits<sup>1</sup>

SHK & Co. and SHK Credit	UAF
Statutory Benefits such as Parental Leave, Retirement Provision and Employer Voluntary MPF Contribution	
<p><b>Monetary Benefits</b></p> <ul style="list-style-type: none"> <li>Discretionary Bonus</li> <li>Long Service Awards</li> <li>Rental Reimbursement Programme</li> <li>Employee Ownership Scheme</li> </ul> <p><b>Paid Leaves</b></p> <ul style="list-style-type: none"> <li>Unlimited Paid Annual Leave</li> </ul> <p><b>Medical and Insurance Coverage</b></p> <ul style="list-style-type: none"> <li>Health Care</li> <li>Life Insurance</li> <li>Accident and Disability Coverage</li> <li>Preventive Checkup and Vaccination</li> </ul> <p><b>Educational Subsidies</b></p> <ul style="list-style-type: none"> <li>Advanced Learning Subsidies</li> </ul>	<p><b>Monetary Benefits</b></p> <ul style="list-style-type: none"> <li>Double Pay &amp; Discretionary Bonus</li> <li>Cash for Marriage and New – Born</li> <li>Long Service Awards</li> <li>Long Service Pension and Social Security</li> <li>Rental Allowance</li> <li>Meal Allowance</li> </ul> <p><b>Paid Leaves</b></p> <ul style="list-style-type: none"> <li>Birthday Leave</li> <li>Compassionate Leave</li> <li>Family-Friendly Leave</li> <li>Marriage Leave</li> <li>Recreation Leave</li> <li>Overtime Compensation Leave</li> </ul> <p><b>Medical and Insurance Coverage</b></p> <ul style="list-style-type: none"> <li>Health Care</li> <li>Life Insurance</li> <li>Preventive Checkup</li> </ul> <p><b>Educational Subsidies</b></p> <ul style="list-style-type: none"> <li>Advanced Learning Allowance</li> </ul>

<sup>1</sup> Benefits provided varies by geographical location.

### Employee Health, Wellness and Safety

The Group is committed to a workplace that is secure, comfortable, healthy, and conducive to employee success and wellbeing. We have established an occupational health and safety (“OHS”) management system aligned with key guidelines issued by the Hong Kong Labour Department, including “A Guide on Employer Safety Policy” and the “Occupational Safety and Health Ordinance.” This framework outlines our methods to identify, evaluate, and mitigate OHS risks within general office settings and forms the basis for systematic OHS assessment. Oversight of OHS across offices is led by the General Administration Team, with administrative staffs conducting timely site inspections to assess office facilities, maintain safe working conditions and minimise potential health and safety risks. Employees are encouraged to report any OHS risks to the relevant departments so that issues can be addressed promptly. Our Business Continuity Plan, supported by a decision tree guideline, ensures effective response to potential incidents and minimal service disruption.

### Ensuring Workplace Safety

#### SAFETY MEASURES



- Trained first aiders on standby for medical emergencies
- Guidelines for handling violent threats follow government recommendations
- Managed access and emergency exits meet safety and security standards

#### AWARENESS AND TRAINING



- Familiarity of employees with fire alarms, equipment, and escape routes
- Organisation of fire safety online seminars by the Building Manager Office
- Annual office safety and emergency preparedness refresher training

#### REGULAR INSPECTIONS AND DRILLS



- Annual and/or half-yearly inspection of the fire alarm system, fire service pump, sprinkler, fire hydrant, hose reel systems, fire extinguishers installation, and emergency exit

We prioritise employee well-being through ongoing investments in the working environment. Initiatives include height-adjustable desks at all workstations for ergonomic comfort, medical-grade antiviral air purifiers for improved indoor air quality, and increased office greenery to enhance oxygen levels, aesthetics, and overall health. These measures reflect our commitment to a safe, sustainable and productive workplace.

### Work-Life Balance and Well-being Support

SHK & Co. adopts workplace practices that support employee wellbeing and work-life balance, contributing to an inclusive environment and the long-term satisfaction and performance of its workforce. We promote holistic well-being through initiatives encouraging physical health, social connection, and community involvement. These include charitable causes, wellness-focused events, and team-building activities that strengthen relationships and reinforce company’s values. Our monthly “Friday at Five” gatherings further enable employees to connect, unwind, and build community spirit. The Group remains steadfastly committed to fostering the holistic well-being and overall satisfaction of our employees.

#### SHK & Co.’s Cultural and Team Building Activities in 2025

- Monthly “Friday at Five”
- Annual Dinner
- Insights Discovery Workshops
- Welcome Lunch and Farewell Gatherings
- Team Building – Company Values and Behaviours
- Sound Bath Wellness Session



#### UAF’s Cultural and Team Building Activities in 2025

- Movie Night
- Annual Dinner
- Latte Art Workshop
- Perfume Workshop
- Sponsored Gathering
- Festive Celebrations
- “Let’s Chill Out!”



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

## Development and Training

We empower our employees through continuous training and development, providing them opportunities to acquire new skills and embrace innovation. By closely monitoring market trends and evolving customer expectations, we strengthen our team's resilience and adaptability. This positions the Group to remain agile and resilient in a competitive landscape.

We equip our people with comprehensive training across technical skills such as AI applications, compliance, and anti-corruption – and essential soft skills, including leadership, communication, and impactful presentation. Aligned with our sustainability focus, we deliver targeted ESG training, on ESG fundamentals, ratings, and regulatory compliance. Beyond formal programs, we foster a culture of continuous learning through regular learning sessions that encourage knowledge sharing across teams.

### Training topics provided across the Group include but are not limited to:



Valuation Approach



ESG Training



Financial Markets



Health and Safety



Ethical Standards



Consumer Financial Protection



Policy and Ordinance



AI Applications Service



Impactful Presentation



Communication and Presentation



Taxation



Fraud Awareness



Information Security Awareness (Privacy and Data Security)



Operating Procedures



Compliance (including Anti-bribery, AML and CTF)



Risk management

Our new hires begin their professional journey at SHK & Co. through an onboarding program led by the People & Culture team which introduces core values, operations, culture and employee welfare while fostering cross-team connections. Supported by our Learning and Development Policy, employees are encouraged to pursue relevant licenses, qualifications, and performance-driven training, supported by an annual learning allowance and a year-round calendar of training workshops. Participant feedback informs ongoing improvement of training quality, and our partnership with the Hong Kong Securities and Investment Institute (HKSI) to further support talent development in the alternative investment sector by offering structured job training and industry exposure for students and young professionals.

Regular performance appraisals are conducted to assess development needs and growing opportunities, which supports job satisfaction, retention and productivity. At SHK & Co., our bi-annual performance reviews, along with an annual 360 degree feedback exercise that incorporates self-assessment, peer input, and feedback from key stakeholders, with people managers also receiving upward feedback. These reviews are followed by constructive discussions to define actionable measurable measures that enable continued growth and performance improvement.

## Employee Engagement

SHK & Co. and SHK Credit rolled out a firmwide employee engagement survey via Culture Amp, a platform for measuring workforce experience. These results were used to inform our focus group discussions, and guide targeted improvements to the employee experience. Ongoing communication is maintained through a quarterly staff newsletter and monthly social events, which share key business updates and recognise employee contributions.

To strengthen employee engagement and better understand their needs and expectations, UAF invited all staff members to participate in the annual online survey. The feedback collected plays a key role in shaping more engaging and practical training programs and activities, while also supporting initiatives that promote a healthy work-life balance.

## Our Community

We recognise our responsibility to society and place community well-being at the core of our mission. Our community strategy focuses on supporting the underprivileged and the elderly, nurturing youth development, and advancing environmental protection. Since 2015, the Sun Hung Kai & Co. Foundation has been central to our community efforts, working with business partners to drive positive change. This year, we strengthened our efforts towards high-impact initiatives that uplift the vulnerable groups and empower young people.

### During the Reporting Period, we:



Supported **15** charitable and community projects



Participated in **780** hours of volunteer services



Gathered **219** volunteers

## Community Investment

### Charitable Donation: Donations Exceeding HKD4,000,000

The SHK & Co. Foundation's supported families affected by the Tai Po fire through a donation to the HKSAR Government's Support Fund for Wang Fuk Court. UAF also contributed to the Conservation International Foundation under Mastercard's Priceless Planet Coalition to advance global forest restoration efforts.

## Community Engagements

### Celebrate Dragon Boat Festival with Elderly Community

Volunteers joined Hong Kong's "Serve-a-thon" to learn the traditional art of making rice dumpling and distribute goodie bags and care cards.



### Pei Ho Counterparts – Boxed Meal Distribution

Free meals are provided to individuals and families in need across multiple districts, supported by a volunteer team that includes 16 UAF employees and serves thousands regularly.



### The Sun Hung Kai Scallywag Foundation Programme

We delivered 449 sailing sessions to over 3,000 participants, including individuals with intellectual disabilities, ASD, and ADHD, supporting personal development and social inclusion. It also contributed to academic research with The Chinese University of Hong Kong on resilience among young people on the autism spectrum.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

**Empowering Future Leaders Through Our Fellowship Fund**

We support outstanding students for world-class education and developing the skills needed to drive positive social impact in the communities.

*"My journey from Chengdu to Shanghai, China and now to Boston, has been transformative. At HBS, I've connected with brilliant classmates from diverse backgrounds, engaged deeply in the Tech, AI and Greater China communities, and strengthened my commitment to using innovation for social impact. Being recognized with the first-year academic honours and leading as a Co-President of the Greater China Club have been meaningful milestones. These experiences have strengthened my determination to leverage technology to make a meaningful impact on underserved communities and to bridge gaps across regions. Thank you for believing in my potential and supporting my journey."*

Yizhen Luo, Harvard Business School MBA 2026 – SHK & Co. Foundation Fellowship Fund Recipient

**Membership and Associations**

In addition to philanthropic initiatives, the Group engages with professional associations, chambers and nonprofit organisations to promote industry standards and best practice sharing.

Position	Institution
<b>SHK &amp; Co.</b>	
<b>Committee Members</b>	The Chamber of Hong Kong Listed Companies
<b>UAF</b>	
<b>Vice Chairman, Yuen Long West District</b>	Scout Association of Hong Kong
<b>Vice Chairman, New Territories Regional Training Committee</b>	Scout Association of Hong Kong
<b>Executive Committee Member</b>	The HKSAR Licensed Money Lenders Association
<b>Vice Chairperson</b>	Home Affairs Department – Road Safety Campaign Organising Committee (Yau Tsim Mong District)
<b>National Security Education District Tutor</b>	The Security Bureau, Home and Youth Affairs Bureau
<b>School Manager</b>	Yaumati Kaifong Association School
<b>Vice Chairman</b>	Yaumati Kai Fong Welfare Advancement Association Limited
<b>Secretary</b>	The HKSAR Licensed Money Lenders Association

## Our Investors and Customers

Delivering consistent value and fostering enduring relationships with investors and customers is important to us. We are committed to operational excellence and proactive engagement, continually seeking growth opportunities to ensure stable, long-term returns for our stakeholders.

### Responsible Investing

Anchored in the belief that strong financial performance need not “cost the Earth”, we pursue investment opportunities that deliver competitive returns alongside measurable climate and social benefits. For further details, please refer to the full Responsible Investment Policy.

### Customer Satisfaction

Delivering high-quality products and services begins with understanding customer needs, and providing professional support across all touchpoints. This is reinforced by clear internal guidelines, regular service training and oversight from the credit committee. Serving more than 260,000 customer accounts, UAF gathered feedback through regular surveys to measure satisfaction and identify areas for improvement. The Customer Service Department (“CSD”) handles enquiries with professionalism and continuously refines our service processes to ensure a reliable high-quality service experience for all customers.

### Complaint Handling Mechanism

UAF applies a structured and transparent complaint handling procedure to manage customer concerns. All feedback received by the CSD is reviewed promptly, with cases assessed and addressed by staff of appropriate seniority. Response plans are tailored to the nature and seriousness of the issue, ensuring fair outcomes and accountability. During the reporting period, all complaints of UAF were resolved by the CSD and Business Administration offices (“BAO”) with proper records. Sun Hung Kai Capital Partners Limited (SHKCP) has a Complaint Handling Policy in place to ensure complaints are managed in a structured and timely manner, with clear process for investigation, escalation and resolution. Complaints are overseen by the Legal and Compliance team, with appropriate escalation, senior management oversight and proper recordkeeping in accordance with internal policies.

### Financial Protection and Inclusion

Inclusive finance involves expanding access to formal financial systems and empowering individuals financially to foster economic growth. We focus on promoting financial inclusion by providing flexible, accessible solutions to the general public and improving financial access for customers.

### Expanding Financial Accessibility

We recognise our responsibility to drive financial inclusion by enhancing our user-friendly website, mobile applications and the physical accessibility of strategically placed branches. As of the end of 2025, UAF has established a comprehensive network of 45 branches across Hong Kong and 12 key cities in Mainland China.

Through our “YES UA” mobile app, customers also enjoy round-the-clock access to loan services, enabling them to manage their finances anytime and anywhere without needing to visit a branch, while UAF’s “SIM Credit Card” provides digital services that enable all cardholders to manage payments, set credit limit and participate in promotion, supported by a manageable starting limit that helps them build financial independence. SHKCP has also launched the online client portal, enabling clients to access portfolio information easily through digital and mobile platforms.

### Support for Financial Inclusion of SMEs and Underserved Communities

To support customers facing unforeseen circumstances, we have offered diverse loan options tailored to different needs:

- **SHK Credit’s Mortgage Payment Holiday:** This pioneering programme is the first in Hong Kong to incorporate a grace period, helping customers manage unexpected financial challenges during their loan term.
- **Interbank Debt Relief Plan:** UAF participates in this industry-wide framework, a framework agreement jointly formulated by Hong Kong Association of Banks (“HKAB”), The Hong Kong Association of Restricted Licence Banks and Deposit-taking Companies (“DTC Association”) and HKSAR Licensed Money Lenders Association (“LMLA”), enabling eligible customers to adjust repayment schedules and ease hardship.
- **Underprivileged Group and Small Enterprise Support:** Following “Customer First” motto, UAF provides accessible services to underprivileged groups and small businesses to foster social equity. To alleviate immediate cash flow pressures, our Small Enterprise Loan offers simple, flexible solutions with rapid approvals within 24 hours.
- **UAF’s Repayment Grace Period for Customers affected by Wang Fuk Court Fire in Tai Po:** UAF implemented relief measures for affected customers by providing a six-month grace period on all consumer loans and credit card repayments, along with waivers of related interest and fees.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

**Best SME (Small-Medium Enterprise) Partner Award in 4 consecutive years**

In 2025, UAF continued this achievement, receiving the award for the fourth consecutive year, further reinforcing its role as a trusted financing partner for the SME community.



Additionally, UAF supports underserved communities in Hong Kong, including foreign domestic workers and individuals with monthly income not exceeding HK\$10,000. These targeted loans offer flexible loan options tailored to meet their specific financial needs. They reflect UAF's commitment to financial inclusivity, ensuring that we meet the diverse needs of our customers.

**Consumer Financial Protection**

UAF places the highest priority on treating customers fairly, protecting their personal data, and upholding ethical standards in all sales and lending practices. This commitment fosters a secure and fair financial environment, achieved through employee training and operational guidelines.

**Building an Ethical Sales Culture:** UAF utilises both online and offline training channels to embed ethical selling practices and strengthen employees' ethical standards and regulatory awareness, mandatory training modules cover compliance and risk, fraud awareness and legal training on Money Lenders Ordinance.

**Upholding Data Privacy:** Safeguarding sensitive financial information is important. UAF ensures strict compliance with data protection regulations through specialised training courses, such as the "Personal Data Privacy Ordinance (PDPO)" and "Personal Data Privacy Training".

**Promotion of Financial Literacy**

We are dedicated to promoting financial understanding within our communities, to navigate today's financial landscape with confidence and competence. To achieve this, UAF utilises its corporate digital platforms in Hong Kong to educate users on Credit Data Smart and responsible debt management, while simultaneously leveraging its official WeChat account in the Chinese market to combat financial crime through engaging comics that simulate real-world scams. Beyond our direct customer engagement, UAF actively contributes to the LMLA website by providing public resources on sustainable debt, thereby fostering a culture of integrity within the wider financial community.

### Responsible Products and Services

Dedicated committees are responsible for overseeing the management of products and services.

<p><b>Product Governance and Oversight</b></p>	<p><b>Committee Oversight:</b> The Credit Committee oversees loan approvals and policy implementation, ensuring alignment with current lending guidance and business objectives. In addition, SHKCP has established a New Product Committee to strengthen product governance. The Committee assesses the product features, product risks, and investment structures prior to product approval, ensuring that products distributed, advised on, and/or managed for clients are appropriate and aligned with institutional standards.</p> <p><b>Regular Review:</b> Monthly meetings are conducted by the UAF Board and business teams to evaluate product performance, assess customer impact, and make final decisions on new product launches.</p>
<p><b>Ethical Debt Collection and Hardship Support</b></p>	<p><b>Standardised Procedures:</b> UAF prioritises fair practices and consumer protection, staff strictly adhere to comprehensive manuals, including the Debt Collection Department Operational Manual and Credit Control Procedure to ensure fair and consistent practices.</p> <p><b>Customer Support:</b> When defaulted loan payments occur, the Debt Collection Department initiates via SMS, mail, or telephone. UAF prioritises assisting customers facing short-term financial hardship by offering repayment schemes such as interest payment deferral and loan restructuring.</p> <p><b>Escalation Protocol:</b> In instances where these efforts fail or a customer declines to repay, accounts are referred to the Credit Control Department or external agents only when repayment efforts have been exhausted and customers remain unresponsive.</p>

UAF is dedicated to protecting its customers' financial well-being and promoting inclusivity. As a founding and executive committee member of the LMLA, UAF contributed to the drafting of the Code of Money Lending Practice, which sets industry standards on customer relations, anti-money laundering, credit evaluation, debt collection and recovery, and data privacy, strengthening customer confidence and promoting fair conduct across the sector. Representing the LMLA, UAF also worked with HKAB and DTC Association to establish the Consumer Credit Forum ("CCF"), a platform for discussing and formulating strategies on consumer credit-related issues in Hong Kong.

Beyond this, UAF contributed actively to HKAB-led initiatives, including the Multiple Credit Reference Agencies User Group and the development of Credit Card Smart ("CDS"), a model that broadens options for consumer credit references services. A UAF representative also served as chairman of the Hong Kong S.A.R. Licensed Money Lenders Association Limited and supported the successful launch of CDS. In Mainland China, UAF's lending business complies fully with the Money Lenders Ordinance, follows all regulatory guidelines for small loan companies, and meets rectification requirements related to cash loans, online small loans, and P2P lending.

### Responsible Marketing

UAF maintains a Fair Advertising Policy to ensure all marketing practices are ethical, transparent, and aligned with ESG principles. We conduct internal reviews to prevent misleading or discriminatory content, promote awareness among marketing teams about truthfulness and sustainability impacts. Post-campaign monitoring and feedback help us measure alignment with ESG objectives and drive continuous improvement. The policy emphasises transparency in ESG claims, inclusivity messaging, and regular reviews to reflect evolving standards.

All marketing materials comply with applicable laws, including the Trade Description Ordinance (Cap. 362 of the Laws of Hong Kong) and Guidelines on Additional Licensing Conditions of Money Lenders Licence. We provide clear disclosures and prominent risk warnings in all promotional materials, maintain hotlines for reporting suspected non-compliant advertising, and prohibit any false or exaggerated information. Key product information and advisory documents are available on our website to help customers make informed decisions.

#### Anti-Money Lending Scam Guidance Documents

- Beware of Money Lending Scams leaflet
- Note to Intending Borrowers
- Financial Health leaflet

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

## Data Privacy and Cybersecurity

### Data Protection

The Group adheres to the Personal Data (Privacy) Ordinance (Cap. 486) and the Code of Practice on Consumer Credit Data, safeguarding client information through internal policies, strong access controls, and advanced encryption technologies. Our Privacy Policy provides transparency on data collection, retention, and use, supported by clear consent procedures and processes for clients to access or correct their personal data. Our Group Information Security Policy outlines a three-tiered approach covering Data Loss Prevention (DLP) and disaster recovery:

1. **Prevention** through access controls, encryption, and regular security training to harden our defences against unauthorised access.
2. **Detection** through network monitoring, intrusion detection, and dark-web surveillance to identify potential threats.
3. **Response** through an established Disaster Recovery Plan (DRP) to contain and resolve incidents swiftly.

In UAF, the Cybersecurity & Data Protection Task Force oversees measures to safeguard organisational data against threats and breaches by working closely with IT Governance, Internal Control, and Internal Audit under the Three Lines of Defence model to ensure strong risk management. The task force conducts regular reviews, support policy development, coordinates incident response planning, and meets monthly to maintain a resilient cybersecurity framework. UAF also maintained a tiered policy structure that includes the Information Classification Policy, which sets access controls by risk levels, and the Personal Data Privacy Management Policy, which empowers our Data Protection Officer (DPO) to manage risk assessments, data processors, and policy reviews. To strengthen Data Loss Prevention, real-time monitoring flags and blocks messages containing sensitive information until dual-level approval is obtained from both line manager and the cybersecurity team.

All employees receive ongoing information security and cybersecurity trainings, including mandatory e-learning on privacy, phishing, fraud prevention and system security, such as "Cybersecurity Training", "Cyber Awareness Training 2025". Staff in the Financial Infrastructure Department also participated in a two-day "Principles of Secure Coding" course on Coursera to reinforce secure-development practices. These collective efforts contributed to UAF receiving the Gold Award for privacy protection at the Privacy-Friendly Awards 2025 organised by the Privacy Commissioner for Personal Data.

### Information Technology ("IT") Resilience

We address critical cybersecurity risks through an infrastructure featuring offsite backups and alignment with the National Institute of Standards and Technology ("NIST") Cybersecurity Framework. Our security controls are regularly validated through external audits and internationally recognised standards.

**Certifications and Compliance:** we are committed to validating our security posture through internationally recognised standards:

- **ISO/IEC 27001 (Information Security Management):**
  - UAF successfully renewed its ISO/IEC 27001:2022 certification in February 2025, maintaining the accreditation first achieved in 2019, while SHK & Co. attained the same certification in December 2025. The certification covered information security across application lifecycles, IT infrastructure administration, cybersecurity monitoring, and helpdesk support services.
- **PCI DSS (Payment Security):**
  - UAF achieved Payment Card Industry Data Security Standard (PCI DSS 4.0.1) certification across 100% of its operations this year. By adhering to this stringent global standard, we ensure rigorous protection of private cardholder information, minimising data breach risks and strengthening customer trust.

In line with our commitment to delivering services through digital platforms, we have enhanced our loan and card origination process via the 'YES UA' and 'SIM Credit Card' apps since 2020. These platforms replace physical documentation with digital identity verification, creating a seamless user experience that improves efficiency while materially reducing paper consumption and carbon emissions.



## Our Environment

We recognise the importance of protecting the environment and encouraging a shift towards more sustainable behaviours. During the Reporting Period, no instances of environmental non-compliance were recorded that would significantly impact the Group.

We focus on four strategic objectives: Waste Reduction, Energy Conservation, Water Efficiency, and Carbon Reduction. These are supported by continuous improvements to our systems and transparent reporting to ensure alignment with stakeholder expectations and long-term goals.

### Environmental Initiatives

#### Marine Conservation: Coral Exploration Eco-tour and Volunteer Service

Over 40 volunteers and their families joined a WWF-Hong Kong coral eco-tour at the Hoi Ha Marine Life Centre. Participants supported researchers by collecting air and seawater data for coral restoration and learning about marine conservation.



#### Restoring Ocean Health: Coastal Cleanup

Staff volunteers supported the "Clean Regattas" initiative at Hong Kong Race Week on Middle Island. As the title sponsor for the fourth consecutive year, we help drive ocean protection and removed about 60 kg of marine debris to support a cleaner coastline.



#### Sustainable Agriculture: Eco-Rice Harvesting

At the Ho Sheung Heung wetland, an important habitat for the endangered Yellow-breasted Bunting, we joined The Conservancy Association in eco-rice harvesting, contributed to sustaining the wetland, preserving the tradition of paddy rice farming.

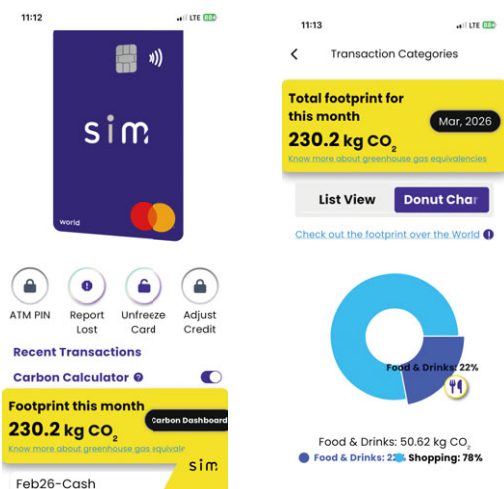


#### Earth Hour 2025

We participated in Earth Hour 2025 by switching off nonessential lighting and electrical equipment for one hour. This event reflects our ongoing support for energy conservation and its commitment to raising awareness of responsible energy use.

#### Promoting Green Awareness through ESG Carbon Calculator

Our ESG Carbon Calculator in the "SIM Credit Card" app tracks users' carbon footprint based on spending habits, presenting data intuitively to raise awareness and encourage sustainable consumption in a lighthearted way. Through the Priceless Planet Coalition programme, SIM Credit Card is restoring 15,000 trees to offset carbon emissions, while UAF allocates deposits to a sustainable account supporting green projects and has contributed to planting approximately 7,500 trees.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

Our ongoing commitment to environmental responsibility has been consistently recognised by the World Green Organisation (WGO), with the Group receiving the “UNSDGs – Green Office Awards Labelling Scheme (GOALS)” certification and the “EcoHealthy Workplace” label for five consecutive years. These achievements reflect our sustained efforts to promote resource efficiency, reduce environmental impact, and maintain a healthy, sustainable working environment.



SHK & Co. has also demonstrated outstanding achievements in implementing sustainable workplace practices, reinforcing our commitment to a greener and more sustainable future.

**Sustainable Sourcing and Consumption**

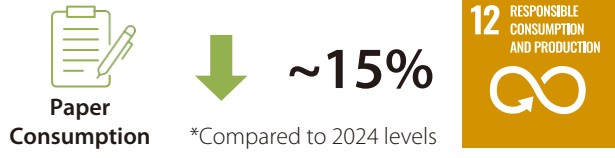


**As of 2025, 100% of our office paper is certified FSC or PEFC.**

Committed to responsible sourcing, the Group minimises waste by selecting suppliers with recognised environmental credentials. This includes sourcing eco-certified furniture and prioritising paper products endorsed by the Forest Stewardship Council (“FSC”) and the Programme for the Endorsement of Forest Certification (“PEFC”), along with transitioning fully to bamboo pulp products and durable tableware to support circularity. We also reduce paper consumption through lower printer density, default duplex printing, and a preference for digital distribution. By collaborating with our employees through regular educational initiatives, we aim to contribute meaningful progress toward our targets, ensuring every team member plays a role in achieving significant improvements in our environmental performance.

Regular campaigns are launched to educate employees on the importance of sustainability practices, such as reducing paper usage and recycling. Complementing these efforts, we adopted technologies such as DocuSign and PDF sign for e-signatures and promoted remote work capabilities through platforms like TEAMS and VPN, further reducing reliance on physical documents and supporting sustainable practices.

**Waste Management**



In alignment with Hong Kong’s Waste Blueprint for Hong Kong 2035, the Group adopts a two-pronged approach to waste reduction: controlling waste at its source and leveraging digitisation technologies. We prioritise responsible and sustainable production practices, adhering to strict guidelines for the handling and disposal of both hazardous and non-hazardous waste. Our waste management strategy follows the hierarchy of reducing resource consumption first, then reusing and recycling before disposal. Typical office waste includes paper, cardboard, furniture, equipment, and domestic waste, for which clearly labelled recycling bins and designated collection areas for confidential information are provided for proper segregation.

During the reporting period, we implemented a range of waste reduction and recycling initiatives aimed at promoting resource efficiency and encouraging waste reduction. These initiatives included the recycling of Christmas trees, the collection of red packets for reuse and recycling. In addition, a mooncake box recycling programme was carried out during the Mid-Autumn Festival period to reduce packaging waste associated with seasonal celebrations. We actively promote food waste reduction through initiatives such as donating food to Food Co and collecting food waste during our “Friday at Five” events. These efforts reflect our commitment to minimising the environmental impact of our operations.

**Digitised Operations**

Digital transformation remains a vital component of the Group’s operations, driving efficiency and innovation across all facets of our business. We recognise that embracing digital technologies is essential not only for streamlining our processes but also for enhancing customer experiences and staying competitive in the ever-evolving market.

**Major Digitised Initiatives:**

- Business Card Digitalisation
- Electronic correspondence and circulation of materials
- Digital employee self-service platform for administrative paperwork
- Digital management process
- Online learning management system
- Marketing through digital channels
- Use of digital media firms
- Digital loan and card application services

**Energy Conservation**

Our Sustainability Policy places strong emphasis on improving energy performance across our operations. We have implemented a range of measures to reduce energy consumption, such as upgrading to energy-efficient lighting systems, installing smart sensors to optimise electricity usage, and enhancing HVAC systems for better energy control. Additionally, we promote energy-saving practices among employees and leverage digital tools to monitor and manage energy usage effectively, minimise our carbon footprint while supporting long-term operational efficiency.

We successfully achieved our established targets to reduce absolute electricity usage by 41% by 2025, based on the FY19 baseline. This is driven by adoption of energy star-rated appliances such as fridges, air purifiers and copiers, as well as active promotion of energy-saving computer settings at our head office. We further integrated LED infrastructure with centralised control panels and advanced sensing technology, including Lutron Motion and Daylight Sensors. Zoning and dimming systems in key areas such as the reception lobby and meeting rooms maximise efficiency without affecting comfort.

Complementing these operational measures, the Group's head office is in a building that has achieved a Final Platinum rating under Hong Kong's BEAM Plus Existing Buildings (Commercial) Certification, independently validating its high energy efficiency performance.

**Lighting:**

- Use LED, T5, or compact fluorescent lamps with energy labels (EMSD's Grade 1 and 2 or equivalent).
- Affix on/off switch stickers on lighting control panels.
- Ensure lights are switched off when not in use or after office hours.

**Maintenance:**

- Regularly maintain electrical appliances (lamps, computers, water dispensers, fridges, fans) for optimal efficiency.

**Multifunctional Devices:**

- Prioritise devices that combine printing, scanning, photocopying, and faxing.

**Smart Lighting Solutions:**

- Implement light control zones.
- Install motion-sensing light bulbs and LED light bulbs.

**External Lighting:**

- Switch off lighting for decorative, promotional, and advertising billboards and signages after midnight.
- UAF's Participation in Charter on External Lighting for Branches.

**Water Efficiency**

Access to clean and fresh water is vital for our health and well-being. During the Reporting Period, we do not encounter challenges in sourcing water, as we rely on the municipal water supply for our Hong Kong office. We have implemented several measures to promote water conservation, such as installed display signs in pantries and washrooms, reminding our employees about the importance of water conservation and providing them with practical water-saving tips.

**Carbon Management**  
*Carbon Reduction*



**↓ ~16%**

**GHG Emissions (Scope 2)** \*Compared to 2024 levels

We are committed to reducing GHG emissions by addressing climate change appropriately and monitoring our carbon footprint. During the reporting period, the Group’s scope 2 GHG emissions amounted to 1159.89 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e), we are committed to identifying and implementing practical solutions across our operations to further reduce our carbon footprint and support a sustainable future.

**Other Major Carbon Reduction**

<b>Initiatives</b>	<b>SDGs Alignment</b>
Leveraging Online Collaboration Platforms to Minimise Business Travels	SDG 13
Regular Inspections and Maintenance of Vehicle Fleets	SDG 13
Partnerships with Green Organisations to Promote Low-Carbon Lifestyles	SDG 13 SDG 17

**Scope 3 Emissions**

During the year, the Group expanded its Scope 3 emissions calculations to cover additional value chain categories and

strengthened data collection and measurement processes in line with the GHG Protocol. We also began gathering investment data and calculating financed emissions with reference to the Partnership for Carbon Accounting Financials (“PCAF”).

In 2025, we conducted a comprehensive assessment to map our Scope 3 emissions profile. This year, the Group identified two relevant Scope 3 categories: Category 5: Waste generated in operations and Category 7: employee commuting.

<b>Energy and greenhouse gas emissions in tonnes CO<sub>2</sub>-e</b>	
	<b>2025</b>
Scope 1	75.44
Scope 2	1,159.89
Scope 3	238.24
Category 5 (Waste generated in operations) <sup>2</sup> :	44.24
Category 7 (Employee commuting):	194.00

Data in 2025 is subject to an independent third-party limited assurance in accordance with the “International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information”. Further details are set out in the third party limited assurance statement in this report (P.67), as well as in the ESG Datapack available at [www.shkco.com/en/EsgReports.aspx](http://www.shkco.com/en/EsgReports.aspx).

**Climate-related Risk Management**

Recognising climate change as a critical business challenge, we have adopted a proactive strategy focused on resilience and decarbonisation. This section details our management of these risks and our performance against the HKEX ESG Code – Part D: Climate-related Disclosures.

<b>Governance</b> >	<b>Strategy</b> >	<b>Risk Management</b> >	<b>Metrics and Targets</b>
The governance framework of the Group regarding risks and opportunities related to climate change.	Material information on the actual and potential impacts of climate-related risks and opportunities on the Group’s businesses, strategy, and financial planning should be disclosed.	The Group’s identification, assessment, and management of climate-related risks.	The metrics and targets used to assess and manage material climate-related risks and opportunities.

<sup>2</sup> For Scope 3 – Category 5 (waste generated in operations), the boundary currently covers only the following waste streams: wastewater treatment and municipal solid waste.

**Governance**

The Group has established a sustainability governance framework to facilitate the effective identification and management of climate-related risks. Climate considerations are embedded into the Group’s broader ESG risk management system, ensuring consistent oversight across all operations. The Board exercises overall accountability, supported by a delegated authority structure that ensures systematic monitoring of risk mitigation strategies.

For more on the Group’s Sustainability Governance, please refer to the “Corporate Governance Report” in the 2025 Annual Report and the “Our approach to Sustainability” and “Our Business and Governance” sections in this Report.

**Strategy**

The Board recognises climate-related physical and transition risks as material to the Group’s long-term resilience and value creation. This understanding informs our strategy to mitigate impacts and capture opportunities in a low-carbon economy.

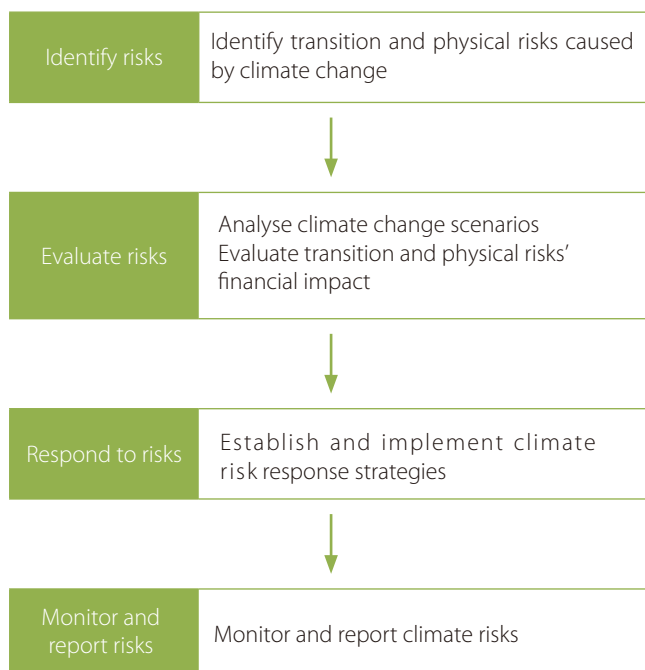
Our Climate Change Policy outlines the actions and plans we have in place for corporate sustainability, climate-resilient investments, stakeholder engagement, and transparent disclosure. All members of the Group should follow these guidelines. Additionally, SHK & Co. has made significant investments in numerous initiatives that utilise cutting-edge technologies in recent years. These initiatives are further detailed in the “Our Investors and Customers” section of this Report. We fulfilled our sustainability commitment through the Group’s Climate Change Policy, which establishes a rigorous governance

framework for corporate sustainability, climate-resilient investment, stakeholder engagement, and transparent disclosure. Adherence to this policy is mandatory across all business units, ensuring a unified approach to risk and compliance. Beyond governance, we actively seize transition opportunities through targeted investments in technology-driven solutions. By backing cutting-edge innovations, we are building a future-ready portfolio (further details in the “Our Investors and Customers” section).

**Climate-related Risks and Opportunities**

The Group adopts a proactive approach to identify material climate risks and opportunities by engaging an ESG consultant to conduct in-depth assessments. To ensure our business remains resilient, we actively manage the financial impacts of climate change through scenario analysis. Climate risk identification and prioritisation are carried out through extensive discussions, meticulous evaluation, and in-depth analysis. We have better understanding of how physical climate events and economic shifts could affect our operations.

Guided by the recommendations of HKEX ESG Code – Part D: Climate-related Disclosures, we conducted a climate scenario analysis to evaluate Physical Risks (such as asset damage from extreme weather) and Transition Risks (including regulatory and market shifts). Through the scenario analysis, we aim to conduct in-depth financial impact analysis for key risks and opportunities. After identifying the most significant climate risks to the Group, we assess these risks using scenarios over three time periods: short-term (2030), medium-term (2050), and long-term (2080).



Climate Risks	
Physical Risks	Transition Risks
<p><b>Chronic</b></p> <p> Heat Stress</p>	<p> Policy</p>
<p><b>Acute</b></p> <p> Coastal Flood</p>	<p> Technology</p>
<p> Typhoon</p>	<p> Market</p> <p> Reputation</p>

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

**Physical Risks**

We referred to the Sixth Assessment Report (AR6) issued by the Intergovernmental Panel on Climate Change (IPCC) and adopted the Shared Socioeconomic Pathway (SSP) framework to assess physical climate risks under two scenarios:

SSP2-RCP4.5 "Middle-of-the-road" Temperature Projection: 1.5-3°C	SSP3-RCP7.0 "Regional rivalry" Temperature Projection: >3°C
<ul style="list-style-type: none"> <li>• Stabilised GHG emissions around mid-century</li> <li>• GHG emissions begin to decline after mid-century</li> <li>• Emissions do not reach net zero by 2100</li> <li>• Moderate progress in economic growth and technological advancements</li> <li>• Moderate implementation of climate policies and measures</li> </ul>	<ul style="list-style-type: none"> <li>• Limited progress in addressing climate change</li> <li>• GHG emissions continue to rise throughout the century</li> <li>• Higher population and inequality</li> <li>• Slower and more uneven economic development across regions</li> <li>• Weak and inconsistent implementation of climate policies and measures</li> </ul>

For full details of the physical risks assessment and further details, see "Climate Risk and Opportunities" in our ESG Datapack at [www.shkco.com/en/EsgReports.aspx](http://www.shkco.com/en/EsgReports.aspx).

**Transition Risks and Opportunities**

To assess transition risks and opportunities, we applied the Network for Greening the Financial System (NGFS) climate scenarios. NGFS scenarios are standardised pathways developed by a global network of central banks and financial supervisors to help organisations evaluate the potential economic and financial effects of climate change under different transition outcomes. Using this structured framework, we considered how different climate pathways could affect our business, including operating costs, asset values, and market competitiveness. For the assessment, we selected the Current Policies scenario and the Delayed Transition scenario. The key assumptions for each are summarised in the table below.

"Delayed Transition" Temperature Projection: 1.5-3°C	"Current Policies" Temperature Projection: >3°C
<ul style="list-style-type: none"> <li>• Global annual emissions do not decrease until 2030</li> <li>• Policy post-2030 focused on sustainable development</li> <li>• Limited reliance on negative emissions technologies</li> </ul>	<ul style="list-style-type: none"> <li>• Global temperature rises over 3 degrees by 2100</li> <li>• Policy focused on free markets</li> <li>• High economic growth</li> <li>• High consumption</li> <li>• Effective international cooperation</li> </ul>

Our transition risk assessment focused primarily on policy, technological, market, and reputational risks.

For full details of the transition risk assessment, see "Climate Risk and Opportunities" in our ESG Datapack at [www.shkco.com/en/EsgReports.aspx](http://www.shkco.com/en/EsgReports.aspx).

We use climate scenario analysis to strengthen our risk management by helping us reduce climate-related risks and identify opportunities in the shift to a low-carbon economy. The insights guide our strategies to keep the business stable, resilient, and ready for long-term growth. By leveraging these scenarios, we aim to develop strategies to mitigate risks, seize opportunities, and ensure long-term resilience in a transitioning economy.

### Risk Management

We have identified significant physical and transition risks material to our business and assessed their potential impact on our financial stability. To safeguard our operations against these exposures, we developed targeted measures under the supervision of the ESG Committee. We are committed to mitigating business impacts through climate risk management, fostering a sustainable business environment. Our strategic responses to these climate risks are as follows:

Strategy to Manage Climate-related Risks	
Aspect	Description
Electricity Consumption	<ul style="list-style-type: none"> <li>• <b>Target Setting:</b> Establish goals to decrease electricity usage and conduct regular reviews to track progress.</li> <li>• <b>Equipment Upgrade:</b> Systematically replace outdated equipment with energy-efficient alternatives, including Energy Star-rated appliances and smart office facilities.</li> </ul>
Investment Strategies	<ul style="list-style-type: none"> <li>• <b>Investment Management Enhancement:</b> Integrating ESG Considerations into investment decision-making and management practices across the company.</li> <li>• <b>Sustainability Support:</b> Encourage technological innovations that enhance the sustainability of investments.</li> </ul>
Legal and Reporting Compliance	<ul style="list-style-type: none"> <li>• <b>Regulatory Adherence:</b> Maintain compliance with all relevant legal and regulatory frameworks.</li> <li>• <b>International Standards:</b> Utilise guidelines from international publications like the Global Reporting Initiative (GRI) in reporting procedures.</li> </ul>
Employee Training and Awareness	<ul style="list-style-type: none"> <li>• <b>Compliance Training:</b> Provide ongoing training and updates to employees on compliance matters.</li> <li>• <b>ESG Training:</b> Offer specialised ESG-related training to investment teams.</li> </ul>
Transparency and Public Reporting	<ul style="list-style-type: none"> <li>• <b>Carbon Footprint Disclosure:</b> Annually disclose information about the company's carbon footprint and carbon reduction initiatives.</li> <li>• <b>Investment Transparency:</b> Publicly report the status of initiatives on a regular basis.</li> </ul>
Reputation and Collaborations	<ul style="list-style-type: none"> <li>• <b>Associations and Initiatives:</b> Join and participate in associations or global initiatives.</li> <li>• <b>Partnerships:</b> Collaborate with green organisations such as the World Green Organisation (WGO) to support climate change initiatives like tree planting.</li> </ul>

### Metrics and Targets

We have established various environmental targets focusing on GHG emission reduction, waste management, and electricity and water conservation. An annual review and update is carried out to monitor our environmental performance and progress and ensure that our monitoring efforts remain aligned with our development goals and emerging best practices in the industry. For more details, please refer to "Our Approach to Sustainability" section of this Report.

To make informed investment decisions, we integrate the analysis and assessment of climate-related risks into our processes. Risk analysis is guided by the Group's Climate Change Policy, Responsible Investment Policy, and Enterprise Risk Management Policy. To this end, we have set specific targets aimed at capturing climate-related opportunities across different business units.

To manage climate-related risks, we have set up quantitative metrics and targets covering GHG emissions, energy efficiency, waste management, and water usage across our operations. These measures are strictly aligned with our assessment of material climate risks and the recommendations of the HKEX ESG Code – Part D: Climate-related Disclosures. We regularly evaluate our performance against these targets, calibrating our strategies as necessary to drive continuous improvement in our sustainability practices.

Further information on environmental impacts and emissions metrics is provided in the "Our Environment" sections and "ESG Datapack" at [www.shkco.com/en/EsgReports.aspx](http://www.shkco.com/en/EsgReports.aspx).



# ASSURANCE STATEMENT

## SGS HONG KONG'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE ESG REPORT 2025 OF SUN HUNG KAI & CO., LIMITED

### Nature of the Assurance

SGS Hong Kong Limited (hereinafter referred to as "SGS") was commissioned by the Sun Hung Kai & Co. Limited (hereinafter referred to as "SHK & Co.") to conduct an independent assurance of the contents of the ESG Report 2025 (hereinafter referred to as the "Report").

### Intended Users of This Assurance Statement

This Assurance Statement is provided with the intention of informing all Sun Hung Kai & Co.'s stakeholders.

### Responsibilities

The information in the Report and its presentation are the responsibility of SHK & Co. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance with the intention to inform all SHK & Co.'s stakeholders.

### Assurance Standards, Type and Level of Assurance

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance and standards. The assurance of this report has been conducted according to limited assurance of the ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

### Scope of Assurance and Reporting Criteria

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance data and information included the text and data in accompanying tables contained in the Report. Data and information were included in this assurance process during the period from 1 January 2025 to 31 December 2025. The Report was prepared in accordance with Appendix C2 Environmental, Social and Governance Reporting Code ("ESG Reporting Code") in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Global Reporting Initiative ("GRI") Sustainability Reporting Standards 2021.

### Assurance Methodology

The assurance comprised a combination of pre-assurance research, data sampling, documentation and record review, calculating and reporting the specified performance data and information. Raw data and supporting evidence of the specified performance data and information were examined during the verification process. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

### Limitations and Mitigation

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

### Statement of Independence and Competence

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirms our independence from SHK & Co., being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors of ISO 37001 & ISO 26000, nominated tutor of GRI Standards and experience on the SRA assurance service provisions.

### Assurance Opinion

On the basis of the methodology described and the verification work performed, nothing has come to our attention that causes us to believe that the specified performance data and information included in the scope of assurance is not fairly stated and prepared, in all material respects, in accordance with the above mentioned reporting criteria.

We believe that SHK & Co., has chosen an appropriate level of assurance for this stage in their reporting.

**Signed:**

**For and on behalf of SGS Hong Kong Limited**



**Miranda Kwan**  
**Director**  
**Business Assurance**  
**19 March 2026**

**WWW.SGS.COM**