

Extract of Sustainability Policy

Sun Hung Kai & Co. Limited and its subsidiaries (the “**Group**”) strive to deliver sustainability vision and commitment for our business, investors and customers, employees, communities and environment through stakeholder engagement and materiality assessment, performance assessment, disclosure, reporting, and annual review.

The sustainability policy (the “**Policy**”) details the management and disclosure processes with the aim to better adapt to the changing environment while maintaining our productive efforts to drive sustainable growth.

In developing and reviewing the Policy, the Group takes into account regulatory developments under HKEX’s ESG Reporting Guide, relevant international frameworks such as climate-related disclosure guidance and the United Nations Sustainable Development Goals (“UNSDGs”), as well as prevailing market practices. The Policy has been enhanced to strengthen reporting principles, climate-related risk management, and disclosure transparency.

Key Sustainability Principles and Measures

- Committing to transparent, timely and inclusive disclosure of ESG performances.
- Supporting and assimilating international commitments and standards including the Paris Agreement, UNSDGs, TCFD, Global Reporting Initiatives (“GRI”) etc.
- Acknowledging climate change as one of the most significant risks and recognising corporate roles to promote environmental awareness.
- Implementing environmental management systems and measures to ensure energy efficiency, waste and emissions reduction, clean air and water, environmental and biodiversity protection, and resources stewardship.
- Incorporating green considerations in financing and procurement decisions, upholding environmental awareness across upstream and downstream activities.
- Promoting a diverse, inclusive, and non-discriminatory society across age, gender, culture and race.
- Being an equal opportunity employer and implementing fair practices.

Governance and Framework

SHK & Co. has created top-down governance and bottom-up responsive frameworks for managing ESG-related risks. The Board provides overall stewardship and approvals of the Group's ESG management via goal setting and policy review. A Board-level ESG Committee (“**ESGC**”) identifies ESG-related risks, implements ESG-related policies and considers third-party professional advice where appropriate. An ESG Working Committee supports the execution of ESG initiatives at the operational level and assists the ESGC.

Ways to Strengthen ESG Performance

- *Stakeholder Engagement and Materiality Assessment* is regularly conducted (at minimum of one time per annum) among stakeholders to identify on-going changes in environmental issues. Channels for two-way communications include, surveys, interviews, internal meetings, and ESG reports etc.
- *Material stakeholders* are identified according to their significant financial and operational influences. (Internal: employees, consultants, majority shareholder, and members of the Board; External stakeholders (independent institutional shareholders, major financing clients, significant business and charitable partners, and major regulators)
- *Benchmarking practices* are performed by referencing the ESG Guide, industry peers, stakeholder feedback, and in accordance with the GRI Standards to ensure monitoring of the Group's environmental performance.
- *Material topics* are determined by the ESGC. The list is publicly disclosed, and the annual review of the material aspect list, Materiality Matrix, and relevant risks and opportunities.
- *Performance assessment* serves as a scoring practice to annually monitor the performances of business divisions that lie within the reporting boundary. ESG working report and relevant data would be reviewed by the ESGC using division-based key performance indicators (“KPI”) and the results and recommendations would be presented to the Board according to analysed outcomes.
- *Disclosure and reporting* boundaries of ESG report generally inherit the

Group's financial reporting boundary, except for business divisions without physical operations and associated or joint venture companies where the Group has no direct operational control. The ESGC ensures timely internal communication to the Board, such as annual review findings, provide suggestions and recommendations, and ensure regular public reporting on environmental issues. External experts will be consulted when necessary to ensure impartiality.

(This is an extract of the Policy and if there is any inconsistency and ambiguity between the English version and the Chinese version, the English version shall prevail.)