

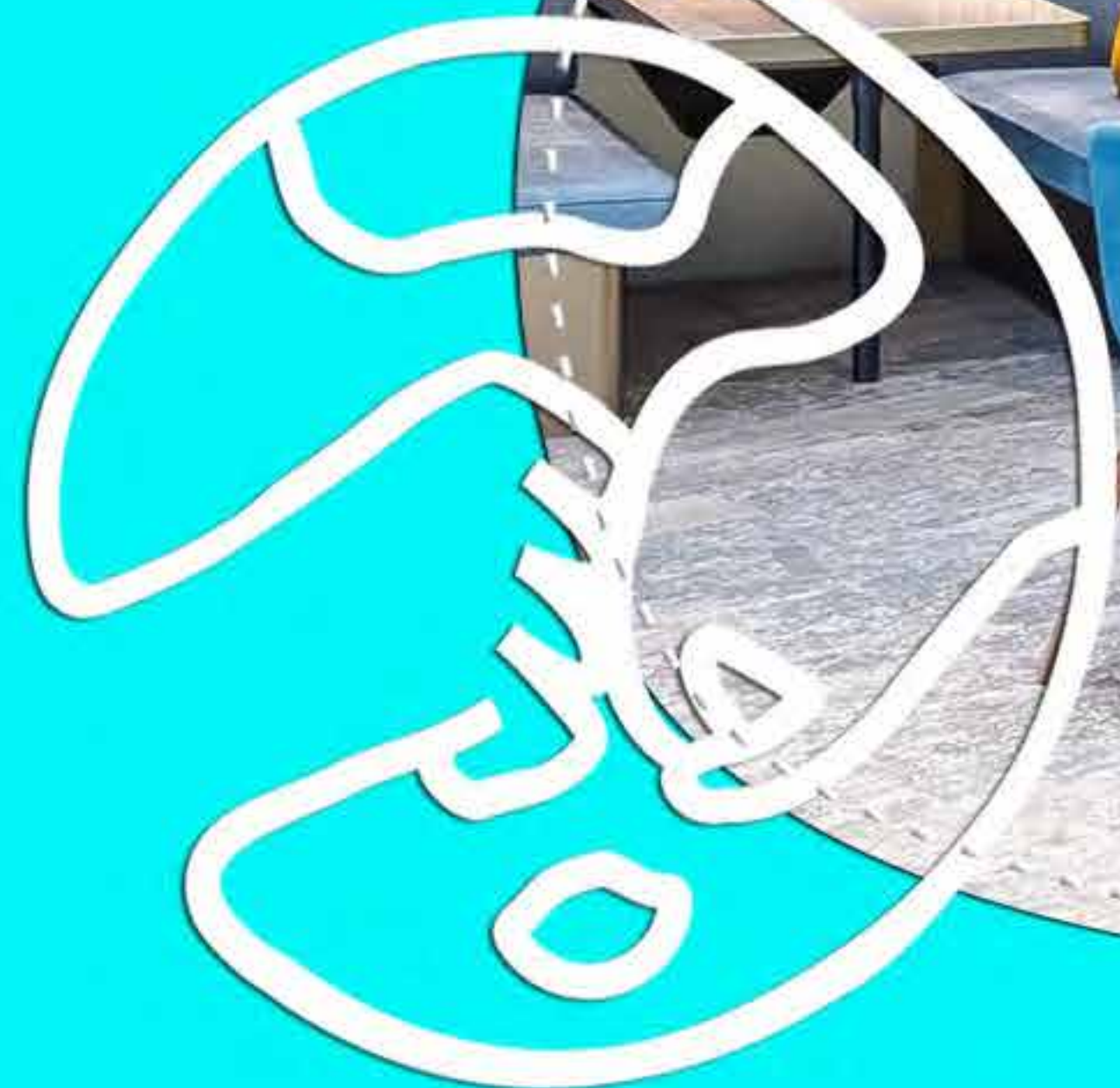
SEWIT REPORT 2024-25



南豐集團
NAN FUNG GROUP



SEWIT
TURNING PURPOSE
INTO IMPACT



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MESSAGE FROM THE BOARD



Antony Leung
Group Chairman

As we present Nan Fung Group's third SEWIT Report, we reflect on our progress amid an increasingly VUCA (volatile, uncertain, complex and ambiguous) world.

The rapidly evolving global landscape—shaped by geopolitical tensions and the disruption of technologies like artificial intelligence (“AI”), is fundamentally challenging how businesses operate. Nan Fung continues to navigate and respond to these shifts proactively, embracing technology and demonstrating resilience and excellence across our various businesses and markets. At the core of our approach is our guiding principle: to “Do Good and Do Well, with Love”: not solely focusing on making monetary profits but also doing good deeds for the broader society. This purpose shapes our strategy and actions, ensuring we create long-term value for stakeholders while advancing meaningfully on our sustainability journey.

Strengthening Governance for Climate Resilience

Over the past year, we reinforced our governance structure to identify and respond more effectively to climate-related risks and opportunities. As extreme weather events grow more frequent due to global warming, we recognise the urgency of protecting our assets through robust policies and risk management practices. Climate-related risks remain one of the top principal risks in our Enterprise Risk Management (“ERM”) framework and they are regularly assessed and integrated into our strategy and decision-making processes. In line with our Climate Change Policy and the Task Force on Climate-related Financial Disclosures (“TCFD”) framework, we have conducted asset-level climate adaptation and financial assessments at two of our major projects: the AIRSIDE in Hong Kong and 99 City Road in London, strengthening our long-term strategic foresight and operational resilience.

Assessing Nature-Related Risks and Opportunities

With international standards on biodiversity—such as the recommendations of the Taskforce on Nature-related Financial Disclosures (“TNFD”)—gaining global traction, businesses are now called to account for their relationship with nature in a structured and transparent way. In light of this, we are expanding our focus beyond climate change to incorporate nature-related risks and opportunities across our value chain. This year, we initiated a Group-wide TNFD feasibility study and internal engagement sessions—laying the foundation for a better understanding of how our dependencies and impacts on nature could pose significant risks to our business and, at the same time, create opportunities to enhance our strategy and operations.

Sustaining Our Shared Commitment

The SEWIT framework—underpinned by five strategic pillars: Social Cohesion, Environment, Wellness, Innovation and Technology—remains our compass as we integrate sustainability across all our business units and operations. Together with the Board and the SEWIT Committee, we will further embed our commitment to sustainability across every level of the organisation to continue delivering positive impact to all our stakeholders.

Our progress would not have been possible without the dedication of our employees, partners, customers and stakeholders. I would like to extend my heartfelt thanks to each of you for your belief in our shared purpose and vision. Together, we look forward to building a sustainable and prosperous future as we continue to Do Good and Do Well, with Love.

MESSAGE FROM THE BOARD



Vincent Cheung

Group Chief Executive Officer

As we present this SEWIT Report, we are pleased to share how far we have come in integrating sustainability into the core of our business.

Over the years, we have seen a significant shift in the corporate sustainability landscape. Our sustainability framework, SEWIT, which began as an internal cultural foundation, has now become an integral part of our operations that drives both business and societal value. By defining SEWIT-as-a-Service, we are embedding it into how we plan, operate and deliver. This approach not only strengthens our competitiveness but also creates tangible impacts across our value chain.

Sustaining Impact Through Talent Empowerment

At the heart of our sustainability journey are our people. Beyond strengthening our employees' sustainability-related objectives and key results ("OKRs"), we have taken a bold and meaningful step by defining core employee attributes across the Group. This reflects our evolving strategy and articulates the organisational culture and values that will guide us into the future. It also underscores our commitment to fostering an inclusive and merit-based environment, where every team member—regardless of background or career stage—is empowered to realise their potential and make meaningful contributions to our business and the broader community.

Pioneering Innovative Solutions

This year marked the second edition of our Group-wide hackathon. We were delighted to see increased participation across business units, with more teams and employees boldly leveraging data and AI to introduce creative solutions to real-world business challenges. It is inspiring to witness the passion and ingenuity of our colleagues as they push boundaries and reimagine possibilities. Indeed, innovation is no longer the job of a few—it is now an inevitable part of how we all work and think. As we continue to adopt data analytics and AI more widely across the Group, we anticipate that these technologies will help us enhance operational efficiency, unlock new business opportunities and further empower our talents.

As we celebrate another year of progress and success, I extend my gratitude to the Board and the SEWIT Committee. Your trust and support continue to give us the confidence to lead responsibly.

To all our colleagues, management team and partners, thank you for continuing to embrace change, challenge convention and uphold our SEWIT values.

MESSAGE FROM THE BOARD



Vanessa Cheung

Group Managing Director,
Founder of The Mills and Chairperson of SEWIT Committee

Three years since its launch, SEWIT continuously evolves from the Group's internal sustainability framework, to a culture, and now, a key business driver through “SEWIT-as-a-Service.”

This affirms our belief that alignment of sustainability and business imperatives can unlock stronger synergies and long-term success. As we go about our journey, we are constantly exploring and discovering ways in which SEWIT can inspire our teams to innovate and create new products and services, bringing both social and business values. This commitment is at the core of our ethos, as we pursue sustainability across the Group.

Leading the Way in Creating Social Value

Since introducing “Seven Steps to SEWITise”, we have continued to make social impact measurement more scientific, systematic and comparable, while actively empowering tenants and SEWIT-as-a-Service clients to optimise community programme ideation, curation and measurement.

This year, we achieved HK\$52.2 million in social value¹— a 50% increase from last year — and proudly took home the “Making Core” Award at the 2024 Social Value Awards, in recognition of our comprehensive approach in advancing social value within and beyond Nan Fung. Building on this momentum, we have set a bold new **Group-wide social value target of HK\$100 million by 2030**¹, making Nan Fung the first company in Hong Kong to establish such a milestone.

Fostering a Culture of Wellbeing

Prioritising employee wellbeing remains central to our company culture. The latest Group-wide SEWell Survey provided valuable insights that inform our wellness strategy and tailored initiatives built around the Group’s six pillars of workplace wellness. This year, we saw a 30% improvement in employees’ awareness of health benefits of regular exercise, a 16% increase in their willingness to adopt daily wellness habits, as well as a 6% increase in the number of employees who meet the World Health Organization’s recommended weekly physical activity target².

Building a Community of Impact through Tenant Partnerships

We continue to leverage our award-winning tenant-landlord engagement initiative, Net Positive Lease (“NPL”), to foster mutually-beneficial partnerships within our key portfolio. Recognised as “Shared Value Program of the Year” at the 2024 Shared Value Awards, NPL now proudly boasts a community of over 100 tenants. In the past year alone, we hosted more than 50 engagement sessions, where conversations have gone far beyond the basics into areas like carbon audits, sustainability advisory and even bespoke programme curation—an overwhelmingly positive response that, once again, highlights the untapped potential of SEWIT in amplifying positive impact through product and service innovation.

Integrating Sustainability into Our Business

Throughout the years, SEWIT has grown to encompass much more than sustainability. With SEWIT, we are not only backed by strong commercial resilience that takes into account environmental, climate and nature considerations, but also by a culture of giving back and creating shared value that is firmly rooted in community priorities. Together, these strengths have allowed us to allocate resources more wisely, make better-informed business decisions, stay resilient as a company and deliver outcomes that matter.

I thank our Board, the SEWIT Committee, treasured colleagues and trusted partners for your belief in our shared vision. Your support and commitment fuel our relentless motivation to create deep meaningful impact while delivering robust financial performance.

¹ Measured by the social value generated or facilitated by the Group.

² The World Health Organization (WHO) guidelines recommend that adults engage in at least 150 minutes of moderate-intensity physical activity per week.

ABOUT THIS REPORT

Reporting Period and Scope

This SEWIT Report 2024-25 (the “Report”), published online in October 2025, is Nan Fung Group's third sustainability report showcasing our performance across the five strategic pillars of SEWIT, our sustainability framework. The report provides an integrated and balanced overview of Nan Fung Group’s material topics, impact and performance for the financial year from 1 April 2024 to 31 March 2025 (the “reporting period”).

The SEWIT Report is published online on a regular basis. It outlines our sustainability vision and progress, covering Nan Fung’s core operations, including property development and management³, life sciences and investments, within the key markets where Nan Fung has operational control, namely Hong Kong, Chinese Mainland, the United Kingdom (“UK”) and the United States (“US”).

³ Includes 100 properties or developments in which Nan Fung has operational control.

Reporting Standards

Nan Fung Group has reported in accordance with the Global Reporting Initiative (“GRI”) Standards 2021 for the period from 1 April 2024 to 31 March 2025. We have obtained external independent assurance for the contents of this report. The Group’s SEWIT Committee oversees the process of seeking external assurance; please refer to the “External Assurance” section in the Appendices for more information.

Contact Us

We welcome your feedback and suggestions on our sustainability performance at <https://sewit-report.nanfung.com/>

南豐紡織有限公司



ABOUT NAN FUNG

Nan Fung Group⁴ is a privately held multinational conglomerate. Headquartered in Hong Kong, with a deeply rooted presence in this city, the Group has evolved from a leading local cotton yarn manufacturer into a global business operating in various realms, including property development, management and investment, construction, financial investment and investment in life sciences.

Maintaining a strong legacy of entrepreneurship, the Group is committed to generating a future filled with opportunities in our key areas of operation in Hong Kong, Chinese Mainland, the UK and the US.

Business Overview

Nan Fung is a leading property developer, owner and operator in Hong Kong, with a track record of over 170 development and investment projects. Our focus encompasses new developments and revitalisation projects, along with strategic investments in Chinese Mainland and international property markets. In 2024, we fully acquired our UK operating arm, Endurance Land, making it a wholly-owned subsidiary under the Group.

As part of the Group, Nan Fung Life Sciences (“NFLS”) invests across the entire value chain of the life sciences industry. NFLS aspires to be the ideal partner for scientists, entrepreneurs, corporations and investors. Supported by the Group’s solid financial strength and investing expertise, NFLS has established a strong presence in Hong Kong, Chinese Mainland and the US.

Our financial investment arm, Nan Fung Trinity (“NF Trinity”), focuses on multiple asset classes including public securities, structured products, private direct investments and a private fund of funds. As an SFC-licensed entity, NF Trinity manages assets for the Group as well as third-party institutional and professional investors.

Care for others as well as you would care for yourself

Our core values are inspired by our founder Dr. Chen Din Hwa’s motto: **Care for others as well as you would care for yourself**. In line with this, we strive to elevate the quality of life of all stakeholders with our heartfelt services and a commitment to excellence.

Rooted in Dr. Chen's motto and guided by a spirit to “Do Good and Do Well, with Love”, our sustainability framework, SEWIT, underpins the Group’s strategic approach and reinforces our commitment to creating positive impact across every aspect of our business.

Our Core Values

Our core values of Quality, Value, Innovation and Service serve as foundational principles that influence every aspect of our business—from strategic decision-making to daily operations.

In line with our core values, we continuously strive to cultivate a culture of trust, compassion and empowerment among colleagues, partners and communities, as we contribute towards building a thriving society. Committed to become a technology-enabled pioneer of ideal products and solutions to benefit mankind, our sustainability-related practices extend beyond day-to-day operations to encompass our entire value chain.

⁴ “Nan Fung”, “Nan Fung Group”, “the Group”, “we”, “us” and “our” in this report refer to Nan Fung Group Holdings Limited, a principal subsidiary of Nan Fung International Holdings Limited, and its respective wholly-owned subsidiaries.

OUR SUSTAINABILITY STRATEGY



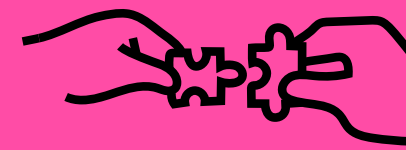
Collaboration space at AIRSIDE headquarters

SUSTAINABILITY FRAMEWORK – SEWIT

At Nan Fung, sustainability is at the heart of our vision for thriving, resilient communities.

Our SEWIT framework—encompassing Social Cohesion, Environment, Wellness, Innovation and Technology pillars—embodies our values and strategic priorities, guiding us in creating lasting, positive impact.

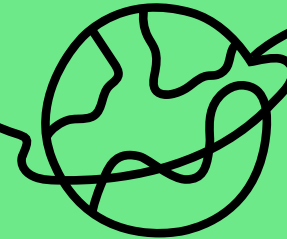
Together, these pillars form a dynamic, integrated strategy—one that positions Nan Fung as a leader in shaping a more innovative and sustainable future.



Social Cohesion

forms the foundation of our commitment, recognising that **meaningful connections among stakeholders** are essential to a vibrant society.

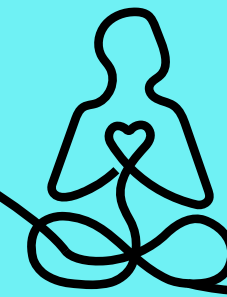
We actively engage with communities and partners, empower employees and enhance customer experiences, with the goal that our initiatives contribute to collective prosperity.



Environment

supports our vision for a resilient future, understanding that our success is intertwined with the planet's wellbeing.

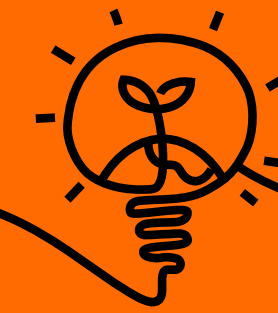
We are committed to operating in harmony with nature by **reducing energy consumption and carbon emissions while strengthening climate resilience and waste management practices**. These efforts reinforce our commitment to responsible environmental stewardship.



Wellness

promotes the holistic wellbeing of every individual throughout our value chain.

Our investment in wellness guides our strategic approach and initiatives that **promote the overall wellbeing** of our employees, tenants, customers and broader communities.



Innovation

fuels our drive to turn vision into action.

By cultivating a culture of creativity, collaborating with entrepreneurs and empowering our teams to develop forward-thinking solutions, we foster an ecosystem that **embraces new ideas and drives meaningful progress**—both within our organisation and in the wider market.



Technology

empowers and reinforces each of our pillars, **turning insights into smarter decisions and greater operational efficiency**.

By harnessing data and technological advancements, we continuously enhance our sustainability strategies, optimise resource management and drive innovation that delivers tangible benefits for our business and the communities we serve.

The Strategy: SEWIT-as-a-Service

SEWIT is more than just a framework—it represents an ongoing journey to embed sustainability throughout every aspect of our business.

Our approach has progressed through distinct phases, and aims to generate a lasting impact that reaches beyond the present and benefits future generations.

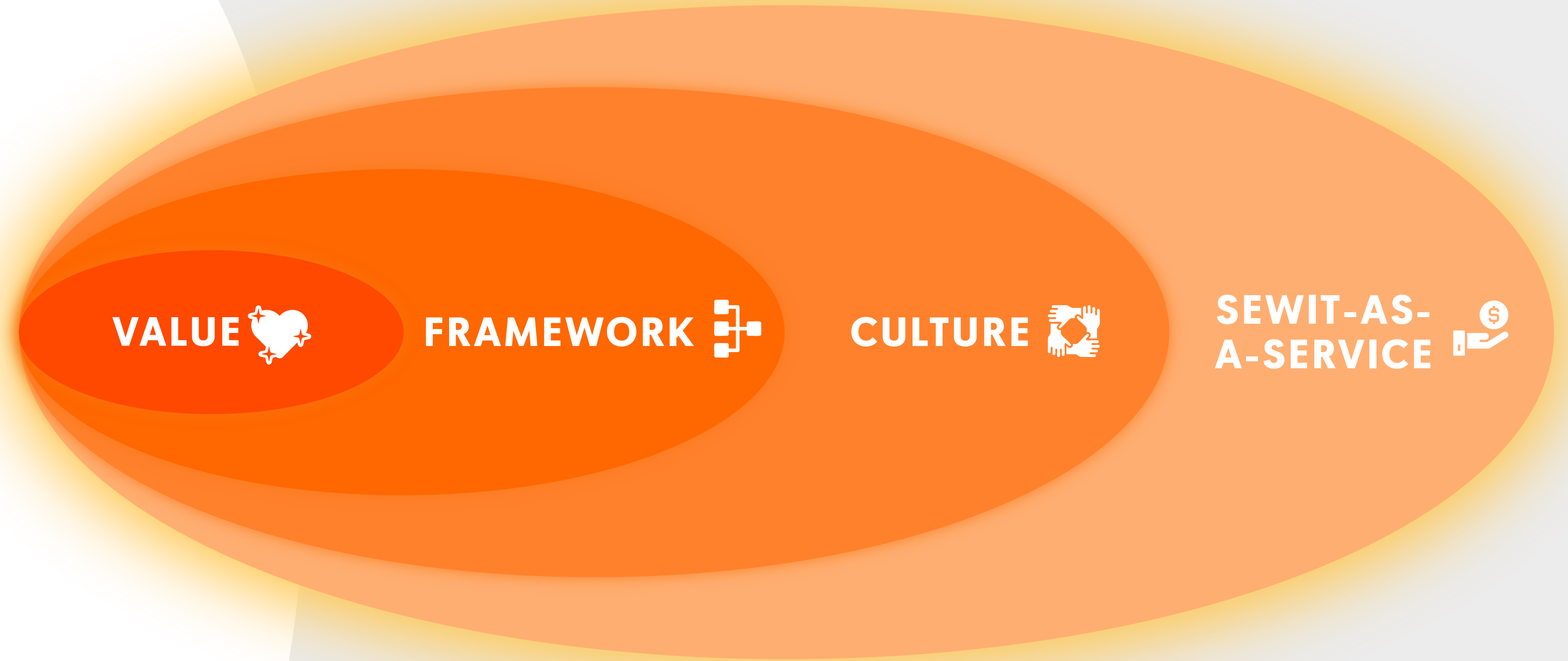


Fig. 1: The SEWIT Journey – integrating the Group’s core values, culture, and strategic priorities to drive lasting positive impact through SEWIT-as-a-Service.

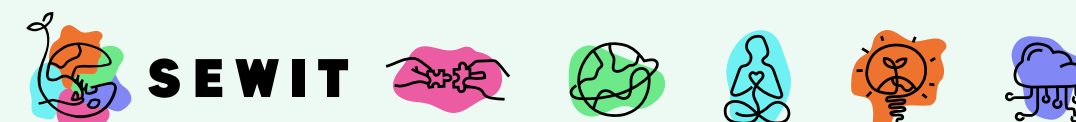
Foundational Values and Mission as Our North Star

Building on our founder, Dr. Chen Din Hwa’s motto - **Care for others as well as you would care for yourself**, it is our mission to become a technology-enabled pioneer of ideal products and solutions to benefit mankind, and to inspire our entire business to continue manifesting a “Do Good and Do Well, with Love” spirit.

SEWIT Framework as Strategic Focus

In 2022, the SEWIT framework was established with five strategic pillars to guide our resources toward areas most material to our stakeholders’ needs and our operational strengths.

A company-wide survey indicated that 95% of employees expressed alignment with the SEWIT Framework, and 80% believed it is applicable to their day-to-day work.



SEWIT Culture as Operational Policies and Procedures

Since 2022, SEWIT has been progressively integrated into our management structures.

This integration includes the establishment of the SEWIT Committee, voluntary sustainability reporting, SEWIT OKRs, SEWIT training programmes, and the development of SEWIT-related policies and procedures.

These initiatives collectively ensure that SEWIT principles are comprehensively embedded in our daily decision-making and operations.

SEWIT-as-a-Service: Creating Business and Shared Value

In 2025, SEWIT further evolved to seamlessly integrate into our routine product and service innovation processes.

SEWIT-related opportunities that can generate revenue, manage costs, or enhance efficiency are rigorously evaluated and invested where feasible, consistent with our broader business innovation initiatives.

Following the announcement of SEWIT-as-a-Service, 91% of employees agreed that the strategy can create business value for the company, and 87% believed it can be effectively applied to their roles.



SEWIT Hub at the new AIRSIDE headquarters

Awards and Recognition

We are proud to have received the following accolades in recognition of our SEWIT initiatives.

Key Sustainability Awards and Certifications:



Four-star rating in the Global Real Estate Sustainability Benchmark (“GRESB”)



“Making Core” Award – 2024 Social Value Awards



“Net Positive Lease” – Shared Value Program of the Year

Certifications for our AIRSIDE headquarters:



BEAM Plus Interiors v2.0 – Final Platinum



LEED v4.0 Interior Design and Construction (ID+C): Commercial Interiors – Platinum



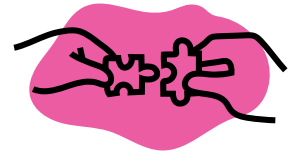
WELL Certified™ Platinum

Sustainable Finance

Our Sustainable Finance Framework outlines the key criteria and guidelines for engaging in sustainable financing transactions (“SFTs”) that deliver environmental and social benefits, aligning with our sustainability vision, strategy and targets.

As of March 2025, 45% of the Group’s current bonds and loan facilities are from green or sustainability-linked loan financing.

SEWIT At-a-Glance



SOCIAL COHESION

Community Investment and Engagement

Community Investment

- **195 partners**, including NGOs, schools and local artists, participated in **49 community programmes** with **1,000+ events** and **461,000+ participants**

Social Value

- Set a new Group target of generating or facilitating **HK\$100 million in social value by 2030**
- 2025 Progress: **HK\$52.2 million worth of social value** generated or facilitated in Hong Kong and other key operating markets

Tenant and Customer Empowerment

Customer Satisfaction

- Over **90% satisfaction rate** in our 2024 Customer Satisfaction Survey

Tenant Engagement

- **14 impact advisory sessions** and **six social programmes** have been curated or facilitated, along with **four impact measurement** exercises conducted under the NPL programme

Talent Upskilling and Development

Training

- **24 training hours** provided to each employee, delivering a total of **77,000+ hours of training**

Performance Evaluation

- **100% of department heads** and **99% of colleagues** incorporated at least one SEWIT-related key result in their work plans



ENVIRONMENT

Energy Efficiency and Climate Resilience

Decarbonisation

- **First time reporting Scope 3 GHG emissions** in alignment with Science-Based Targets (“SBT”)

Climate Resilience

- **Completed AIRSIDE and 99 City Road Climate Adaptation and Financial Assessment**, with follow-up actions identified

Resource Use, Waste Management and Biodiversity

Waste Management

- **Food waste collection service provided** for 100% of the Group’s major Hong Kong properties

Biodiversity

- Conducted an internal feasibility study for a **Group-level nature strategy**



WELLNESS

Wellness for Employees

Employee Wellness

- Established **Nan Fung’s SEWell Six Pillars of Employee Wellness**
- Launched the employee-driven **SEWell Community**

Occupational Health and Safety

- Set a new target to maintain a **Lost Time Injury Rate (“LTIR”) below 2.0 for employees**

Wellness for Tenants and Customers

Buildings with WELL Certifications

- Five properties across the Group are **WELL Certified™ Platinum**
- Four properties in the UK received the **WELL Health-Safety Rating**

Wellness for Humankind

Life Science Investment

- NFLS supported Karuna Therapeutics on its journey from early funding to Initial Public Offering (“IPO”), helping drive the development of **KarXT—a new, next-generation treatment for schizophrenia**



INNOVATION

Innovative Products and Solutions

Net Positive Lease

- **45%** of tenants across the Group’s major Hong Kong properties⁵ and **67%** of tenants globally⁶ have signed up for our tenant-landlord engagement programme NPL

NF Touch Membership Programme

- **2.2+ million NF Seeds** were converted from the NF Touch Membership Programme, benefiting 15 impact partners

Innovation Investment

- **37 academic research projects** sponsored via the Life Sciences Research Sponsorship Programme, with a total of **US\$24 million+ sponsorship** funding provided from 2017 until March 2025
- **US\$1.4 billion+ invested** in more than **70 companies** and **40 funds** by NFLS and Pivotal
- The Mills Fabrica made a **new fund investment** in SOSV Fund V, a US-based venture capital and accelerator fund

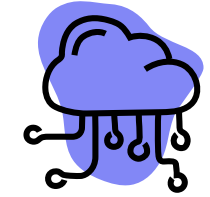
Intrapreneur and Entrepreneur Empowerment

Intrapreneur Empowerment

- **Group-wide hackathon** expanded to global offices with a 30% participation rate surge

Entrepreneur Empowerment

- The Mills Fabrica showcased **55 textile innovators** in Hong Kong



TECHNOLOGY

Technology and Data in Operations

Data Management

- Expanded and deployed **integrated data management platform** across major properties, enabling granular monitoring, data optimisation, and automated controls

Technological Advancements and Innovation

- **Quantum Optimisation and EcoSonic Air Filtration** deployed to enhance operations and reduce our properties’ environmental impact
- **NFC Smart Access at AIRSIDE** for seamless workplace connectivity

⁵ Measured by occupied lettable floor area of major properties in Hong Kong including AIRSIDE, The Mills, TKO Plaza, Nan Fung Tower, Nan Fung Place and 33 Des Voeux Road West.
⁶ Measured by occupied lettable floor area of major properties in Chinese Mainland the UK and the US.

Our Materiality Approach

Our approach to materiality highlights our commitment to transparency, stakeholder engagement, as well as the strategic management and alignment of our business interests and impacts.

Stakeholder Engagement

Ongoing and effective stakeholder engagement is essential to meeting the needs of all the people and communities we serve.

We regularly engage with stakeholders through diverse channels to understand their expectations and priorities. These engagements occur year-round and help define the material issues significant to our business and our stakeholders.

A summary of the stakeholder groups and the engagement channels we use can be found on [p. 14 of the SEWIT Report 2023-24](#).

Our Materiality Assessment

Our process begins with identifying the actual and potential impacts of our sustainability issues on the economy, environment, and society from stakeholders’ perspectives. By assessing the significance of these impacts, we determine our key priorities and shape our strategy.

In 2022-23, we conducted a comprehensive Group materiality assessment with the support of an independent consultant. During this assessment, we gained insights into stakeholder perceptions and evolving expectations, allowing us to prioritise our most significant impacts for reporting.

Our step-by-step assessment, based on the GRI Standards’ criteria for assessing materiality, is described in the table below.



Fig. 2: The Group's Materiality Assessment Process

Nan Fung Group Materiality Matrix

Each year, we review and update our key material topics as necessary, incorporating feedback and insights from both internal and external stakeholders. This practice is fundamental to Nan Fung’s vision for sustainable value creation. This year, we conducted an in-depth assessment to evaluate any changes and identify potential reprioritisation that may arise.

The process involved interviews with key stakeholders to ensure we remain aligned with industry standards and responsive to evolving expectations. Consequently, we have revised our materiality matrix, adjusting the priority of several issues as follows:

Tenant and Customer Engagement

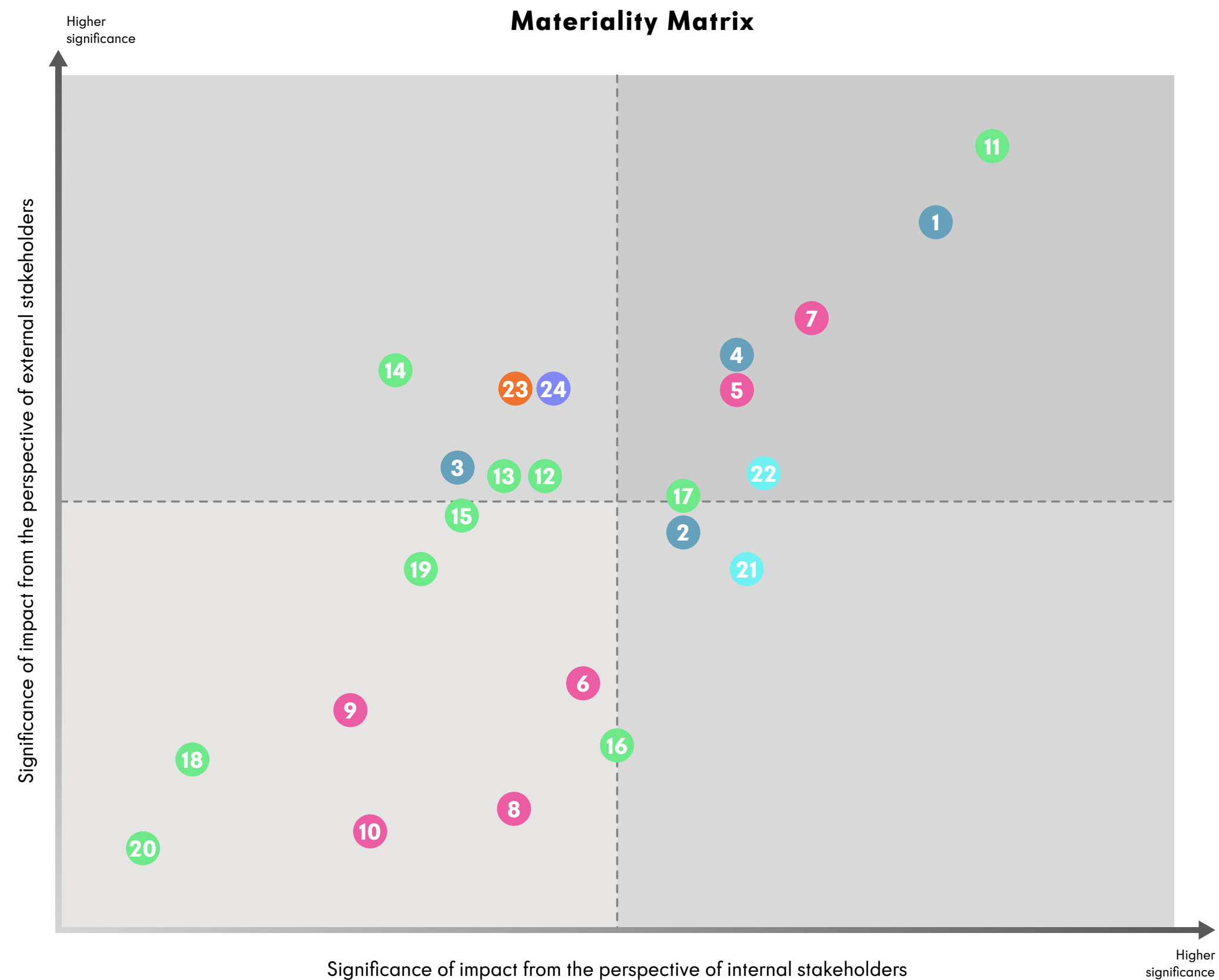
Recognising the growing expectations of both internal and external stakeholders, the issue of Tenant and Customer Engagement has been given higher significance. This serves as a catalyst for broader initiatives, including waste management and energy efficiency. Tenant engagement is also considered a driver of new business opportunities through the integration of sustainability into our products and services.

Diversity and Equal Opportunity

Diversity and Equal Opportunity have gained increased significance, as we recognise that diverse perspectives foster a more productive and inclusive workplace culture.

Supply Chain Management

Supply Chain Management has risen in importance due to its connection with multiple sustainability issues across our value chain, amplifying its broader impact.



Governance

- 1 Business Ethics
- 2 Corporate Governance
- 3 Economic Performance and Impact
- 4 Data Privacy and Security

Social Cohesion

- 5 Community Investment and Engagement
- 6 Talent Attraction and Retention
- 7 Tenant and Customer Engagement
- 8 Training and Development
- 9 Diversity and Equal Opportunity
- 10 Human Rights[^]

Environment

- 11 Green Building
- 12 Building Materials
- 13 Energy
- 14 Climate Adaptation and Resilience
- 15 Waste
- 16 Sustainable Finance and Investment
- 17 Emissions
- 18 Water Resources
- 19 Supply Chain Management
- 20 Biodiversity

Wellness

- 21 Customer Health, Safety and Wellbeing
- 22 Occupational Health, Safety and Wellbeing

Innovation

- 23 Innovation

Technology

- 24 Technology

[^]Renamed in 24-25

Fig. 3: 2024-25 Nan Fung Group Materiality Matrix

Our Material Topics

Pillar	13 Material Topics	24 Sustainability Issues
Governance	Corporate Governance	<ul style="list-style-type: none"> • Business Ethics • Corporate Governance • Economic Performance and Impact
	Data Privacy and Security	<ul style="list-style-type: none"> • Data Privacy and Security
Social Cohesion	Community Investment and Engagement	<ul style="list-style-type: none"> • Community Investment and Engagement
	Tenant and Customer Empowerment	<ul style="list-style-type: none"> • Tenant and Customer Engagement
	Talent Upskilling and Development	<ul style="list-style-type: none"> • Talent Attraction and Retention • Training and Development • Diversity and Equal Opportunity • Labour Practices and Human Rights
Environment	Energy Efficiency and Climate Resilience	<ul style="list-style-type: none"> • Green Building • Building Materials • Energy • Emissions • Sustainable Finance and Investment • Climate Adaptation and Resilience
	Resource Use, Waste Management and Biodiversity	<ul style="list-style-type: none"> • Waste • Water Resources • Biodiversity • Supply Chain Management
Wellness	Wellness for Employees	<ul style="list-style-type: none"> • Occupational Health, Safety and Wellbeing
	Wellness for Customers	<ul style="list-style-type: none"> • Customer Health, Safety and Wellbeing
	Wellness for Humankind	
Innovation	Innovative Products and Solutions	<ul style="list-style-type: none"> • Innovation
	Entrepreneur and Intrapreneur Empowerment	
Technology	Technology and Data in Operations	<ul style="list-style-type: none"> • Technology

Our 24 sustainability issues remain consolidated under 13 material topics that fall under Governance and the five SEWIT pillars. These topics were reviewed and approved by the SEWIT Committee.

As we look ahead, we plan to identify and evaluate impacts, risks and opportunities (“IROs”) through the lens of **double materiality**—incorporating **impact materiality**, which considers how our activities affect the economy, environment and people, and **financial materiality**, which assesses how sustainability-related risks and opportunities could influence the Group’s financial performance and enterprise value.

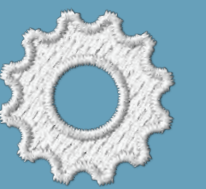
By recognising the interconnection between these dimensions, we can refine our strategies, strengthen risk management and drive informed decision-making for long-term resilience.

Fig. 4: Nan Fung Group Materiality Matrix—linking 13 material topics and 24 sustainability issues across Governance and five SEWIT pillars



Material Topics:

- **Corporate Governance**
- **Data Privacy and Cybersecurity**



GOVERNANCE

AIRSIDE, Hong Kong

CORPORATE GOVERNANCE

Why It Matters to Us

Integrity lies at the core of Nan Fung’s business, underpinning transparent and accountable decision-making that builds stakeholder trust.

Robust governance frameworks help us manage risks, enhance efficiency, and ensure long-term sustainability by aligning strategy with our values and regulatory standards.

Strong corporate governance also drives continuous improvement and innovation, reinforcing our leadership position in the industry.

How We are Managing It

We uphold the highest standards of ethics through effective governance systems and a strong organisational culture.

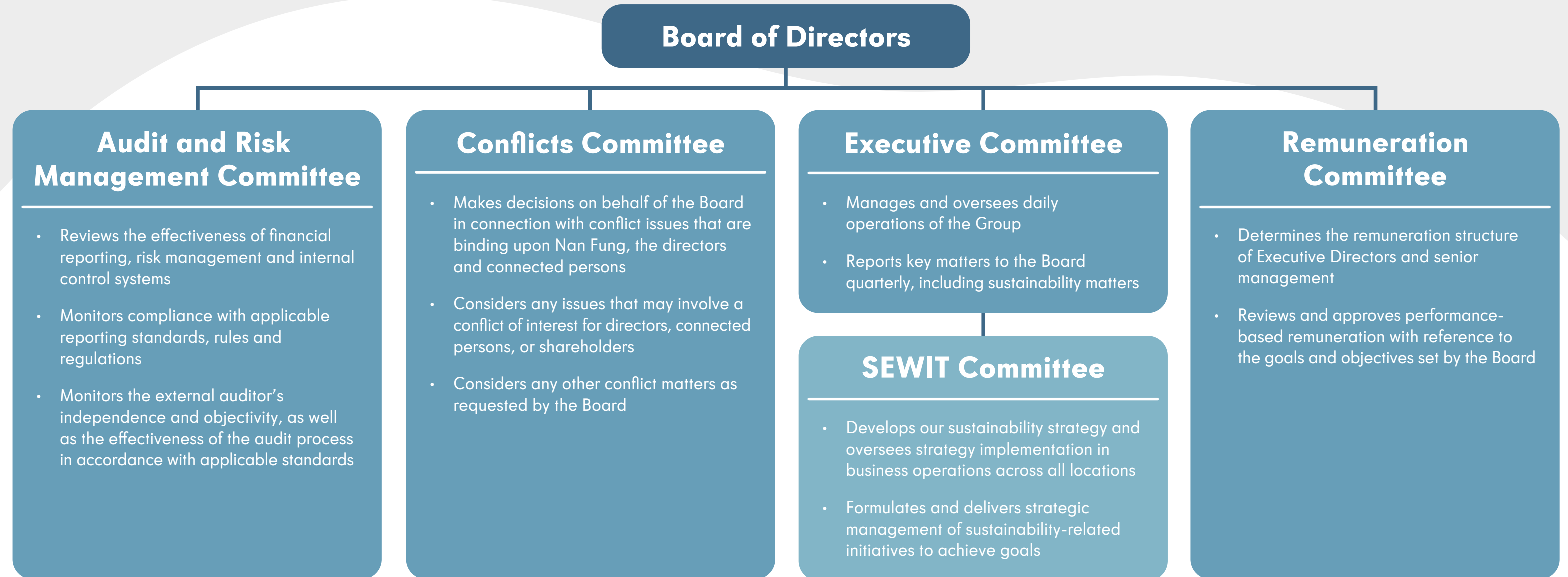
By effectively managing our impacts on society, the environment and the economy, we drive long-term prosperity for both Nan Fung and our stakeholders.

Governance Structure

The Board of Directors (the “Board”) of Nan Fung Group Holdings Limited (“NFGH”) is our highest governance body, responsible for our overall strategy and the development of the business.

Led by the Chairman, the Board comprises the Chief Executive Officer and other senior management, including twelve directors: eight Executive Directors, one Non-executive Director and three Independent Non-executive Directors, ensuring diverse expertise in decision-making processes.

In line with NFGH’s Articles of Association, directors are elected by resolution, with the aim of including individuals of different ages, genders, expertise and experiences to promote diversity of thought. Our Board-level committee (Executive Committee) and the seven sub-committees reporting to it are responsible for making key business decisions and managing daily operations.



The Board is responsible for decision-making and management of the organisation’s impacts on the environment, economy and wider communities. Board-level committee and sub-committee members are recommended for nomination by relevant committees, sub-committees or directors. Committee and sub-committee appointments are required to be approved by the Board.

To maintain the highest standards of governance, the Conflicts Committee is responsible for reviewing any proposed transactions that may involve the personal interests of directors from the Board before entering into any contracts. If any other conflicts are identified, the Group has an internal mechanism to address these on a case-by-case basis.

Sustainability Governance

The SEWIT Committee oversees the Group's sustainability-related matters across our operations in Hong Kong, Chinese Mainland and overseas.

Chaired by the Group Managing Director, the committee includes key members from both key senior management and the Board. It reports to the Executive Committee of NFGH, which in turn provides the Board with annual updates on key sustainability-related matters and critical concerns.

Through the SEWIT Committee, the Board approves and monitors the implementation of our sustainability policies, reviews and approves the Group's sustainability reporting (including our material topics) and oversees the progress made against our sustainability goals and targets.

Four SEWIT Committee meetings were held during the reporting period, with 10 co-opted members representing 10 relevant departments, who contributed insights and perspectives on specific topics and initiatives.

In addition to reviewing and approving the Group's sustainability reporting, including our material topics in the reporting year, members discussed critical concerns including:

- **Climate adaptation and financial assessment:** identifying potential exposure and quantifying financial impacts from our climate adaptation strategy and financial assessment
- **Workplace wellness strategy:** tracking progress against the Group's six wellness pillars
- **Nature and biodiversity strategy:** identifying material biodiversity issues and developing a follow-up strategy to manage nature-related impacts, supported by a feasibility study

To foster internal engagement and effectively communicate our sustainability strategy and targets across all departments, we utilise regular townhalls and internal newsletters as key communication tools.

These initiatives promote Group-wide dialogue on sustainability matters, sharing knowledge and trends with internal stakeholders while encouraging their active support and alignment with our sustainability objectives.

南豐集團
NAN FUNG GROUP

Sustainability-related Policies

Our policies provide a solid framework for our operations, demonstrating our commitment to responsible business practices. We regularly review and update these policies in response to the Board's assessment of significant risks, ensuring they remain relevant and aligned with our evolving strategy. The Board, relevant committees and senior management review and approve Group-wide policies.

All policies are applicable across the Group's business activities and relationships with our stakeholders. We communicate these internally through newsletters and our intranet, and share them with relevant stakeholders as necessary.

Below is a list of the Group's ESG-related policies and procedures:

- Climate Change Policy
- Competition Law Compliance Policy
- Employee Code of Conduct
- End User Cybersecurity and Acceptable Use Policy*
- Environmental Policy
- Guidelines on Handling Potential Conflicts of Interest
- Health and Safety Policy
- Human Rights Policy
- Information Security Policy*
- Personal Data Privacy Policy
- Policy and Procedures on Anti-Money Laundering and Counter-Terrorist Financing
- Sustainable Procurement Policy
- Whistleblowing Policy*

*revised in 2024-25

Risk Management

Our risk management approach is integrated and holistic, combining a top-down strategic perspective with bottom-up operational risk assessments from business owners.

This approach enables us to identify and evaluate significant risks, including those related to sustainability, such as climate change, strengthening our organisational resilience.

We manage risks within our defined risk appetite through robust control systems and countermeasures. The Board determines acceptable risk levels in pursuit of the Group's strategic objectives and ensures effective risk management systems are in place.

An effective risk management framework plays a key role in enabling the Group's business strategy and planning discussions. Senior management reviews material risks affecting the Group and their potential impacts, evolution, and mitigating measures.

The Audit and Risk Management Committee, acting on behalf of the Board, ensures an appropriate and effective risk management framework is established and maintained.

Business Ethics

Our ethics and integrity standards, outlined in the Employee Code of Conduct (the "Code") and related policies, apply to all employees. All new joiners undergo training on the Code and must sign it to confirm their understanding and acceptance.

To reinforce these principles, all employees⁷, including Board members, are required to make an annual declaration to acknowledge full compliance with the company policies.

A similar code of conduct for partners and suppliers is planned for completion in the near future. Meanwhile, our Sustainable Procurement Policy sets out stringent environmental, social and governance requirements for the supply chain.

⁷ Include Assistant Manager or above.

Anti-Corruption, Anti-Money Laundering and Fair Competition

We maintain a zero-tolerance approach to bribery, fraud and corruption.

Our Employee Code of Conduct sets clear expectations on these matters, complemented by the Employee Handbook, Staff Co-investing Policy and Guidelines on Handling Potential Conflicts of Interest. Employees are required to avoid any conflicts of interest and disclose any personal interests that may affect their responsibilities. In the reporting year, no corruption cases were recorded.

The Group adheres to all applicable local and international laws and regulations, particularly those concerning anti-money laundering, terrorist and proliferation financing. Our robust policies and procedures addressing these areas require compliance by all directors, officers, employees and agents of the Group.

To maintain fair competition, we have enacted a Competition Law Compliance Policy outlining prohibited conduct in line with relevant regulations. This addresses dealings with competitors, participation in trade association activities and in contractual relationships. During the reporting period, there were no breaches of anti-corruption or anti-competitive practices.

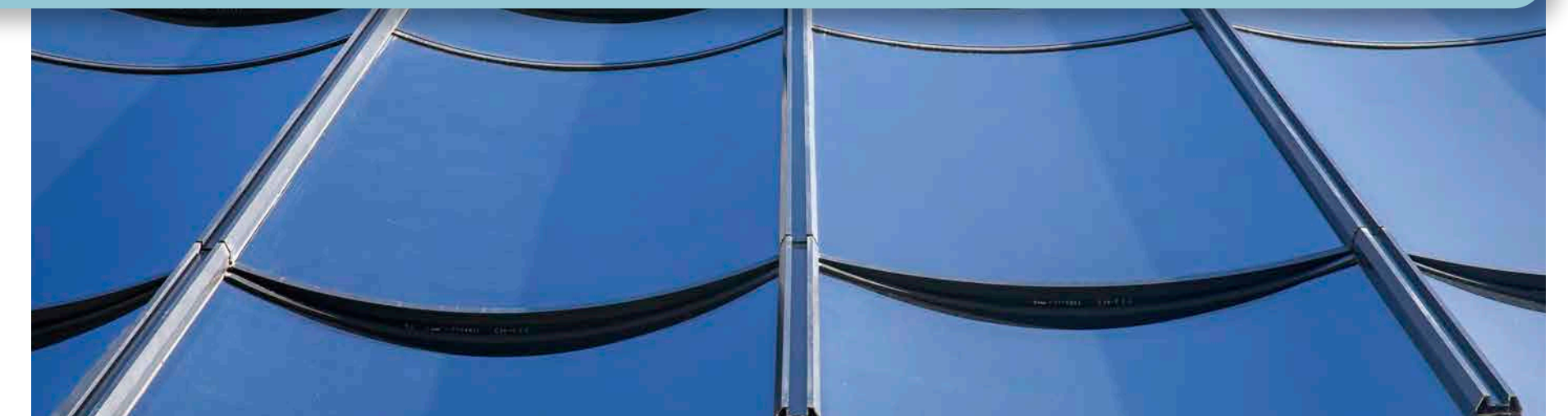
Whistleblowing

Nan Fung is committed to the highest standards of accountability, transparency and governance practices.

The Group's Whistleblowing Policy provides a confidential channel for our colleagues across the Group to report concerns such as fraud, corruption, legal breaches, misconduct or mal-practice with protection against retaliation. All reports will undergo a preliminary assessment and a formal investigation if necessary.

The Group Internal Audit periodically reports any such reportable conduct to the Board through the Audit and Risk Management Committee to ensure proper oversight.

All reports undergo a preliminary assessment by the Group's Internal Audit Department, followed by a formal and impartial inquiry conducted by a dedicated committee, if applicable. The identity of the employee making an allegation is not divulged without the employee's consent. However, in certain situations—such as legal proceedings—when the Group may be required to disclose the identity, all reasonable measures are taken to protect the employee from any detriment.



DATA PRIVACY AND CYBERSECURITY

Why It Matters to Us

We uphold stringent data security measures to protect customer information, ensuring compliance with global regulatory standards.

By prioritising cybersecurity, we enhance operational resilience, maintain a competitive edge and reinforce our commitment to responsible business practices and stakeholder wellbeing.

IT Service Hub at AIRSIDE headquarters

How We are Managing It

Safeguarding customer privacy is embedded in our daily Information Technology (“IT”) operations.

Prevention and detection measures are reviewed monthly with our Security Operations Centre, ensuring prompt response to any threats.

During the reporting period, no data breaches or substantiated complaints regarding leaks, theft or loss of customer data were recorded.

Our stringent policies outline our approach to maintaining the integrity of all assets in line with relevant regulations. In 2025, we revised our Information Security Policy to align with the Group ERM framework and updated the End User Cybersecurity and Acceptable Use Policy, which all new joiners must sign to confirm their understanding and acceptance.

Security Checks and Data Transparency

Through continuous vigilance and proactive management, we safeguard our digital assets while upholding trust and transparency.

We conduct annual cybersecurity assessments with external consultants on selected applications, such as our membership loyalty app NF Touch, and rigorously test all new public-facing applications before launch. To enhance security, we encrypt sensitive data, restrict network access and apply regular security patches. Our Personal Information Collection Statement and Terms and Conditions are easily accessible to users.

To mitigate risks internally, we implement regular phishing tests and mandatory cybersecurity training for all employees.

Our IT Department analyses the results of these initiatives to identify areas for improvement and works with relevant teams to enhance overall security awareness.

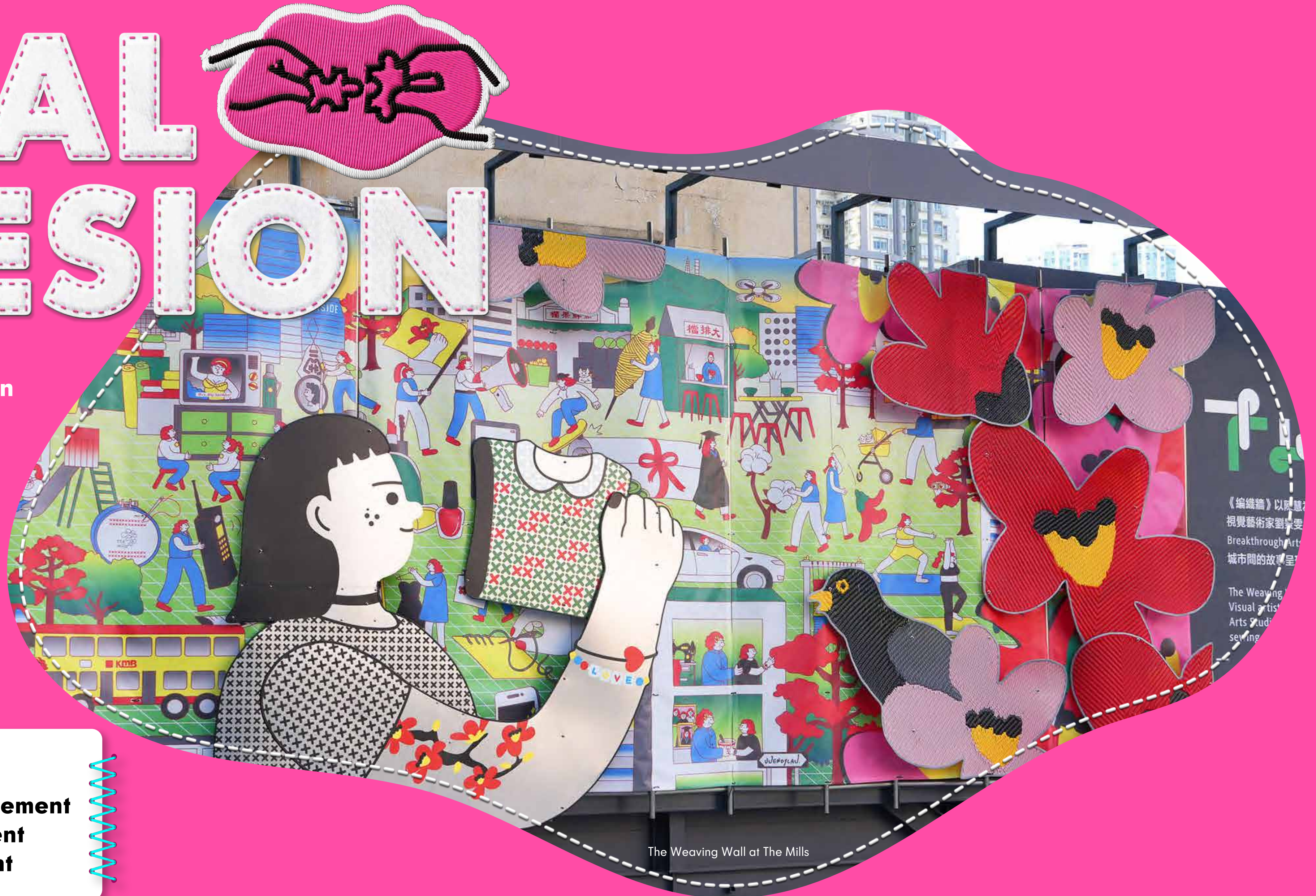
SOCIAL COHESION

At Nan Fung, we believe collaboration is key to shaping a thriving society.

Our initiatives are curated to generate value beyond our business, creating meaningful impact for the long term. By supporting the wellbeing of our tenants, customers and colleagues, we help strengthen the resilience of our wider communities.

Material Topics:

- **Community Investment and Engagement**
- **Tenant and Customer Empowerment**
- **Talent Upskilling and Development**



The Weaving Wall at The Mills

《編織牆》以觸感
視覺藝術家劉素雲
Breakthrough Arts
城市間的故事呈
The Weaving
Visual artist
Arts studio
sewing

HIGHLIGHTS 2024-25



EMO House, a mental wellness initiative curated by In Time Of that showcases "Sentimental Menus" for participants to learn about emotions

SOCIAL VALUE
Generated or facilitated a total social value of

HK\$52.2 million

HK\$22.3 million in Hong Kong

HK\$29.9 million in other key operating markets

SOCIAL IMPACT ADVISORY SERVICES

32 services in impact advisory and measurement delivered

28 stakeholders engaged (including tenants, clients and NGOs)

TRAINING HOURS
Delivered a total of

77,018 training hours for employees

TALENT DEVELOPMENT

NF Talent Attributes established to strengthen our talent management

GOALS, TARGETS OR COMMITMENTS

SOCIAL VALUE TARGET
Set a new Group target of generating or facilitating

HK\$100 million in a cumulative social value by 2030

2025 Progress: HK\$86.3 million

2030 Target: HK\$100 million

TRAINING TARGET
Provide at least 20 training hours per employee annually

Target: 20 hours

2025 Progress: 24 hours

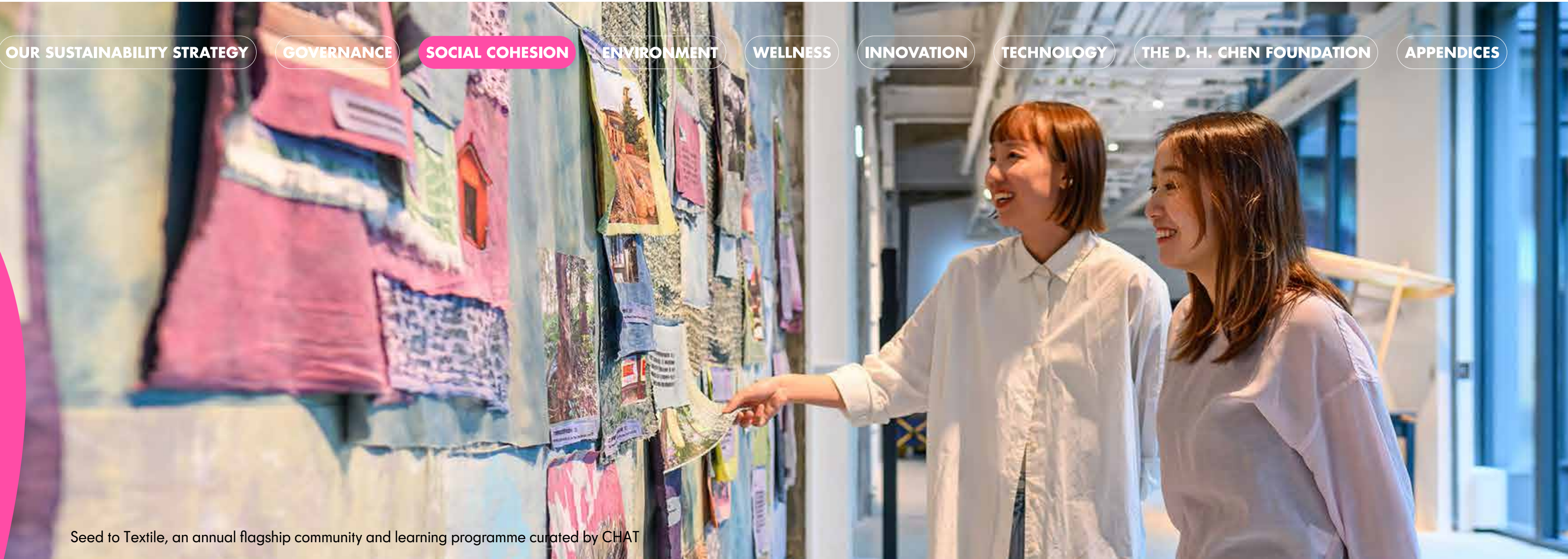
CHALLENGES

- **Limited public data:** Monetising the impact of social outcomes continues to be a challenge due to limited accessible social value banks and financial proxy libraries
- **Cultivating an impact mindset:** Fostering an impact mindset across our business, aligning priorities and measuring social impact require sustained effort, time and resources

LOOKING AHEAD

- **Integrating social value:** We will refine our impact measurement and management strategy to more effectively embed social value considerations across the value chain
- **Expanding access to measurement tools:** We will expand our social value bank to make impact measurement more accessible and encourage broader industry adoption of standardised tools
- **Pioneering technology-enabled solutions:** We are developing AI-powered solutions that aim to leverage predictive analytics and machine learning to transform how social value is measured and managed for impact

Material Topic: COMMUNITY INVESTMENT AND ENGAGEMENT



Seed to Textile, an annual flagship community and learning programme curated by CHAT

Why It Matters to Us

Through Nan Fung’s ongoing community investments, we demonstrate our commitment to social progress, focusing on improving the quality of life for community members and strengthening our social licence to operate.

By responding to local needs, our development projects aim to enhance quality of life, foster deeper connections and create places where people feel a true sense of belonging.

How We are Managing It

By identifying specific needs, curating targeted initiatives and measuring outcomes, we ensure resources are directed where they can make the greatest difference.

Creating lasting social impact starts with understanding our stakeholders’ needs. This is why we anchor our social programmes in location-based materiality assessments, shaped by in-depth stakeholder engagement.

We gather data on demographics, potential community partners and material social issues from each assessment. This information guides our use of the **Theory of Change (“ToC”) framework—helping us design our Group’s social impact strategy to drive measurable, long-term behavioural change.**

Our community engagement team and impact partners then craft tailored, creative solutions to meet local needs. This approach underpins the work of our In Time Of (“ITO”) community programme curation arm, which connects people from all walks of life through meaningful social partnerships.

The material social issues identified through our most recent assessment in 2023 are detailed on [p. 32 of the SEWIT Report 2023-24](#). These material social issues continued to inform our community programmes conducted throughout the reporting year.

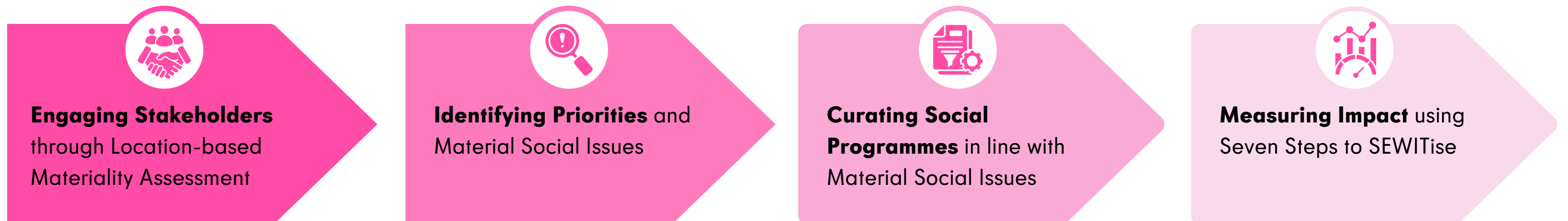


Fig. 5: Our Approach to Community Investment and Engagement

Measuring Impact: Seven Steps to SEWITise

Impact Measurement and Management Toolkit:

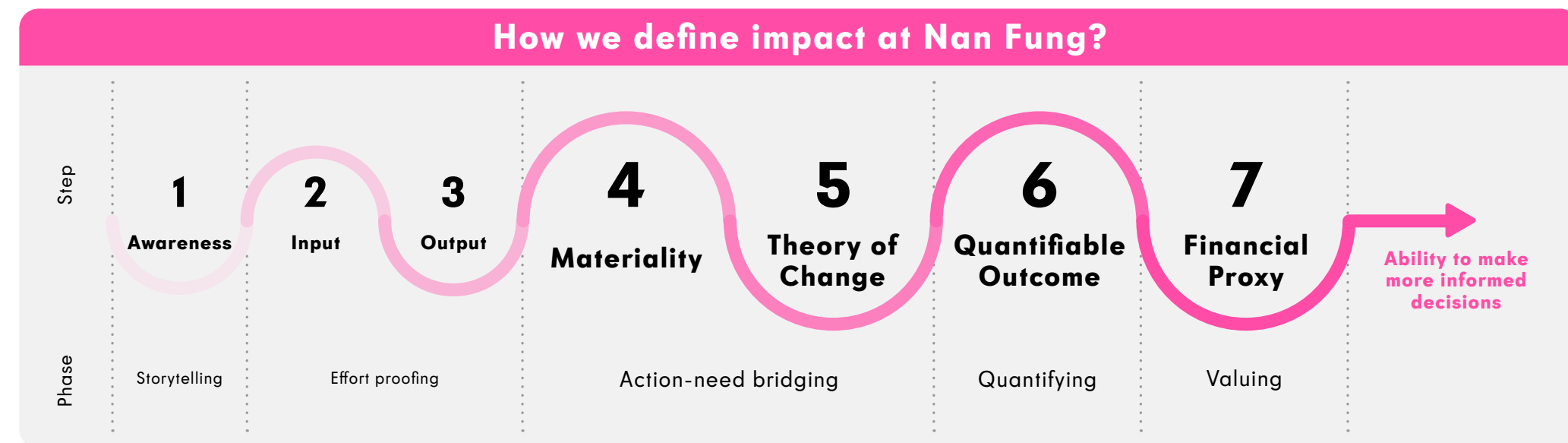


Fig. 6: Seven Steps to SEWITise – Impact Measurement and Management Toolkit

The “**Seven Steps to SEWITise**” strategy—the final stage of our impact measurement process—allows us to evaluate the impact of social programmes in quantifiable, monetary terms.

By utilising financial proxies to monetise impact, we generate insights that guide more effective community investment decisions. This strategy draws on widely recognised international impact measurement methodologies for capturing and reporting social value, and was verified by The Chinese University of Hong Kong in 2023.

Our goal is to consistently leverage location-based materiality assessments and deploy the “Seven Steps to SEWITise” framework across our portfolio.

A Group-wide Commitment to Social Impact

In 2024, the Group set a new target to generate or facilitate a cumulative social value of

HK\$100 million by 2030

This target applies to all our business operations, as we work to deliver social value across every project and asset we manage. During the reporting period, we generated or facilitated:

	Social value generated or facilitated	
	During the reporting period	Since FY2022-23
Group	HK\$52,286,000	HK\$86,357,592
Hong Kong	HK\$22,388,220	HK\$46,655,368*
Other Key Operating Markets	HK\$29,897,780	HK\$39,702,224

Fig. 6: Social Value Progress of the Group

EMO House by ITO

In 2024, ITO Good Date Village adopted the theme of “Restoration”, offering activities and exhibitions to rejuvenate mind, body, and spirit.

As the year’s flagship programme, EMO House presented a restaurant-like space with curated “Sentimental Menus” linking everyday creative practices—such as crafting, embroidery, and pottery—to emotional wellbeing.

These experiences encourage reflection, self-expression, and social connection, fostering greater mental wellbeing in an engaging and supportive setting.



Mental wellbeing

Seed to Textile



The flagship Seed to Textile programme by CHAT* partnered with the Guangzhou-based artist collective BOLOHO from March 2024 to February 2025 for planting and natural dyeing workshops with three local schools. The goal was to foster sustainability and community bonds through art and textile exploration among Hong Kong's youth.

Together with BOLOHO, CHAT conducted a series of workshops to equip participants with skills in planting, natural dyeing, and textile, props and costume design. One highlight was the participation of Hong Kong Design Institute students, who became art facilitators during the 2024 Summer Programme and guided members of the public in assembling naturally dyed fabrics into a textile backdrop, which, alongside other workshop creations, were showcased at the CHAT 2024 Winter Programme.

* CHAT is part of our landmark revitalisation project, The Mills, and is managed and operated by the MILL6 Foundation, a non-profit arts and cultural organisation.



Sustainable production and consumption

Social Value Progress by Key Issues in 24-25

Spirit of Sumatra Digital Art Experience

GATE33 Gallery at AIRSIDE partnered with local creative team ALAN (Artists Who Love Animals and Nature) to present "Spirit of Sumatra", an immersive digital art experience highlighting rain forests, humanity, and nature conservation.

Featuring nine interactive installations across five zones, the exhibition combined Mixed Reality, Augmented Reality, and AI to raise awareness of animal life and conservation challenges.

Built from recyclable cardboard, the installations demonstrated the possibilities of sustainable materials, while animal rights groups provided expertise through in-depth sharing sessions.

The exhibition attracted over 91,000 visitors during the reporting period.



Local culture and product promotion



In-need group for employment and empowerment*

Respect Inclusion Support and Employment (“RISE”) Pathways Programme

Nan Fung Property Management ("NFPM") partnered with Caritas Lok Mo Integrated Vocational Training Centre to launch the RISE Pathways programme, promoting inclusive employment through a three-month placement scheme from August to October 2024.

Four participants were placed in security and cleaning roles across NFPM properties, supported by disability etiquette training for on-site teams in collaboration with St. James' Settlement and CareER.

Following the programme, four participants secured permanent positions with NFPM in November 2024.



* “In-need group for employment and empowerment” refers to the economically inactive population, low-income families, single-parent households, unemployed or disadvantaged youth, persons with special educational needs, and persons with disabilities.

Material Topic: TENANT AND CUSTOMER EMPOWERMENT

Why It Matters to Us

Engaging tenants and customers is crucial to the success of our sustainability endeavours and the long-term resilience of the Group.

By fostering open and transparent communication, we build trusted relationships with our stakeholders—enabling them to actively participate in sustainability efforts and provide valuable feedback that strengthens our approach.

How We are Managing It

A vital part of our relationship with tenants and customers involves promoting responsible practices that help us meet mutual sustainability goals. We work closely with our office, F&B and retail tenants to help them incorporate sustainability practices into their operations through programmes like the NPL.

Cross-departmental taskforce and meetings involving members from asset management, property management, marketing and SEWIT teams meet regularly to review, develop and enhance our tenant sustainability services.

Sustainability is also a standing agenda item in operational and management meetings.

AIRSIDE Urban Farming and Farming Assistant Programme

CASE STUDY

The AIRSIDE Urban Farming Programme promotes sustainable agriculture through its 6,000 sq. ft. urban farm, known as AIR FARM. The farm supplies fresh produce to tenants and local charities, hosts workshops, and encourages community engagement and environmental awareness.



The programme is supported by dedicated retirees-turned-farming assistants who bring their experience and enthusiasm to enhance the farm's operations and outreach efforts. This collaborative approach emphasises a low-carbon lifestyle and promotes intergenerational knowledge sharing.

In 2024-25, over 600 participants engaged in more than 30 events hosted by the Urban Farming Programme.

AIRSIDE Circular Programme

CASE STUDY

To reduce reliance on single-use containers, we piloted the AIRSIDE Circular Programme in March 2024 with 10 F&B outlets at AIRSIDE, successfully diverting over 3,000 single-use containers from landfill during the reporting period.

Integrated with our NF Touch Membership Programme, customers can borrow and return these reusable containers to receive discounts on their purchases and earn NF Seeds, which can be used to support community causes.

A key aspect of this programme is employing seniors to assess the quality of the reusable cups. This not only creates job opportunities for seniors but also fosters intergenerational collaboration and community engagement.

These seniors also receive training on using advanced technology for stocktaking and inventory management, enhancing their digital literacy in a rapidly changing technological landscape. This feature of the programme promotes social inclusion, supports local economic development and empowers seniors with new skills—all while contributing to a more sustainable and environmentally-conscious community.

Tenant Impact Advisory Services

Insights from our “Seven Steps to SEWITise” strategy have been incorporated into the advisory services we offer tenants as part of our SEWIT-as-a-Service model—empowering them to: better “Plan, Act and Learn” about their social investment and impact.

14 tenant impact advisory sessions conducted



Impact measurement tool: “Seven Steps to SEWITise”

CASE STUDY

Impact Advisory under our Tenant-Landlord Engagement Programme

In 2024, we shared our social impact measurement expertise with tenants through the NPL—our comprehensive tenant engagement strategy that unites tenants, their workforce and the wider community to create long-term environmental and social benefits.

We piloted an advisory service with a retail tenant at The Mills to measure their operating model’s social impact, aiming to quantify existing social value, uncover untapped potential, and promote sustainable business practices. By identifying and measuring key outcomes, we delivered tailored recommendations and an Impact Summary Report for ongoing reference and improvement.

Material Issues	Outcomes Identified	Activities
Employment and empowerment	Promoting skills, employment and future employability	Reskilling and employing mid-aged female homemaker to operate the store
Sustainable consumption	Promoting sustainable lifestyles with incentives	Encouraging customers to bring in pre-loved clothing for consignment and earning a rebate
Waste diversion	Diverting waste from landfill and reducing carbon emission	Organising and re-marketing clothes for sale instead of disposing of them in landfill

Fig. 7: Outcome Mapping

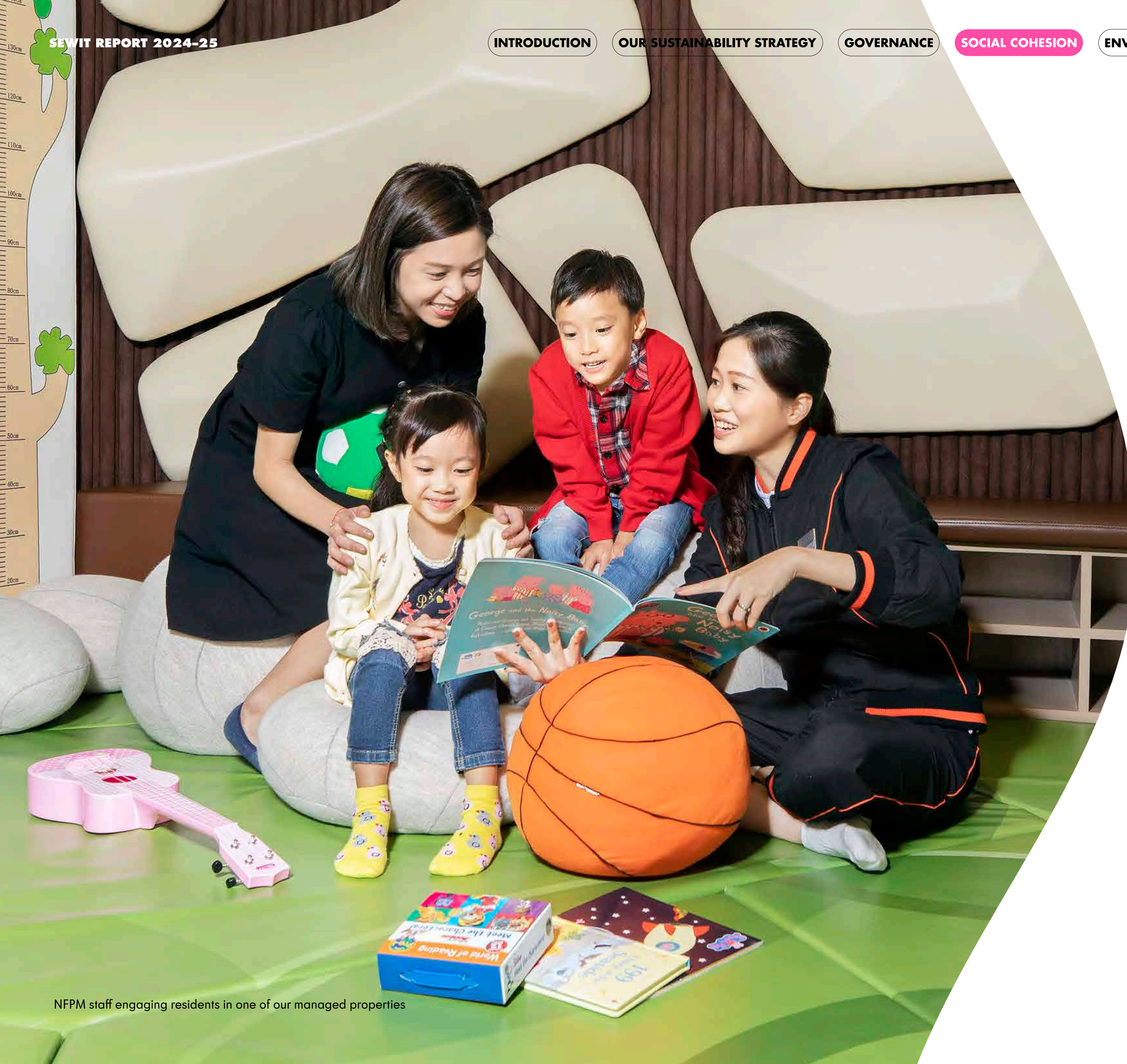
AI-Powered Solutions to Measure, Forecast and Optimise Value

In line with our ethos of continuous innovation, Nan Fung is harnessing AI-powered platforms to transform how we capture social value.

From mapping local priorities to evaluating community outcomes, our AI-powered platforms are designed to deliver data-driven insights faster, enable smarter decisions and foster deeper impact by anticipating community expectations.

By unlocking patterns in data, these tools lay the foundation for potential future use by tenants, enabling them to design tailored programmes that address local needs.

As we continue to make advancements in measuring social value, we leverage our learnings to refine our community investment strategy—sharpening our focus, scaling what works and deepening our contribution to the communities we serve.



NFPM staff engaging residents in one of our managed properties

Customer Engagement and Satisfaction

To uphold high levels of customer satisfaction and continuously improve products and services, we proactively gather feedback through surveys, events and day-to-day interactions.

NFPM conducts an annual online survey to assess service quality across our managed properties. **The 2024 survey, completed by 5,251 customers, recorded a satisfaction rate of over 90%.**

To deepen engagement with residents, our nf HOMES loyalty programme continues to offer curated experiences and exclusive events. We also run a dedicated Customer Experience Steering Committee, established under our property management arm, to enhance service delivery and foster two-way communication with residents.

Mystery Shopper Programme

We conduct regular mystery shopper assessments at four of our major Hong Kong properties to monitor service performance and better understand customer expectations.

In 2024, **more than 86% of rated properties were classified as “doing well” or “unbelievably awesome”**—a 6% increase from the 2023-24 cycle.

Going forward, we will address any identified shortcomings and continue delivering top-of-class services across our properties.

Material Topic: TALENT UPSKILLING AND DEVELOPMENT

Why It Matters to Us

Guided by a spirit of “Do Good and Do Well, with Love”, we place our people at the heart of everything we do.

We understand that building a sustainable business begins with creating an environment where our employees can thrive.

We are committed to nurturing our colleagues—the driving force behind our success—by providing a supportive work environment, opportunities for professional development and a culture that celebrates excellence. By investing in our people, we strengthen capabilities, enhance productivity and foster long-term growth across the Group.

How We are Managing It

Championing a Fair Workplace

Our fair labour practices protect and uphold the rights of our workforce.

As an equal opportunity employer, we ensure all candidates and employees have the same access to employment and development opportunities.

Discrimination of any kind—whether based on gender, pregnancy, disability, marital status, ethnicity or family circumstances—is not tolerated.

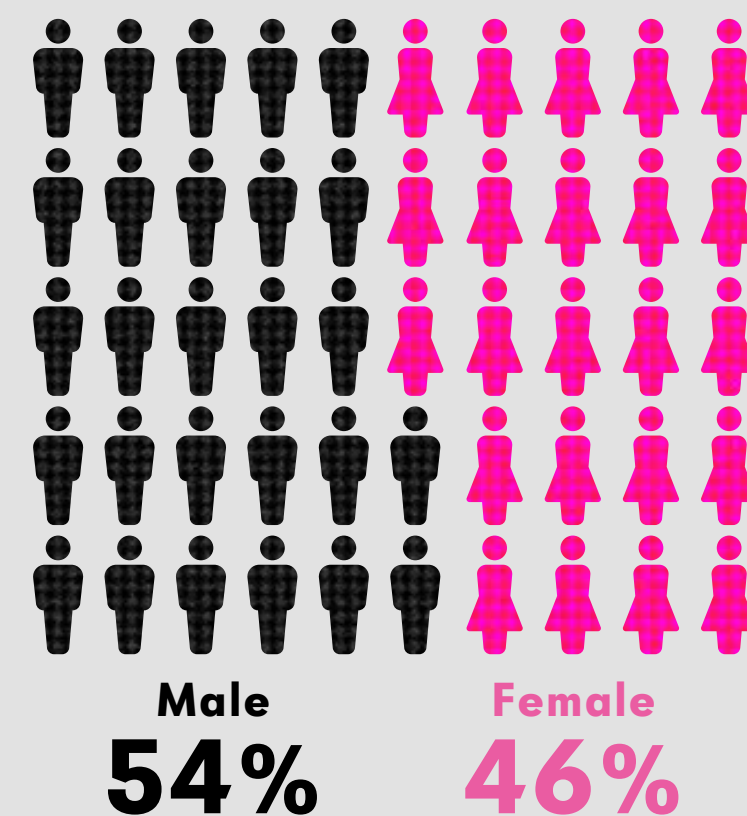
We are equally committed to fostering a workplace that is respectful and free from harassment or bias. Colleagues are encouraged to raise any concerns with our Human Resources Department, which conducts thorough and impartial investigations to uphold our culture of fairness, respect and accountability. During the reporting period, there were no identified cases of discrimination.

Our approach is underpinned by internationally recognised human rights principles, including the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work and the United Nations’ Universal Declaration of Human Rights.

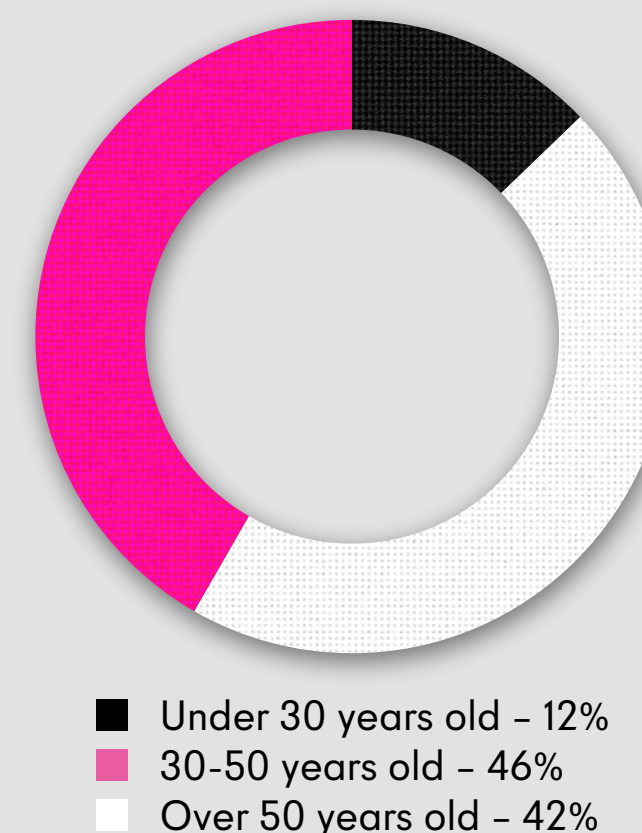
Nan Fung’s Group Human Rights Policy affirms our commitment to complying with all relevant regulations and standards. This applies to all business activities and stakeholder relationships. We have zero tolerance for any form of human rights violations, including child and forced labour, and this standard extends to all contractors and suppliers. Business units are also encouraged to align with Group-level policies and adopt their own, where appropriate, to further embed responsible practices.

Our Workforce

Employees, by gender



Employees, by age group



Employees, by location

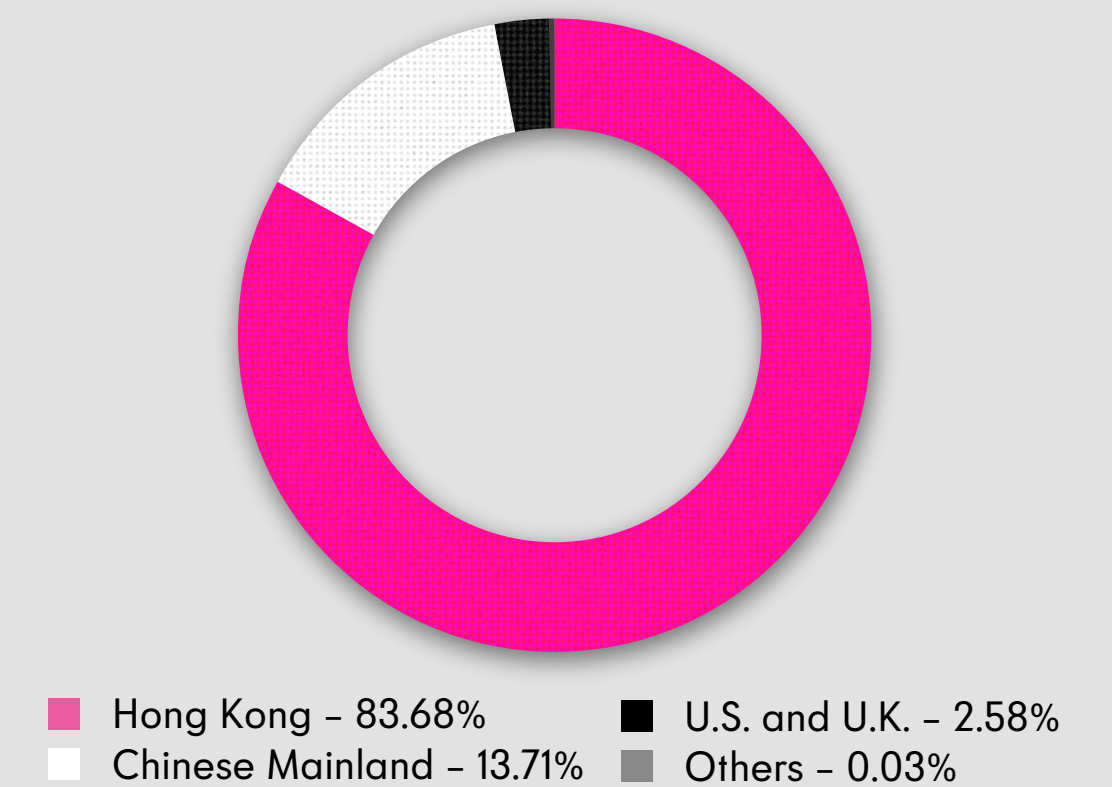


Fig. 8: Our Workforce Profile in 2024-25

Talent Attraction and Retention

We are dedicated to cultivating a diverse and collaborative workplace where every employee feels valued. Our employees are recognised and rewarded through fair, competitive remuneration and a comprehensive benefits package. This includes medical and life insurance, retirement pension plans and discretionary bonuses.

To remain responsive to both individual performance and market expectations, we regularly review and refine our compensation framework, ensuring alignment with market benchmarks and the Group’s growth ambitions.



Social Hub at the AIRSIDE headquarters

Employee Engagement

Open dialogue is a cornerstone of our workplace culture, and each year, we conduct a Staff Engagement and Cross-Team Collaboration Survey to better understand our colleagues’ perspectives and identify areas for improvement. The insights gathered inform targeted action plans that promote cross-functional collaboration, enhance the workplace experience and support a more engaged, high-performing culture. To ensure impartiality, this year’s survey was conducted by a third-party consultant. With a 80% survey response rate, we saw:

94% **respondents** indicating that they believe in the Group’s values

93% **respondents** expressing pride in our efforts to make a positive impact in the world

Top Three Performance Improvements from the 2024-25 Employee Engagement Survey

Compared to the 2023-24 survey

12%

more employees believe the company has increased its focus on

Work Process Efficiency

Driven by process efficiency initiatives such as NF Hackathon and AI-related training

9%

Growth & Development

Driven by talent development initiatives such as the online learning portal and NF Talent Academy

7%

Employee Engagement

Driven by our relocation of headquarters, supported by employee wellness campaigns throughout the year

Learning and Development

Ongoing learning is essential in a rapidly evolving industry and world.

We provide an integrated approach to development—offering both digital and in-person programmes—to support upskilling at all career stages across our business units. Knowledge sharing is also encouraged through cross-departmental initiatives that reinforce a culture of collective growth.

NF Talent Attributes – Enhancing Individual Effectiveness to Create Business Impacts

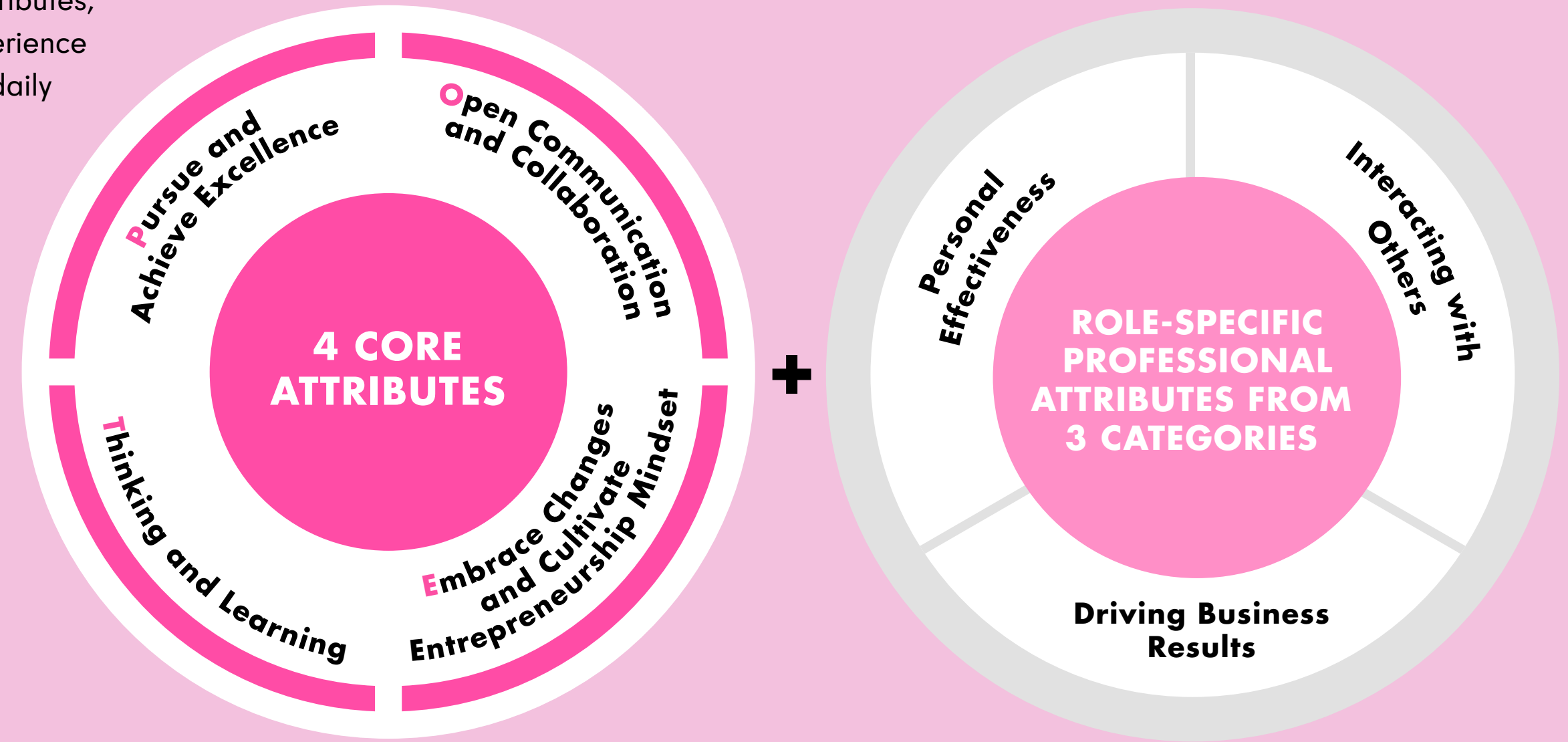
In 2024, we introduced NF Talent Attributes, which define the core values and expected performance across our organisation.

These attributes enhance the effectiveness and objectivity of talent acquisition, development and performance management, and reinforce the alignment between talent initiatives and Nan Fung’s values and desired culture.

We identify four core attributes applicable to all employees, along with tailored professional attributes that reflect each department’s and position’s specific capabilities.

NF Talent Attributes

A range of training courses offered through our NF Talent Academy are designed to bolster core and professional attributes, giving employees hands-on experience and knowledge to support their daily responsibilities and long-term development.



NF Talent Academy

The NF Talent Academy, launched since 2023, is a key initiative aimed at enhancing practical professional skills across our workforce.

Following the launch of the NF Talent Attributes, our training courses are designed around the attributes most relevant to employees’ needs. This ensures that our learning initiatives are not only aligned with the Group’s long-term business and talent strategy but also directly address the development needs of our employees.

Our investment in training and development is driven by two clear goals: **to enhance productivity by building capability and create measurable business impact**—focusing on initiatives that deliver value to the company in both the short and long term.

2024-25 Progress:
A total of **77,018**
employee training hours delivered

Average training hours
24 hours
Exceeding target of providing at least 20 training hours per employee annually

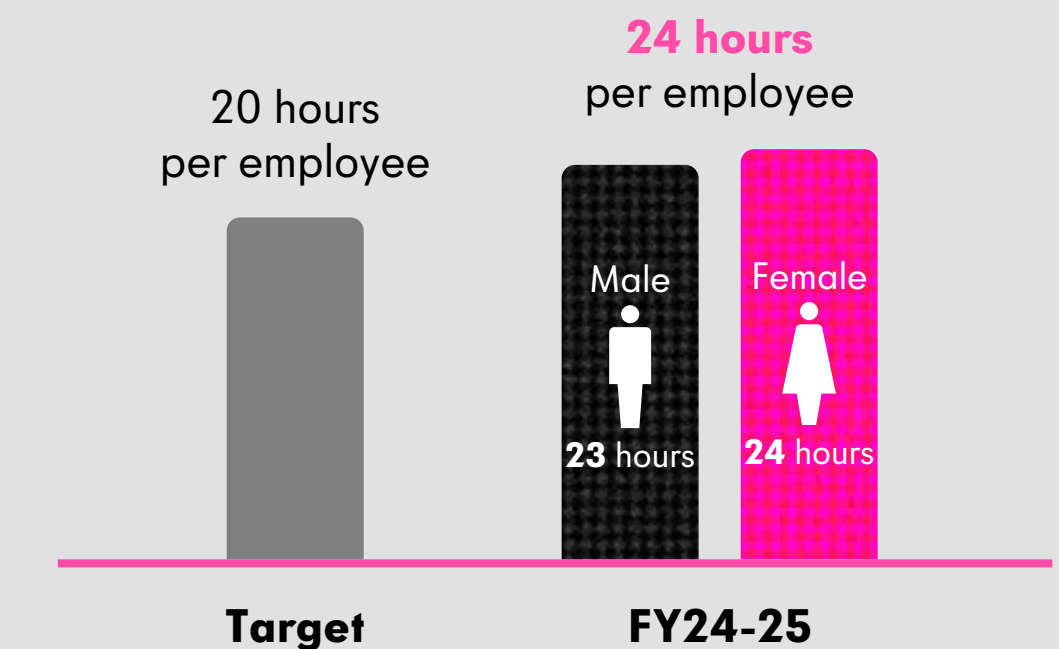


Fig. 10: Group Training Hours Target Against Progress

Sustainability-related Training and Communication

Sustainability is embedded into our culture and strategy through SEWIT, making sustainability-related training a key part of employee onboarding.

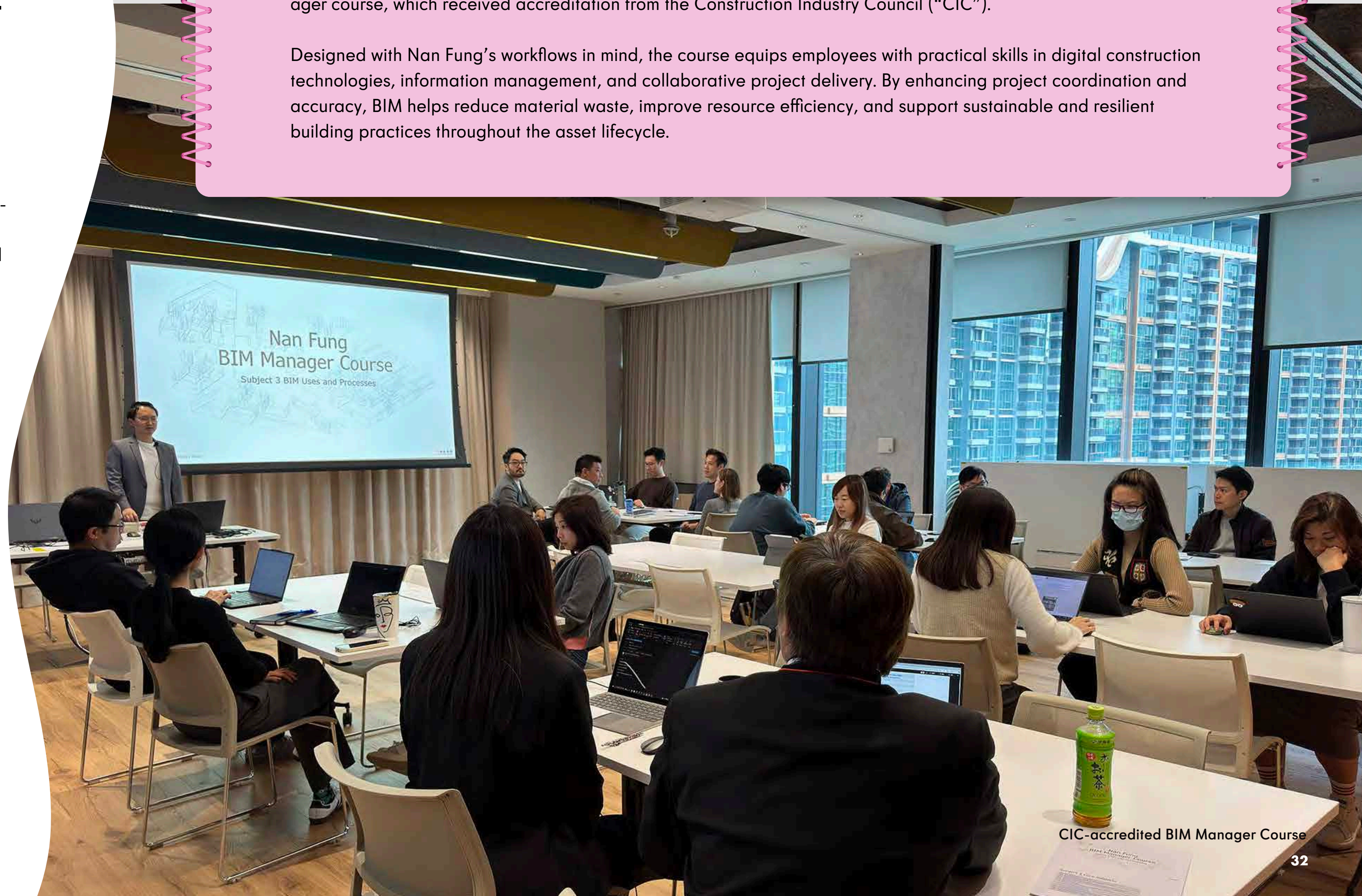
All new joiners are required to complete modules that cover essential topics such as Decarbonisation and Impact Measurement.

In the reporting year, we continued to run a series of comprehensive sustainability training sessions and communication initiatives to ensure colleagues, including our senior management, are equipped with critical knowledge and informed of emerging trends and best practices.

CIC-Accredited BIM Manager Course

The Group is Hong Kong's first property developer to organise an in-house Building Information Modelling ("BIM") Manager course, which received accreditation from the Construction Industry Council ("CIC").

Designed with Nan Fung's workflows in mind, the course equips employees with practical skills in digital construction technologies, information management, and collaborative project delivery. By enhancing project coordination and accuracy, BIM helps reduce material waste, improve resource efficiency, and support sustainable and resilient building practices throughout the asset lifecycle.

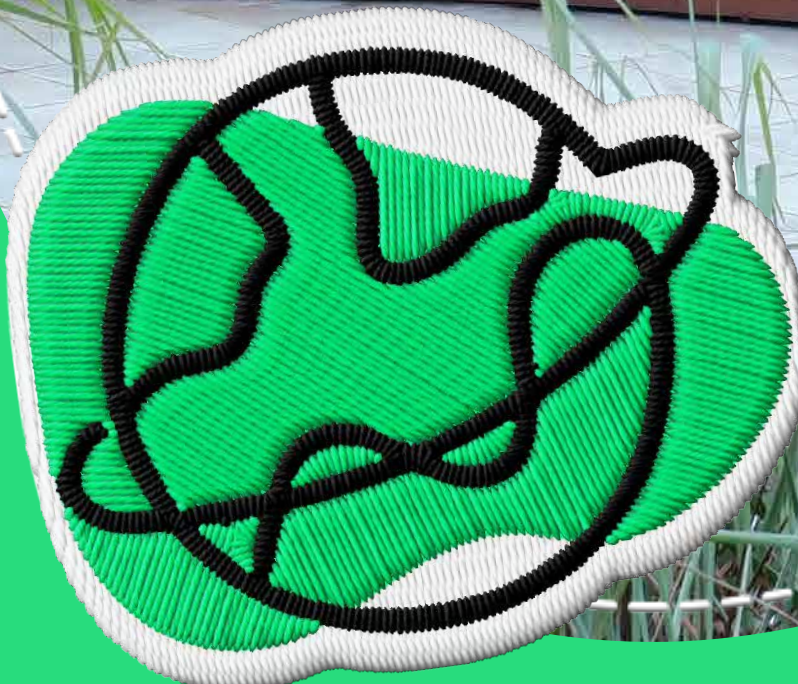


ENVIRONMENT



At Nan Fung, we recognise our responsibility to protect nature as integral to our long-term business success.

Our environmental strategy focuses on five core areas: energy and emissions reduction, climate adaptation, resource efficiency, waste management and biodiversity conservation.

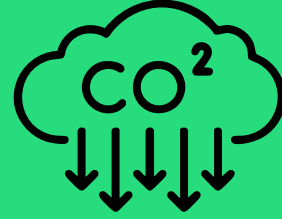


Material Topics:

- **Energy Efficiency and Climate Resilience**
- **Resource Use, Waste Management and Biodiversity**

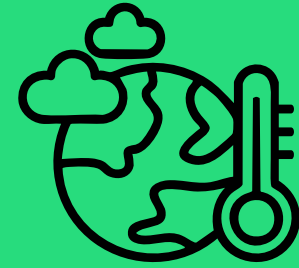
HIGHLIGHTS 2024-25

SCOPE 3 DISCLOSURE AND SBTi PROGRESS UPDATE



First disclosure of **Scope 3 greenhouse gas (“GHG”) emissions** under the scope of our Science-Based Targets initiative (“SBTi”)

CLIMATE RESILIENCE



Completed **AIRSIDE and 99 City Road climate adaptation and financial assessments** and implemented follow-up actions to build resilience

WASTE MANAGEMENT



Expanded **Food Waste Collection** to 100% of major commercial properties in Hong Kong

TENANT ENGAGEMENT



Introduced **Carbon Advisory Services** for Net Positive Lease tenants

AIRSIDE HEADQUARTERS



Attained platinum level in all three major green and wellbeing certifications: LEED v4.0 Interior Design and Construction (ID&C): Commercial Interiors, WELL Certification and BEAM Plus Interiors v2.0

GOALS, TARGETS OR COMMITMENTS

GHG Emissions¹⁰

Targets	
Development Projects	
Reduce absolute Scope 1, 2, and 3 (capital goods and use of sold products) GHG emissions by ↓ 46.2% from a 2021 baseline year	Reduce absolute Scope 1, 2, and 3 (capital goods and use of sold products) GHG emissions by ↓ 99.6% from a 2021 baseline year
Buildings in Operation	
Reduce absolute Scope 1, 2, and 3 (fuel- and energy-related activities and downstream leased assets) GHG emissions by ↓ 46.2% from a 2021 baseline year	Reduce absolute Scope 1, 2 and 3 (fuel- and energy-related activities and downstream leased assets) GHG emissions by ↓ 99.6% from a 2022 baseline year
Please refer to the "Our Decarbonisation Pathway" section for more details about our targets	

Progress

Please refer to the "Our Decarbonisation Pathway" section for our full progress update

CHALLENGES

- **Prioritising operational efficiency:** Operational efficiency highly depends on the conversion of raw data into practical insights that inform strategic decision-making and enable effective solutions to manage environmental impact
- **Addressing market readiness:** Development projects face a growing market demand to reduce embodied carbon, alongside a lack of cost-effective low-carbon construction materials
- **Encouraging tenant action:** Buildings in operation face the challenge of motivating tenants to take meaningful action towards decarbonisation

LOOKING AHEAD

- **Integrating life cycle assessments:** To incorporate life cycle assessments into new development projects whenever applicable and actively source low-carbon solutions
- **Incentivising tenants:** We plan to enhance operational procedures continuously, evaluate incentive mechanisms for tenants and offer tailored advisory services aligned with their interests and goals

¹⁰ Our GHG emissions reduction targets have been verified by the SBTi.

Environmental Management

The Group's Environmental Management System ("EMS"), which covers managed properties and construction sites, provides a structured framework to identify and manage environmental impacts, implement controls and monitor performance in line with ISO 14001:2015.

It supports compliance with relevant regulations and internal policies, while enhancing resource efficiency and mitigating environmental risks.

In 2023, we introduced our Environmental Policy to reinforce our commitment to managing the environmental impacts of our operations. This policy stipulates the following:

- Identifying the environmental impacts associated with the Group's activities and establishing GHG reduction targets for energy, water, and waste
- Ensuring compliance with all applicable and relevant environmental legislation
- Providing access to data and resources for setting, monitoring, and reviewing environmental targets
- Using environmentally responsible materials and technology
- Enhancing employees' environmental awareness through training and workshops
- Holding all stakeholders accountable for their actions and ensuring compliance with environmental obligations

Our Environmental Policy builds the foundation for our Sustainable Procurement Policy, promoting environmental practices across our value chain. We also established the Climate Change Policy, which outlines our approach to addressing climate change through mitigation and adaptation as well as enhancing our climate resilience. These policies guide our efforts to meet the Group's decarbonisation targets by 2050.

The Group regularly reviews and updates these policies to address evolving environmental issues and guidelines. All relevant departments are required to use annual checklists as a tool to track and monitor their progress in implementing the policies.

Greenwashing Prevention Seminar

In 2024, we organised a Greenwashing Prevention Seminar to deepen employees' understanding of greenwashing and its global legal implications.

All participants expressed interest in attending future sessions on similar topics, where 60% indicated they became well aware of the potential risks and legal implications associated with greenwashing post-seminar.

Material Topic:

ENERGY EFFICIENCY AND CLIMATE RESILIENCE

Why It Matters to Us

At Nan Fung, we recognise the impact of energy consumption on our carbon footprint and the environment. We are thus committed to reducing our environmental impact as part of global climate change mitigation efforts.

This proactive approach not only supports a more resilient future but also strengthens our long-term competitiveness.

How We are Managing It

Our approach to managing energy and reducing emissions aligns with global climate change mitigation efforts and is underpinned by our commitment to efficiency and responsibility.

Each division follows its own procedures to ensure effective energy management. The construction division, certified to the ISO 50001 Energy Management System Standard, follows a departmental Energy Policy designed to optimise energy use across all construction projects.

In Hong Kong, NFPM adheres to their Environmental Policy, Green Procurement Policy and Integrated Management System—each helping to improve environmental performance across our managed properties.

We also integrate climate resilience strategies into our operations, ensuring our developments are designed and managed to withstand climate risks. This includes ongoing assessments and adaptations to address climate-related challenges.

The SEWIT Committee oversees these initiatives, setting the strategy and driving implementation across markets.

Leadership in Building Sustainability

Innovative and sustainable design is essential for enhancing occupant wellbeing and creating positive community impact.

At Nan Fung, we go beyond incorporating features with sustainability attributes¹¹ by embedding responsible practices throughout the building lifecycle—from planning and design to construction and operation. This approach addresses the carbon-intensive nature of property development and promotes sustainable choices among tenants and customers.

We are dedicated to creating positive environmental and social impacts in the communities we serve by developing buildings that incorporate sustainability and smart features. These include integrating extensive greenery into landscape design, using lower-carbon construction materials, installing Electric Vehicle (“EV”) charging stations on-site and providing efficient recycling facilities.

In 2024, we began formulating a list of responsible provisions for our project and construction departments to integrate into their standard management contracts. These provisions outline requirements for contractors covering sustainable working practices, environmental responsibility commitments and procedures for handling non-compliance with environmental regulations.

As evidence of our commitment, we have actively pursued and obtained various green building certifications, including BEAM Plus, LEED, WELL Building Standard and BREEAM. These certifications demonstrate our dedication to environmental excellence and stakeholder wellbeing.

Elevating Environmental and Wellbeing Performance in Chinese Mainland



WPP Campus at Shanghai



The Place at Shanghai

The majority of our properties in Chinese Mainland—including The Place in Guangzhou and several properties in Shanghai, namely WPP Campus, Le Rendez-Vous, The Place and Nan Fung Tower—achieved LEED v4.1 Operations and Maintenance (O+M): Existing Buildings – Platinum certification during the reporting year.

These accreditations reflect the project team’s consistent efforts in pursuing a high standard of performance.

Additionally, The Place and WPP Campus obtained LEED Zero Waste certification.



LEED Zero Waste Certification – The Place, Shanghai



LEED Zero Waste Certification – WPP Campus, Shanghai

94%¹²

of our wholly-owned properties have green or smart building certifications as of the reporting year



¹¹ A building is deemed to have a “sustainability attribute” if, when compared to other similar buildings or features, it has, or any significant portion of the materials it comprises has, (a) a reduced negative environmental impact at any point throughout its lifecycle (e.g., when it is designed, constructed or managed), (b) an increased positive social impact at any point throughout its lifecycle (e.g., benefits of design, construction, or management phases accrue to its inhabitants, local or marginalised groups or communities) and/or (c) third-party certifications or traceability features attesting to its environmental and/or social benefits.

¹² Measured by gross floor area (“GFA”) of wholly-owned properties of the Group.

GHG Emissions and Energy Efficiency

Our energy efficiency strategies focus on equipment upgrades, process enhancements and system optimisation to ensure sustainable practices throughout our operations.

Energy audits are regularly conducted at managed properties to identify potential efficiency opportunities. By the end of 2024, all eligible properties¹³ had successfully completed both mandatory and voluntary first-round audits, exceeding our target of completing energy audits for 95% of eligible properties by 2025. Furthermore, as of March 2025, nearly 70% of eligible properties have completed voluntary second-round energy audits.

GHG Emissions and Energy Consumption Performance

Continuous tracking of our carbon emissions helps us evaluate our decarbonisation progress and identify areas for improvement. In the reporting year, our energy consumption and intensity increased due to an increase in building occupancy and an expanded scope of data collection.

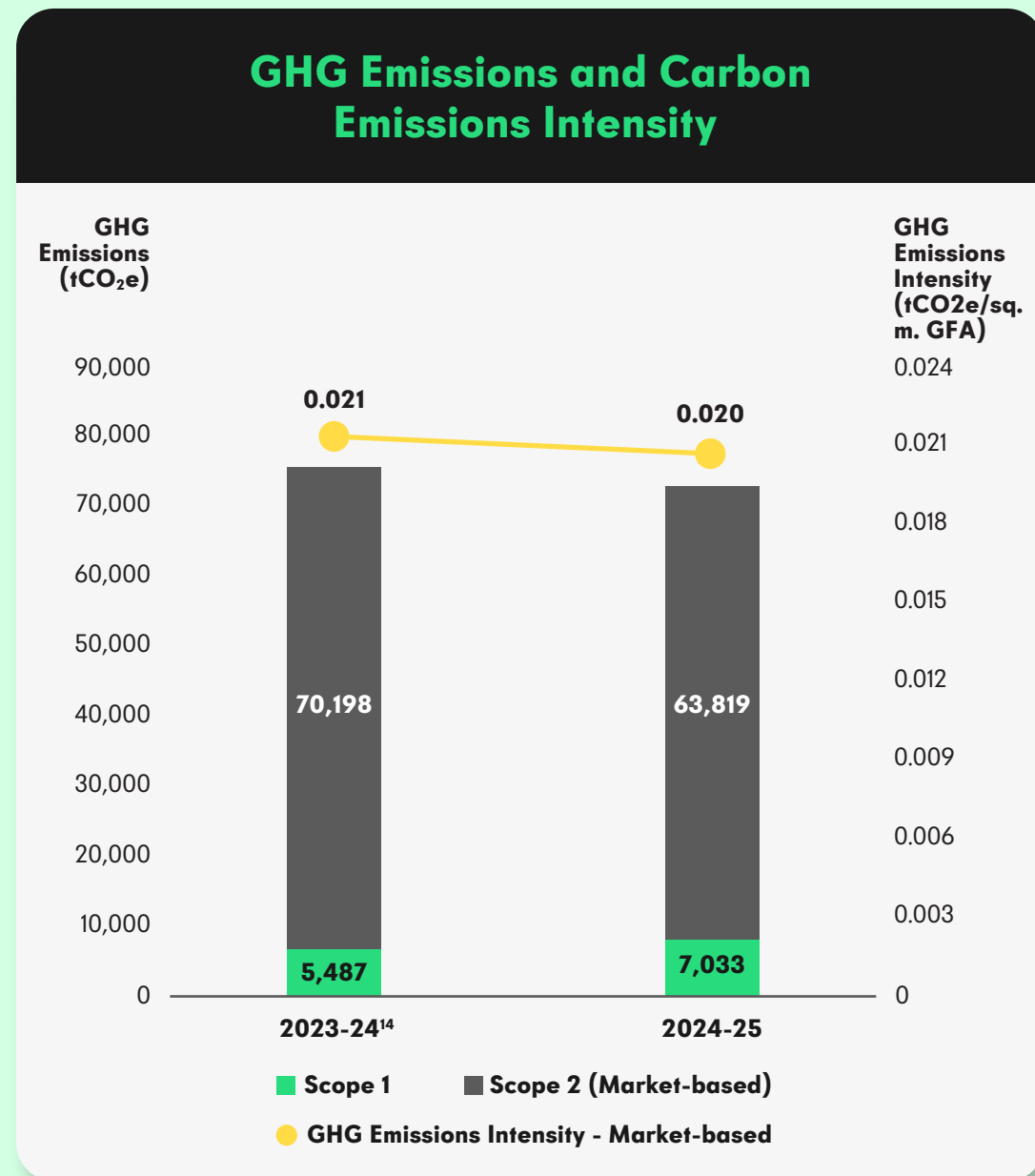


Fig. 9: GHG Emissions and Carbon Emissions

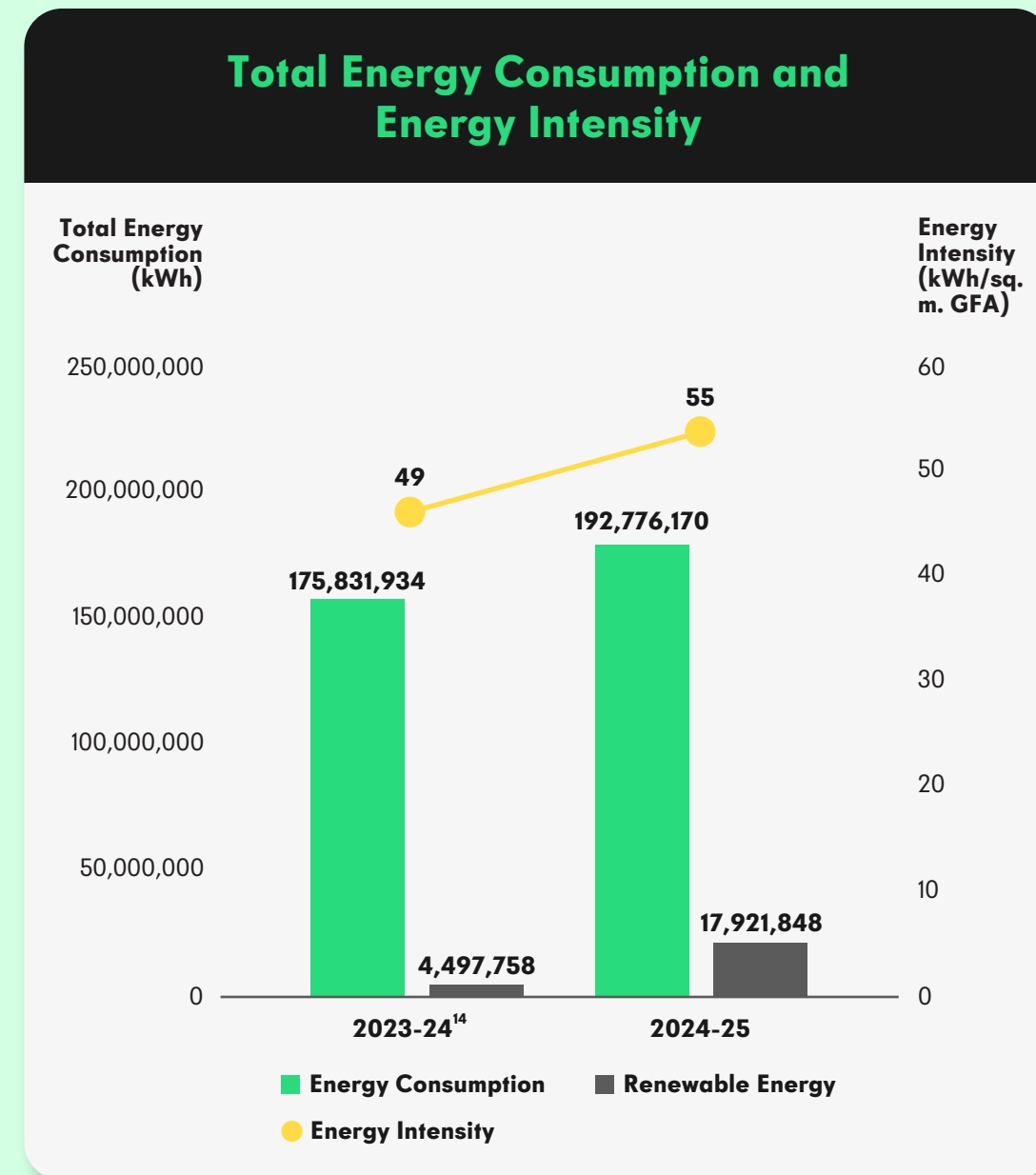


Fig. 10: Total Energy Consumption and Energy Intensity

Energy Efficiency Measures

The Group is actively exploring various energy saving and efficiency opportunities and technologies. Some measures implemented at our managed properties include:

- Sustainable Materials and Technologies** - Using locally sourced, low-carbon materials
- Green Building Standards** - Adopting industry best practices in design and construction, demonstrated through green building accreditations such as BEAM Plus and LEED
- System Upgrades** - Upgrading buildings to become more energy-efficient with LED lighting, smart controls, daylight sensors and retro-commissioning
- Performance Monitoring** - Implementing smart metering, deploying an integrated data management platform, performing energy audits and optimising operational schedules for efficiency

Renewable Energy

We remain committed to increasing our use of renewable energy by actively exploring opportunities such as installing photovoltaic panels and purchasing Renewable Energy Certificates (“RECs”).

Throughout the reporting year, we recorded an increase in renewable energy generation across our Hong Kong property portfolio due to increased sunlight hours compared to the previous year. We also expanded our procurement of RECs, further reinforcing our commitment to sustainability and reducing our overall GHG emissions.

As of March 2025, 1,825,499 kWh of renewable energy¹⁵ was generated on-site across the Group’s properties with operational control*.

¹³ Eligible properties refer to the 73 properties that will undergo energy audits by registered energy professionals.

¹⁴ Data for FY 2023-24 has been restated due to expanded scope of data collection.

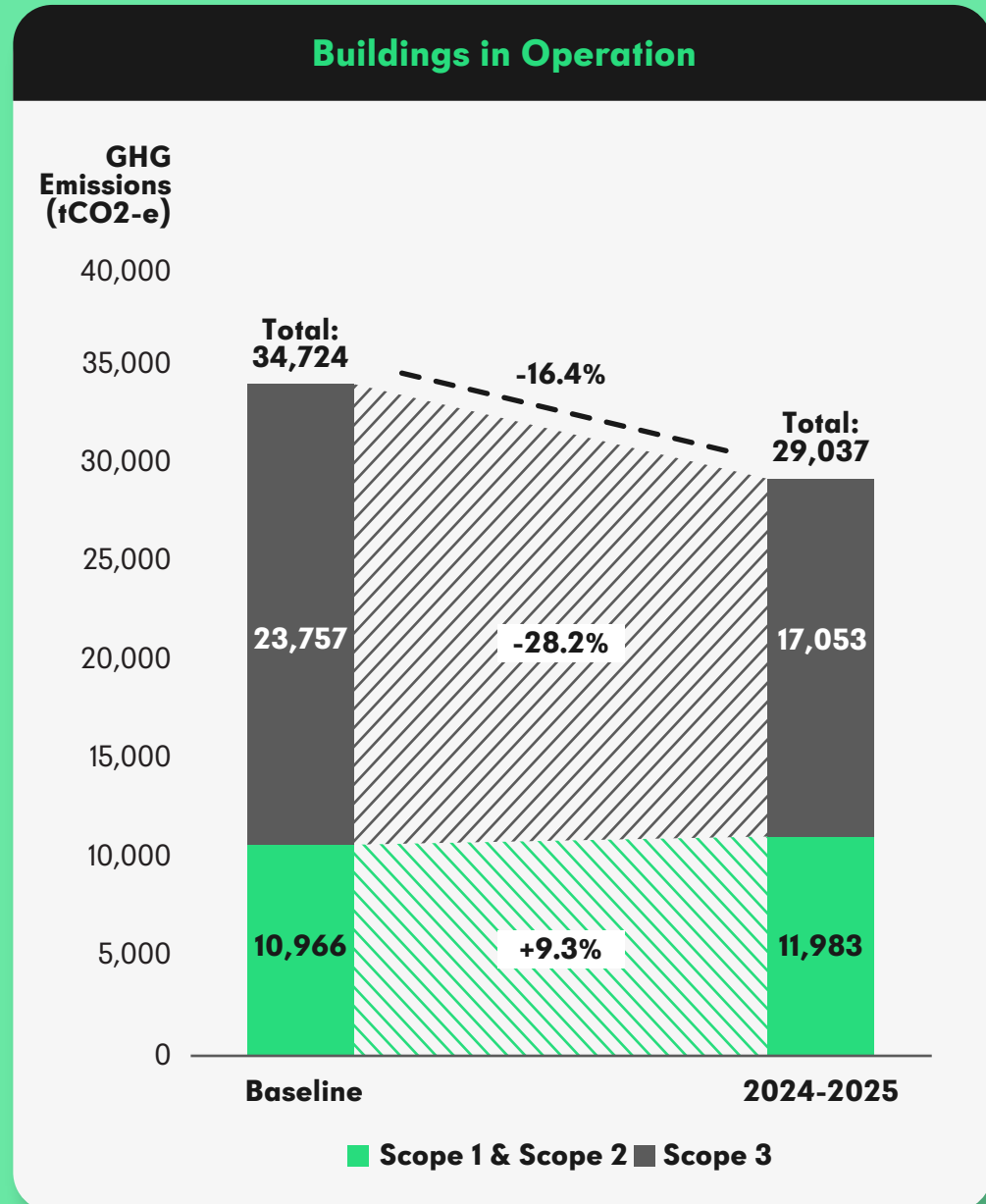
¹⁵ Cumulative figure since FY 2023-24.

Our Decarbonisation Pathway

Our decarbonisation pathway ensures our operations are focused on sustainability and aligned with global efforts to address climate change. We are committed to reducing our carbon footprint through both short- and long-term targets set based on climate science, with the goal of achieving net-zero emissions by 2050.

Continuously Progressing Towards our Science-based Targets

To meet our emissions reduction target, we are accelerating our decarbonisation efforts with the following initiatives:



Buildings in Operation¹⁶

In 2024, our Scope 1 and 2 emissions increased by 9.3% from our 2022 baseline, due to higher building occupancy and increased business activity. Nonetheless, our Scope 3 emissions decreased by at least 28%, attributable mainly to our tenant engagement initiatives under NPL, as well as improved data collection methods that strengthened the accuracy of our emissions tracking. We also recorded a 16% reduction in our overall GHG emissions compared with the baseline year.

To manage our emissions, we continually adopt energy-efficient technologies across our managed properties, as explained in the previous section on "Energy Efficiency Measures". We also encourage our tenants to integrate sustainable fit-outs and responsible practices through NPL.

We expect our energy consumption to fluctuate in response to future cooling needs and variations in occupancy. To navigate these challenges, we remain dedicated to strengthening our decarbonisation efforts across our business.

Fig. 12: Scope 1, 2 and 3 GHG Emissions of Buildings in Operation

Development Projects¹⁷

The decrease in our overall GHG emissions during the reporting period was mainly due to many of our development projects being in the design and planning stages, leading to a lower amount of embodied carbon emissions.

Considering the nature of our business, we anticipate that the amount of embodied carbon in our development projects may vary based on their stage of development. Therefore, we shall remain committed to managing our properties' emissions throughout the entire life cycles.

Development Projects

- Employing new technologies such as **Building Information Modelling ("BIM")** to digitise building construction and improve resource optimisation, energy efficiency and waste reduction
- Installing power meters to **monitor energy usage** at the plant and site office and regularly reviewing energy use records to regulate consumption
- Utilising **diesel-free energy storage systems**, "Enerainers", in our construction projects, effectively transitioning away from fossil fuels and reducing our emissions by an estimated 20 tonnes of CO2e annually
- Providing training for site teams on **energy use management**

Buildings in Operation

- Conducting **periodic energy assessments** for chiller plants and analysing performance data to identify optimisation opportunities
- Implementing **upgrades and replacements** to enhance operational efficiency and reduce energy consumption
- Reviewing and optimising **operational schedules**, including prioritising daylight utilisation to minimise artificial lighting dependency, implementing MVAC temperature setpoint adjustments and scheduling lift operations to enhance energy efficiency
- **Leveraging PropTech** such as Quantum Optimisation Technology to regulate the flow of electrons in power lines, thereby minimising energy loss

Scope 3 Engagement

- **Operational Carbon**
Enhancing energy and carbon monitoring by implementing tenant sub-metering and extending the Neuron¹⁸ system to more properties, allowing for accurate tracking and further optimisation
- **Embodied Carbon**
Piloting an Embodied Carbon Study at Jardine Court and actively sourcing for low-carbon solutions and building materials

¹⁶ "Buildings in operation" refer to those included in the SBTi submission under Nan Fung Property Management Holdings Limited.
¹⁷ "Development projects" refer to those included in the SBTi submission under Nan Fung Development Limited, and Nan Fung Development Holdings Limited.
¹⁸ An integrated data management platform that leverages AI and machine learning to analyse, optimise and automate building operations.

Climate Resilience

In accordance with the Group's Climate Change Policy, we are committed to integrating climate mitigation and adaptation into our operations and services by adopting and even going beyond industry best practices.

As described in previous sections, we are working towards achieving net-zero by 2050 by improving energy efficiency, sourcing low-carbon materials, adopting renewable energy and reducing GHG emissions with our stakeholders throughout our value chain in line with science-based targets.

In 2022, we aligned our climate-related financial disclosures with TCFD¹⁹ recommendations. Since then, the TCFD framework has guided our evaluation of the potential financial impacts of climate change on our operations and supported more transparent reporting of our progress.

The Group's approach to climate-related Governance, Strategy, Risk Management, Metrics and Targets, in line with TCFD recommendations, is described on [p. 94-95 of this Report](#).

An important step in building climate resilience is understanding and responding to the climate-related risks that affect our business. To this end, we conduct climate adaptation and financial assessments for major development projects that meet predefined thresholds for aggregated climate risks and asset values.

Climate Adaptation and Financial Assessment at AIRSIDE

CASE STUDY

In 2023, we conducted an in-depth climate adaptation and financial assessment at AIRSIDE, focusing on climate risk preparedness to respond to climate risks and the financial implications of climate-related issues.

Following the assessment, we have implemented a set of short- to medium-term measures to further enhance our climate resilience. These include:



- **CCTV-based river water level monitoring:** The installation of a CCTV-based river monitoring system can visually monitor Kai Tak River's water level in real time. By comparing the water level against fixed and easily identifiable objects on the riverbank, colleagues on duty can quickly assess river conditions and respond promptly to rising water levels

- **Enhanced flood protection measures:** Two flood gates have been prioritised for implementation at key locations to prevent urban waterlogging during extreme rainfall events

- **Warning signages for extreme heat:** Displaying warning signages for extreme heat in outdoor areas will alert tenants and visitors to the risks of high surface temperatures and potential skin burn impacts



¹⁹ In 2023, the International Sustainability Standards Board released the International Financial Reporting Standards ("IFRS") S1 General Requirements for Disclosure of Sustainability-related Financial Information and S2 Climate-related Disclosures. IFRS S2 has effectively subsumed the TCFD recommendations.



Increasing the Climate Resilience of 99 City Road

CASE STUDY

The Group also conducted a climate adaptation and financial assessment at 99 City Road—a flagship project located in Central London.

While the project is still under development, the assessment exemplifies our proactive approach to future-proofing assets against escalating climate risks.





99 City Road is a 35-storey, prime office tower development with accreditations covering environmental performance, tech-enablement and occupier wellbeing. The scheme comprises best-in-class commercial offices complemented by premium amenities designed to foster a vibrant and inclusive urban ecosystem.

The assessment followed the same methodology applied at AIRSIDE, guided by the Intergovernmental Panel on Climate Change (“IPCC”) Sixth Assessment Report (“AR6”), considering “Hazard”, “Exposure”, “Vulnerability” and “Response”. Climate projections were analysed for present, mid-century and end-century periods under both SSP5-8.5 (Fossil-Fueled Development) and SSP2-4.5 (Middle of the Road) emission scenarios, ensuring a comprehensive analysis of future climate risks.

The process incorporated three key steps. First, potential climate risks were identified and evaluated using data from international climate authorities, government agencies and scientific literature. This was followed by an assessment of building design, site conditions and adaptive capacity through site visits and technical analysis. Finally, targeted resilience enhancement measures were developed to address the identified climate risks.

This structured methodology allowed for consistent analysis and comparability across the Group’s portfolio. Four climate hazards were identified during the assessment; their potential impacts and the corresponding design responses are presented on the next page.

99 City Road Climate Adaptation and Financial Assessment Results

Climate Hazards	Potential Impacts	Existing Design Approach
 Extreme Cold	<ul style="list-style-type: none"> Strain on building materials 	<ul style="list-style-type: none"> External materials to be designed to meet slip resistance standards for exterior spaces Coordinate with stone suppliers to ensure specified natural stone can withstand freeze-thaw cycles
 Extreme Heat	<ul style="list-style-type: none"> Increased energy consumption Reduced indoor air quality and thermal comfort Operational disruption 	<ul style="list-style-type: none"> Extensive passive design measures including articulation of the façade to reduce solar gain and external shading
 Flooding - Urban Waterlogging	<ul style="list-style-type: none"> Negative impact to building facilities due to overloading of urban drainage during intense rainfall 	<ul style="list-style-type: none"> Building drainage designed to manage heavy rainfall events, incorporating future climate change considerations Channel drains around building facades to manage surface water runoff Install a basement attenuation tank that provides additional capacity to store excess stormwater during heavy rainfall events
 Typhoon-induced extreme wind and wind related issues	<ul style="list-style-type: none"> Negative impact to building structures from extreme wind or windborne debris 	<ul style="list-style-type: none"> Structural design developed to withstand severe wind events, with a safety margin that covers both current and projected wind conditions

The assessment identified several design recommendations for further strengthening climate resilience over time, such as:

- Identifying contingency space and ensuring adequate power supply and structural loading to meet growing cooling demand
- Deploying portable flood barriers at the entrances to enhance flood resilience

Climate Value-at-Risk

As part of our commitment to climate resilience, we conducted a comprehensive Climate Value-at-Risk (“CVaR”) assessment for 99 City Road.

This assessment evaluates the potential financial impacts of climate change on the asset, considering risks such as physical damage from extreme weather and operational disruptions across different climate scenarios. We then benchmarked our findings with the United Nations Environment Programme’s (“UNEP”) study on climate risk assessment in the real estate sector to understand 99 City Road’s adaptive capacity and resilience.

The results show that 99 City Road’s CVaR is lower than peer benchmarks reported in UNEP’s study under both SSP5-8.5 and SSP2-4.5 climate scenarios.

This indicates that 99 City Road’s exposure to climate risks is considered minimal, reflecting the effectiveness of our site selection and our design and adaptation strategies.

We will regularly review and enhance the asset’s adaptive capacity to strengthen and future-proof 99 City Road’s climate resilience.

Material Topic: RESOURCE USE, WASTE MANAGEMENT AND BIODIVERSITY

Why It Matters to Us

Nan Fung is deeply committed to promoting responsible resource management and biodiversity conservation, acknowledging the significant impact the property sector has on natural ecosystems.

We make it a priority to reduce resource consumption, manage waste efficiently and implement circular economy practices.

These practices are crucial for maintaining healthy ecosystems, which in turn support the resilience of our developments and the wellbeing of surrounding communities. This approach aligns environmental stewardship with long-term value creation.

How We are Managing It

Recognising the vital connection between resource consumption, waste management and ecological health, **our approach focuses on reduction at source, reuse and recycling in line with circular economy principles.**

Our Environmental Policy outlines how we manage materials, resources and waste across all our managed properties, with regular reviews of our waste management procedures to enhance operational efficiency and data accuracy.

The SEWIT Committee oversees the Group’s waste management strategy, including waste diversion targets as well as the efficiency of material use. We also actively engage with stakeholders to promote resource and material reduction, as well as recycling and upcycling initiatives, ensuring alignment with our sustainability goals.



Green Corner at 33 Des Voeux Road West

Waste Management

Waste management remains a significant environmental challenge in Hong Kong, and the Group is committed to reducing the impact of waste generated by our business activities.

Our waste management efforts span daily operations and construction activities, with our construction arm adhering to a waste management plan for handling construction waste.

Recognising that operational waste constitutes the majority of the Group's total waste generation, NFPM has established a goal of diverting at least 30% of municipal solid waste from landfills by 2030.

We are actively working towards this goal by implementing different waste management initiatives and striving to promote a circular economy within our properties. In the reporting year, our waste generation and intensity increased due to a new development under construction and increased tenant activities.

Total Waste and Intensity 2024-2025

Reporting period	2023-24	2024-25
Total waste generated	98,770 tonne	108,000 tonne
Waste intensity	0.028 tonne/m ² GFA	0.031 tonne/m ² GFA

Fig. 11: Total Waste Generated and Intensity

Property Type-specific Waste Management Strategies in Action

A Resources Management Circularity Taskforce under NFPM evaluates and improves waste management strategies, tracks performance and implements waste reduction and recycling initiatives.

Given waste streams and operational challenges at our properties vary due to diverse needs across tenant and customer types, operational requirements and the types of waste involved, we adopt a property type-specific approach. This ensures our initiatives align with the unique characteristics of each property category.



Wooden pallet upcycling workshop by NFPM

Industrial Properties - Hong Kong

Wooden pallets were identified as a significant waste stream within our industrial properties.

This year, NFPM launched an initiative to collect and repurpose these pallets, partnering with a third-party vendor specialising in wood upcycling and furniture production.

A total of **400 kg of wooden pallets were collected and repurposed** into office accessories such as monitor stands and file trays.

Looking ahead, we aim to enhance our long-term recycling efforts by identifying additional recyclers for wooden pallets and other types of waste streams.



Recyclables collection service for tenants

Major Properties – Hong Kong, London and Boston

Hong Kong

Our major property portfolio in Hong Kong serves a diverse tenant base, each with unique needs.

To address this, we have implemented a waste management approach that includes extensive recycling facilities capable of processing up to 11 separate waste streams.

These facilities are supported by **IoT-enabled smart weighing scales**, providing real-time analytics that inform data-driven strategies for waste management. Through NPL, we partner with tenants to optimise waste management practices, offering comprehensive waste collection, tailored training, advisory services and data tracking.

London

In London, we implemented a **data-driven waste management solution** at 108 Cannon Street designed to collect and analyse waste data at the tenant level. By providing real-time insights into the types and quantities of waste generated by each tenant, it enables stakeholders to make informed decisions and work together towards sustainability goals. It also establishes a robust baseline for tracking performance and informing future improvement strategies.

During the initial three-month period following implementation, recycling rates ranged from 31% to 46%. Looking ahead, we are looking to expand the use of this solution across our London portfolio.

Boston

In our Boston portfolio, Nan Fung Life Sciences Real Estate ("NFLSRE") supports a diverse range of life sciences companies. The U.S. life sciences sector generates around 1.1 million tonnes of single-use plastic waste each year, largely driven by contamination control needs in research and diagnostics.

To address this, we launched a scalable **lab consumable waste recycling programme** at One Winthrop Square. Targeting specific laboratory plastics such as pipette tip boxes, media bottles, and PPE, the initiative leverages digital tools to track carbon reduction, conserve resources, and manage waste more efficiently.

By partnering with specialized providers, we ensure compliance and deliver verifiable sustainability outcomes, offering a replicable model for the wider sector.



Lab consumable waste recycling programme



Food waste collection facilities in residential properties

Residential Properties – Hong Kong

Food waste remains a major contributor to landfill volumes in Hong Kong.

To address this, we expanded **food waste collection services** to five residential properties over the reporting period, resulting in the collection of 60 tonnes of food waste.

To encourage participation, NFPM is set to introduce an incentive scheme in the upcoming year, motivating residential property managers to embrace and support food waste collection.

A Holistic Approach to Resource Management

CASE STUDY

At our major properties, recycling is now a comprehensive effort, handling everything from common materials to more complex waste streams like beverage cartons, clothing and electronic waste.

This year, we expanded our efforts with a coffee ground collection programme at AIRSIDE and rolled out food waste collection across all major commercial properties in Hong Kong, deepening our commitment to diverting landfill waste.

Below are the three key steps we have taken to drive our waste management strategy:

Enhancing the User Journey

We conducted site visits to identify areas for improvement, continually refining our systems to make the recycling journey user-friendly and hassle-free.

Data and Tracking

Our automatic refuse collection system at AIRSIDE, combined with the IoT-based smart waste management solution, Greenbird²⁰, captured granular data on various waste streams—enabling tenants to track recycling performance and identify waste generation patterns.

Training and Advisory

The data is translated into actionable insights and shared with tenants, enabling them to make informed decisions on their waste strategies. Building on these insights, we also provide tailored training and advisory services that help tenants strengthen recycling practices and reduce waste.



Coffee ground recycling initiative at AIRSIDE



The Greenbird system

Championing Waste Management During Office Relocation

CASE STUDY

When Nan Fung relocated its headquarters in April 2024, we recognised the need for a robust waste reduction strategy.

Old furniture and fixtures were repurposed or donated, keeping them out of landfill. We also set up a "Green Corner" where employees could recycle or donate unwanted personal items, diverting over 60 kg of materials away from landfills.

The new office now boasts an expanded recycling system, growing from three to eight categories to make recycling more accessible and convenient. Recycling participation is further encouraged by leveraging the NF Touch programme, where employees can scan QR codes on recycling stations to collect NF Seeds and support charitable causes.

By strengthening internal practices to deliver tangible results, these tried-and-tested initiatives present a credible reference for tenants—reinforcing our commitment to responsible waste management and setting the bar for sustainable office practices.



Recycling system at AIRSIDE headquarters

²⁰The Greenbird system is an IoT-based smart waste management solution implemented across Nan Fung's major commercial properties. It provides real-time data on waste generation and segregation by measuring waste stream weights and utilising QR codes and smart scales for automated data collection. This system helps tenants and property managers track and optimise waste management practices.

Water Stewardship

Water is an essential shared resource and we are taking action to manage it effectively across our operations through smart technology, clear targets and localised initiatives.

In this reporting year, we continued to build on our water stewardship practices, focusing on efficiency and compliance across the board.

We prioritise adopting water-saving technologies, such as sensor-operated faucets, toilets and systems that collect rainwater and stormwater. We also continue to have our managed properties certified under the Quality Water Supply Scheme for Buildings from the Water Services Department.

We are also taking action on wastewater. We adhere to all relevant regulations in jurisdictions where we operate and perform regular testing to ensure our discharge practices meet local standards. Our ongoing efforts to improve wastewater management extend to all our construction sites and managed properties, where wastewater is treated before discharge. There were no recorded instances of non-compliance in this reporting period.

Water Management Solutions: Sustainable Practices in Boston and Shanghai

In Boston, NFLSRE’s laboratory offices and facilities process wastewater using a pH system. A daily monitoring system for pH levels and a reporting procedure were established to ensure discharged wastewater complies with the Massachusetts Water Resources Authority's standards.

In Shanghai, The Place and Yi Fung Place are equipped with water metering systems and reclaimed water systems, helping us track consumption and recycle wastewater.

Across our properties, greywater is likewise reused for irrigation and cleaning, reducing our freshwater withdrawal.



Water management facilities

Water Management at our Properties

By 2030, we aim for 85% of our eligible properties²¹ in Hong Kong to be certified for Quality Water Supply Scheme for Buildings – Fresh Water Certificate, with a target for 80% to have installed water efficient devices. We are also pushing forward with BEAM Plus standards in all our construction projects to improve water efficiency from the ground up.

Currently, 50 and 55 of eligible managed properties have achieved accreditation under the schemes for fresh water and flushing water, respectively. Furthermore, over 90% of eligible managed properties are equipped with water-efficient devices, resulting in an 8% reduction in water consumption and nearly 6% decrease in water consumption intensity during the reporting period.

Total Water Consumption and Intensity

Reporting period	2023-24 ²²	2024-25
Water consumption	885,696 m ³	814,510 m ³
Water consumption intensity	0.249 m ³ /sq.m GFA	0.233 m ³ /sq.m GFA

Fig. 12: Total Water Consumption and Intensity

²¹ Eligible properties refer to the 74 properties that will join the Quality Water Supply Scheme.
²² Data for FY 2023-24 has been restated due to expanded scope of data collection.

Conserving Biodiversity

Recognising the impacts of our business operations on biodiversity, we are committed to protecting natural habitats that are essential for the health of local ecosystems and the wellbeing of future generations.

By embedding biodiversity considerations into our practices, we aim to create spaces that nurture life and contribute to long-term environmental balance.

Embarking on a Nature Strategy

This year, we continued monitoring the recommendations of the Taskforce on Nature-related Financial Disclosures (“TNFD”) and conducted an internal feasibility study to plan for a Group-level Nature Strategy.

In March 2025, we held a high-level biodiversity strategy session for department heads, along with similar training for 87 property managers during NFPM’s town hall. These sessions introduced biodiversity concepts and their implications for our business.

We are also in the process of developing sustainable procurement guidelines for construction materials that account for biodiversity impacts. Our construction department’s Sustainable Purchasing Framework outlines clear criteria on material sourcing, with preference for timber with sustainability certifications, products containing recycled or renewable content, as well as materials with transparently disclosed environmental impacts.

Looking ahead, we plan to conduct a strategic review of biodiversity assessment across our major properties. These efforts will help us better integrate biodiversity considerations into our operations and developments, fostering sustainable communities that benefit both people and nature.



AIRSIDE, Hong Kong

Insect Hotel and Guided Tours – AIRSIDE, Hong Kong

CASE STUDY

At AIRSIDE in Hong Kong, our insect hotel—established in August 2023—offers a habitat for solitary bees, wasps and other insects.

In partnership with Outdoor Wildlife Learning Hong Kong (“OWLHK”), the insect hotel is designed to mimic natural cavities, providing shelter and safeguarding the health of local insect populations.

A total of 75 different insect species were recorded in a study by OWLHK surveyors, with over 84% identified as pollinators. Our property management and landscaping teams have collaborated to explore the adoption of native nectar plants to help attract and preserve species with high ecological potential.

Connecting Communities to Nature: Exploring Urban Biodiversity Through Educational Workshops and Guided Tours

Educational workshops and guided tours were conducted to raise awareness about the importance of insect conservation and the role of property developers could play in supporting urban biodiversity.

To further enhance community engagement and appreciation for local biodiversity, tours of the surrounding areas have also been planned. The Kai Tak River Tour allows participants to explore the natural beauty of Kai Tak River, a gem of biodiversity in the heart of Hong Kong. The tour highlights the rich diversity of plants, animals and habitats along the river, offering insights into the local ecosystem and water quality.

Participants can observe birdlife and learn about the river's transformation into an urban green corridor, fostering a deeper connection with the environment and the neighbourhood surrounding AIRSIDE.

During the reporting period, we engaged over 600 participants through 148 events. By involving the community in these activities, we are fostering greater appreciation for nature and encouraging sustainable practices that support local ecosystems.



Habitat Garden – The Place, Shanghai

CASE STUDY

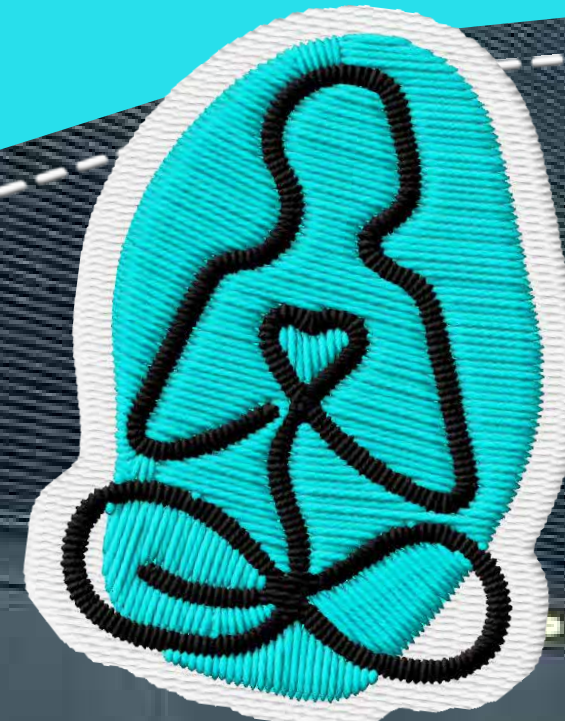
At The Place in Shanghai, we developed a first-of-its-kind urban garden that integrates nature with commercial development. This garden creates a functioning green oasis, enhancing biodiversity while providing the community with access to nature.

In partnership with the Urban Renewal and Low Carbon Project Management Center of Changning District and Shanghai Jiao Tong University, the garden is home to local plant species, orchard plants and nectar-rich flowers that provide food for small wildlife. An ecological pond with a self-circulating oxygenation system helps maintain water quality, supporting the local ecosystem.

An interactive observation zone, equipped with infrared cameras, enables continuous monitoring of wildlife activity both day and night. More than 12 species, including the red-flanked bluetail and Pallas’s squirrel, have been spotted, demonstrating the garden’s role in fostering urban biodiversity within a dense metropolitan setting.

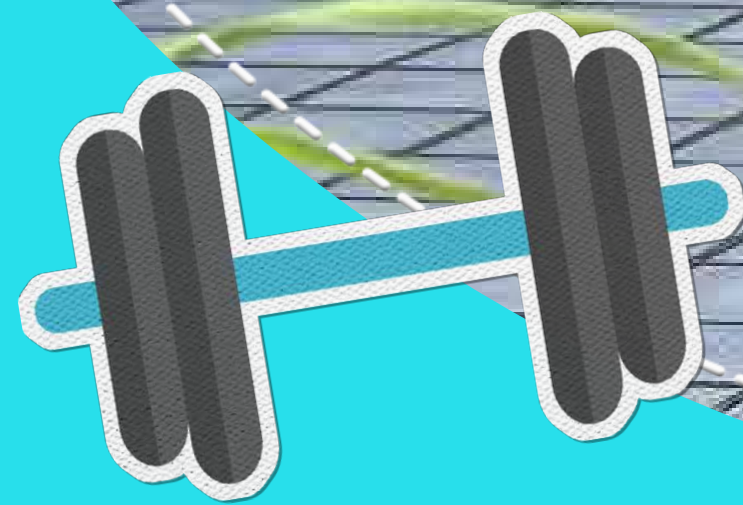


WELLNESS



At Nan Fung, we place safety and wellbeing at the heart of all we do—from the way we design buildings, manage properties and construction sites, to delivering programmes for colleagues, tenants and customers.

Beyond the boundaries of our properties, we advance quality of life more broadly through strategic life sciences investments and community-driven initiatives, setting benchmarks for wellness and meaningful impact across society.



Material Topics:

- **Wellness for Employees**
- **Wellness for Tenants and Customers**
- **Wellness for Humankind**

Sunset Yoga at AIRSIDE

HIGHLIGHTS 2024-25

EMPLOYEE WELLNESS

Established the Group-wide
SEWell Six Pillars of Employee Wellness

making wellbeing a core aspect of workplace practices and the overall employee experience

Launched the employee-driven
SEWell Community

to foster a sense of empowerment and unity

GOALS, TARGETS OR COMMITMENTS

OCCUPATIONAL HEALTH AND SAFETY

Target:

<2.0

LTIR for employees



Progress:

0.8

LTIR for employees in the reporting year



Maintained

zero employee fatalities

in the workplace



Singing bowl experience for Nan Fung colleagues

CHALLENGES

- **Long-term engagement:** Achieving lasting behavioural change for physical and mental wellbeing depends on continuous employee engagement. Cultivating a wellness-oriented culture takes time, particularly when engaging less active employee groups
- **Managing diverse needs:** Addressing the varied wellness needs of our workforce poses challenges for resource planning and prioritisation, given individuals' differing preferences and expectations
- **Extending wellness initiatives:** Expanding wellness initiatives to tenants and the wider community can be challenging, as organisational cultures vary and levels of interest and participation levels differ among stakeholders

LOOKING AHEAD

We intend to continue advancing wellness initiatives for all stakeholder groups.

- **Wellness for colleagues:** Leverage insights from the SEWell Survey, our Group-wide employee wellness survey, to guide evidence-based resource allocation, making wellbeing a priority in our business planning and operations. This includes offering a variety of initiatives to meet diverse needs and encouraging peers to support each other through activities and interest groups
- **Wellness across the value chain:** Expand our Employee Wellness Framework to tenants, customers and communities, with initiatives tailored to their specific preferences and interests

Material Topic: WELLNESS FOR EMPLOYEES

Why It Matters to Us

Prioritising employee wellness and safety enhances productivity, strengthens morale and helps attract and retain talent.

By proactively safeguarding our people, we minimise risks, protect our workforce and reinforce our commitment to sustainability and operational excellence—securing our long-term business success.

How We are Managing It

Recognising the vital role of wellbeing in supporting a resilient and engaged workforce, we have established a Group Employee Wellness Framework to steer our efforts.

This framework incorporates metrics to enable ongoing tracking, review and continuous improvement of programmes.

We uphold high standards of health and safety across all workspaces. Our Group Health and Safety Policy reinforces our commitment to a safe working environment for all our employees and contractors, and drives compliance with all applicable laws, regulations, standards and codes of practice.

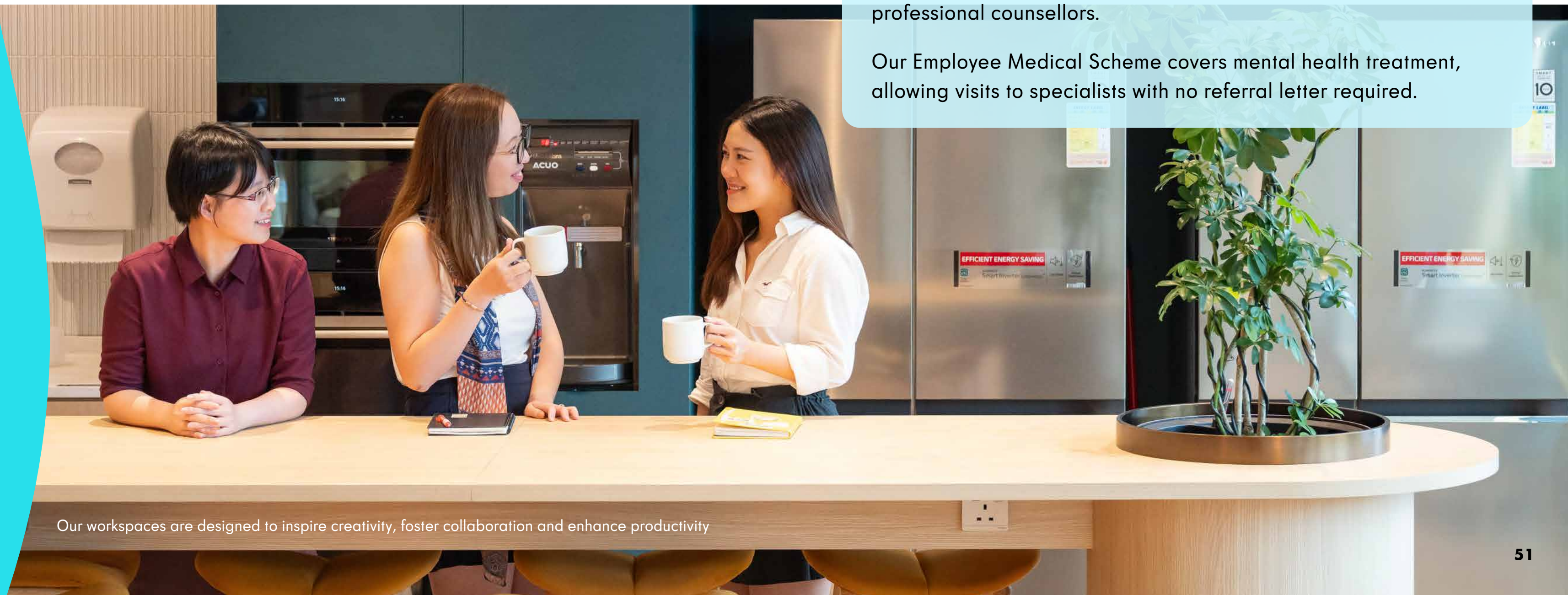
We embed best practices into daily operations and deliver regular training to strengthen our culture of safety and enhance awareness.

Our property management and construction arms are certified to ISO 45001:2018, covering employee and contractor activities. A dedicated Wellbeing Taskforce under the Steering Committee on Sustainable Development of NFPM enforces compliance with occupational health and safety regulations. Comprising management, safety team members, site managers and functional teams, the taskforce meets bi-monthly to monitor and enhance safety performance.

At our construction division, we conduct regular internal and external assessments, risk evaluations and incident investigations. Independent audits are undertaken every six months, with an external assurance provider conducting an annual audit to strengthen our occupational health and safety management systems.

We provide a variety of benefits to enhance wellbeing, including the Employee Assistance Programme (“EAP”), which offers a 24-hour hotline service for employees and their family members who need support with work, family, social or other personal challenges. Guidance and practical advice are provided by independent and professional counsellors.

Our Employee Medical Scheme covers mental health treatment, allowing visits to specialists with no referral letter required.



Our workspaces are designed to inspire creativity, foster collaboration and enhance productivity

Nan Fung’s Employee Wellness Framework

Drawing on feedback from our first SEWell Survey conducted in 2023, this year we developed a new Employee Wellness Framework designed to make wellbeing an integral aspect of our workplace practices and overall employee experience.

By prioritising holistic wellness, which encompasses physical, mental, and social wellbeing as defined by the World Health Organization’s (“WHO”), we not only enhance overall individual health but also strengthen business continuity and productivity. Informed by research on global best practices, the framework identifies six SEWell pillars: **Physical, Mental, Social, Occupational, Community and Financial.**

SEWell Six Pillars of Employee Wellness



Wellness initiatives aligned with each SEWell pillar support employee wellbeing across all dimensions.

We have established metrics for each pillar, aligned with international and local benchmarks and frameworks. These metrics help us continuously evaluate the effectiveness of our initiatives and guide ongoing improvement plans.

Measuring Employee Wellness Through the SEWell Survey

The success of our wellness initiatives is also tracked through our annual SEWell Survey, our Group-wide employee wellness survey, which was developed in alignment with the WHO physical activity and mental health standards.

Colleagues from Hong Kong, Chinese Mainland, the United States and the United Kingdom completed the survey to help us understand the status of their physical health and identify unmet needs to enhance our ongoing efforts.

With a response rate of 62% this year, we saw



improvement in employees’ awareness of the health benefits of regular exercise



increase in their willingness to adopt daily wellness habits



rise in the number of employees meeting the WHO’s guideline of 150 minutes of exercise per week

Looking ahead, we will continue to utilise findings and insights from the SEWell Survey to inform evidence-based resource allocation, prioritising wellbeing in our business strategies and day-to-day operations.

The Group's SEWell Programme and SEWell Community

Launched in 2023, the SEWell Programme contributes to the Group's broader wellness initiatives.

Designed to support colleagues in making meaningful progress towards their health and wellbeing goals, the programme is structured around quarterly wellness themes to provide comprehensive support in physical, mental, social and community wellbeing, in accordance with global standards such as the WHO's guidelines on physical activity and sedentary behaviour.

The programme offers a variety of activities, including sports and health days, stretching and singing bowl sessions, yoga classes and rugby experiences, along with health talks, mindfulness workshops and knowledge sharing sessions on healthy living.

SEWell Programme

SEWell Wednesday

Acting on feedback from last year's SEWell Survey, we launched SEWell Wednesday in Hong Kong in 2024. This initiative aims to encourage colleagues to set aside time on Wednesdays to prioritise their wellbeing.

Onsite stretching and mindfulness sessions are also featured on the first and third Wednesdays of each month.

These were designed to provide them with dedicated time to unwind and rejuvenate, offering opportunities for physical relaxation and mental de-stressing during the workday.

Our offices in other key operating markets also organised various employee wellness activities, including stretching and aerobic sessions every Wednesday and Friday at our Guangzhou office.

Mental Health First Aid Certificate Course

An ongoing 12-hour Mental Health First Aid Certificate Course was also organised by licensed Mental Health First Aid instructors from The Mental Health Association of Hong Kong.

The course focuses on the following key learning objectives:

- Skills to recognise the signs and symptoms of mental health problems
- Skills to provide appropriate initial help and support to someone experiencing a mental health problem and to handle crises
- Assisting individuals in need to seek professional services or utilise appropriate community resources

The purpose of this course for our colleagues at Nan Fung is to enhance their understanding of mental health and encourage them to support each other, as well as their friends and families, in times of need. In total of 30 colleagues at all levels, from officers to general managers, completed the certificate course to become our NF Mental Health First Aiders.



SEWell Community

As part of the Group's wellness journey, in 2024, we introduced the SEWell Community in response to survey feedback that colleagues prefer group-based activities. As an extension of the SEWell Programme, the SEWell Community is an employee-driven initiative designed to:

- **Encourage co-creation of wellness initiatives:** Empowering colleagues to collectively develop activities that reflect bottom-up shared preferences
- **Strengthen connections:** Fostering a sense of community and bonding through co-created and shared wellness experiences

During the reporting year, the SEWell Community organised activities including farming, cooking, team sports, group walking and CrossFit sessions. By encouraging and providing a platform for colleagues to co-create and steward their SEWell journey in the companionship of other like-minded colleagues, we have seen a heightened sense of ownership, improved bonding, and sustained engagement with their respective communities.

Looking ahead, we will continue investing resources to raise awareness and foster a positive change in colleagues' attitudes as we further refine our wellness initiatives.



Aspire Lounge

AIRSIDE: Redefining the Workplace Through Human-centric Design

CASE STUDY

In May 2024, Nan Fung marked a major milestone in its sustainability and wellbeing journey by relocating its headquarters to AIRSIDE, a workplace rooted in human-centric design.

This move not only provides our colleagues with an enhanced collaborative working experience, but also inspires creativity, promotes collaboration and prioritises wellbeing.

Achieving High Sustainability Standards

Our new AIRSIDE Headquarters has achieved a suite of prestigious certifications, including:



BEAM Plus Interiors v2.0 - Final Platinum



LEED v4.0 Interior Design and Construction (ID+C): Commercial Interiors - Platinum



WELL Certified™ Platinum

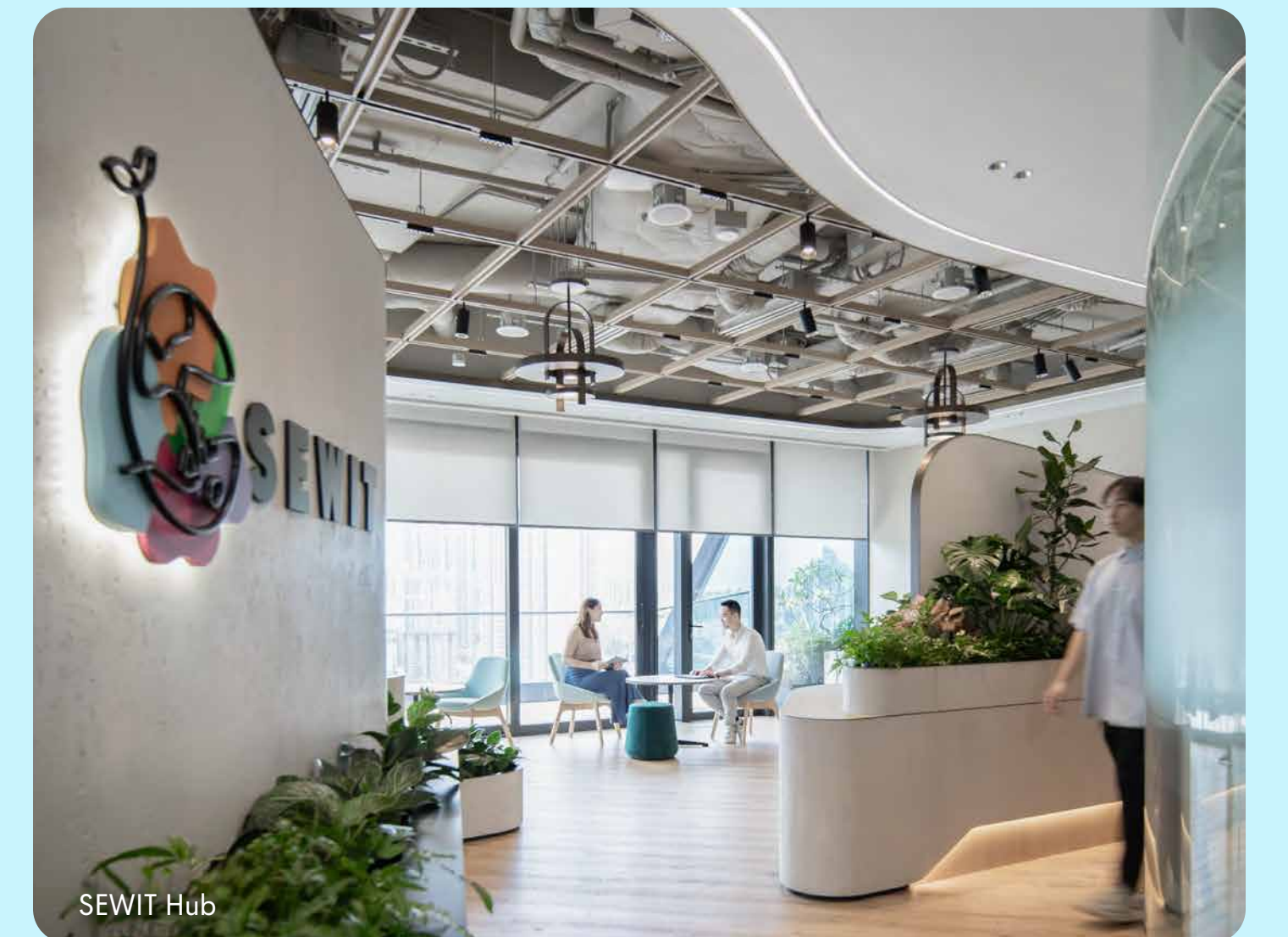
These internationally recognised benchmarks affirm our focus on indoor environmental quality and occupant health and safety.

The office is thoughtfully equipped with features that respond to the needs of today’s evolving work culture, including a Social Hub for interaction, a SEWIT Hub with circadian lighting and sensory elements, as well as ergonomic workstations with adjustable desks and posture reminders, enhancing day-to-day wellbeing.

AIRSIDE delivers a holistic workplace experience that champions health and performance, effectively showcasing how built environments can support human wellbeing.



Multi-function Room at the new workplace



SEWIT Hub

Health and Safety at Construction Sites

Health and safety measures extend to all construction sites. Our Health and Safety (“H&S”) Committee steers initiatives to protect employees and contractors across our construction companies.

Committee members are responsible for identifying potential hazards and accident risks. These are recorded in the Safety Plan, which is reviewed annually by the corporate H&S Manager and Site Safety Teams, and approved by the General Manager.

The Corporate Safety Committee, a sub-committee under the H&S Committee, comprising the Group Managing Director and directors, the construction department head, section heads, construction site management and employee representatives, meets quarterly.

The Site Safety Committee, another sub-committee, meets monthly, bringing together site management, safety supervisors and representatives of sub-contractors and workers.

All sites follow the Company Safety Policy and implement a Safety Plan. In cases of non-compliance, site representatives immediately suspend operations and initiate timely remediation. Measures may include site access restrictions and mandatory retraining.

The Site Safety Committee oversees:

- Risk assessments for all construction activities
- Onsite inspections, sub-contractor evaluations and training
- Health checks, including blood pressure screening, to raise awareness of health risks

During the reporting period, we arranged health check-ups for 74 construction workers. The check-ups included blood pressure, Body Mass Index, diabetes liver and kidney function tests.



²³ Covers all employees.

Hazard Incident Reporting and Training

Workers and community members are encouraged to report potential hazards via opinion boxes at site entrances or directly contact site representatives.

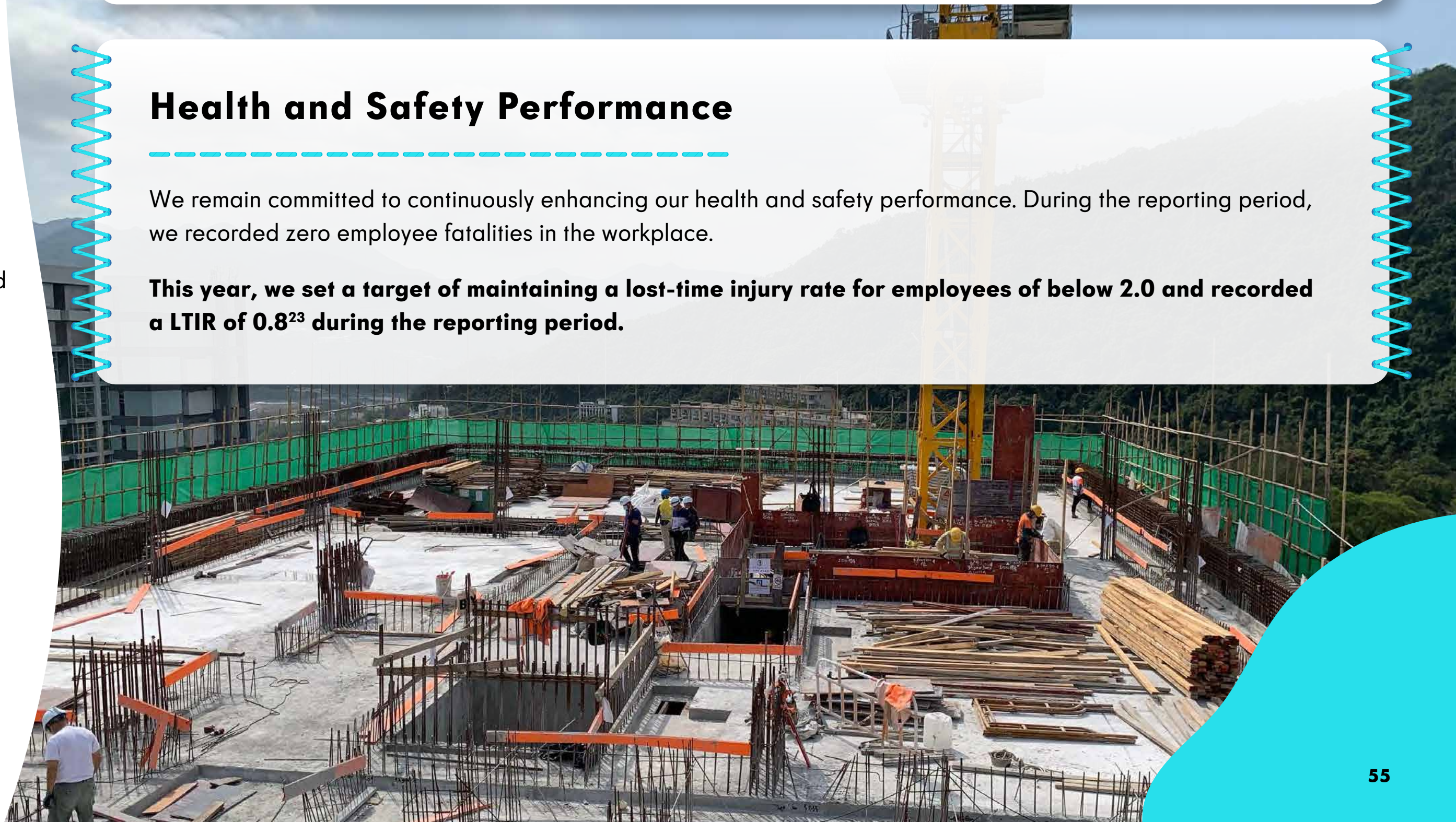
All workers are made aware of these hazard reporting mechanisms during their induction. Reports are investigated by the Site Safety Team, with complex cases escalated to site or top management to rectify unsafe conditions. Anonymous feedback is addressed publicly on on-site notice boards. In response to incidents, the safety team issues alerts and updates the Safety Plan where required. Outcomes are reviewed at Site Safety and Corporate Safety Committee meetings.

We provide job-specific safety training to all workers before work commencement. During the reporting year, contractors received over 8,000 hours of training. The Site Safety Team reinforces safety procedures and encourages reporting of near misses and injuries across all projects.

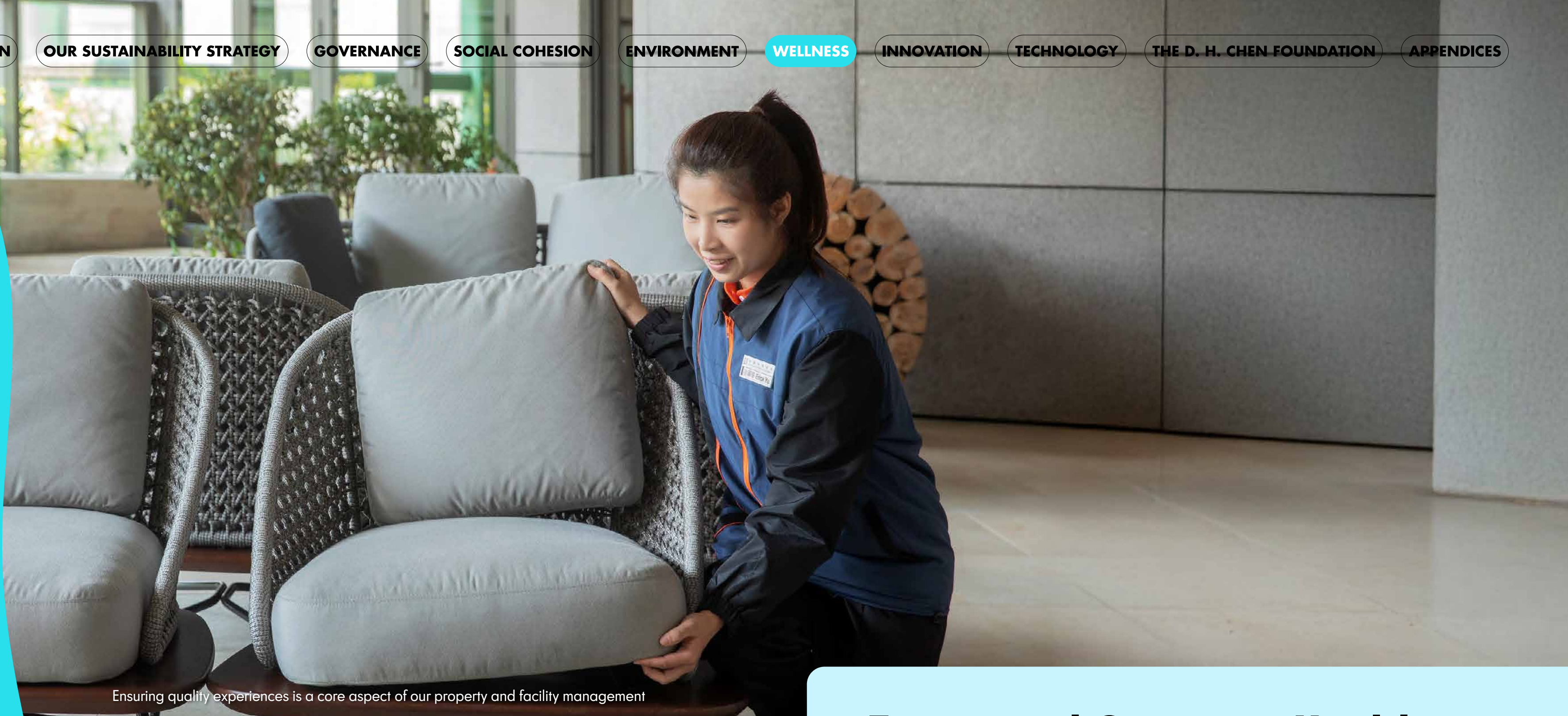
Health and Safety Performance

We remain committed to continuously enhancing our health and safety performance. During the reporting period, we recorded zero employee fatalities in the workplace.

This year, we set a target of maintaining a lost-time injury rate for employees of below 2.0 and recorded a LTIR of 0.8²³ during the reporting period.



Material Topic: WELLNESS FOR TENANTS AND CUSTOMERS



Ensuring quality experiences is a core aspect of our property and facility management

Why It Matters to Us

Embedding wellbeing into our product and service offerings reinforces Nan Fung’s reputation for quality. Providing healthy, safe and comfortable spaces enhances the experience of tenants and customers, supporting loyalty and long-term relationships.

Advancing wellness within our properties also aligns with our sustainability goals, strengthening our commitment to quality and service excellence.

How We are Managing It

The Group's Health and Safety Policy applies to all our business activities and stakeholder relationships. We prioritise the creation of spaces that promote wellbeing for all residents and visitors.

Ongoing internal reviews of the health and safety impacts of our products and services help identify areas for enhancement.

During the reporting period, we assessed all our major offerings, and no significant incidents of non-compliance with health and safety standards were recorded.

Tenant and Customer Health and Safety

We adopt globally recognised frameworks to shape environments that enhance everyday wellbeing for tenants and customers, including building certifications such as the WELL Standard.

These efforts reflect our commitment to delivering quality experiences rooted in trust and care.

WELL Core Platinum

- AIRSIDE Office (Hong Kong)
- Le Rendez-vous (Shanghai)
- The Place (Shanghai)
- WPP Campus (Shanghai)
- Yi Fung Place (Shanghai)

WELL Health-Safety Rating

- 108 Cannon Street (London)
- 138 Cheapside (London)
- Regent Quarter: Cottam House, Focus Point (London)
- The Bailey (London)

Enhancing Community Wellbeing Through Emotional Restoration

CASE STUDY

Each year, our ITO community programme delivers workshops on a dedicated theme, fostering connections across different sectors of society through partnerships that address various social issues. In 2024, the theme was “**Restoration**”, which focused on enhancing public awareness and knowledge of mental wellbeing.

A highlight of this theme was the launch of “EMO House”, a restaurant-inspired space at AIRSIDE designed as a sanctuary for emotional expression and restoration. With a unique “menu” of activities, EMO House encourages participants to explore their inner worlds and embrace the idea that every emotion deserves to be seen, heard and valued. Activities included clay kneading, embroidery, games, exhibitions, and interactive workshops—each providing a safe space to reflect on experiences ranging from moments of joy to deeply held memories.



EMO House session with our tenant

95 colleagues participated in the internal trial run at “EMO House”, followed by four customised sessions held under our tenant-landlord engagement programme, the NPL. After one such session with an office tenant at AIRSIDE, all participants shared that they gained practical techniques to remain calm and manage their emotions effectively.

Overall, participants noted greater awareness of how to cope with personal emotions, and 94% expressed a strong interest in seeing similar activities offered regularly to support mental health.

Looking ahead, we aim to extend EMO House to a wider group of tenants and customers, further embedding wellbeing into our community engagement efforts.

AIRSIDE Wellness Programme – Wellness Lounge and “Breathing in the AIR”

CASE STUDY

The AIRSIDE Wellness Programme provides innovative spaces and activities to promote relaxation, stress relief and mindfulness.

One key feature is the **Wellness Lounge**, where visitors can participate in laughter yoga and music therapy, enjoy curated comedy clips, or simply release tension by shouting out loud. From October 2024 to February 2025, the lounge welcomed over 50,000 visitors, offering a meaningful space for rest and rejuvenation.

The programme also extends across AIRSIDE through the "Breathing in the AIR" project, in partnership with The D. H. Chen Foundation and the NGO Pause and Breathe.

This initiative integrates mindfulness prompts into everyday environments, with messages displayed on mirrors, windows, digital screens, and outdoor signages. These reminders encourage people to release stress, focus on the present moment, and recognise the restorative power of breathing.

By embedding these cues throughout the property, the project aims to strengthen mental wellbeing and foster deeper community engagement.



AIRSIDE Wellness Lounge

Material Topic: WELLNESS FOR HUMANKIND

Why It Matters to Us

Supporting broader societal wellbeing strengthens the communities we operate in and contributes to a more resilient environment. Active engagement in community wellness builds trust, enhances our reputation and attracts partners who share our values.

Our commitment to societal wellness aligns with our sustainability-related ambitions and reflects our spirit of "Do Good and Do Well, with Love".

This drives us to pioneer solutions that create lasting, positive impact for even those indirectly impacted and influenced by Nan Fung's businesses.



Life sciences lab under NFLSRE

Investing in Wellness Through Nan Fung Life Sciences

Since 2017, NFLS has invested systematically across the life sciences value chain, supporting innovation from discovery to delivery. Leveraging Nan Fung's diverse expertise and long-term capital, NFLS partners with scientists, entrepreneurs and thought leaders to drive breakthroughs in drug discovery and development. With a proven record in company formation, venture capital and investment expansion, NFLS continues to build sustainable value for investors.

NFLS provides investment through Pivotal Life Sciences, which provides capital to companies developing therapeutic products and technologies to address unmet medical needs. Our focus is on high-impact, near-curative solutions across all stages of development.

In 2023, Pivotal established an ESG due diligence policy to integrate ESG criteria into its investment approach, recognising the material risks and opportunities ESG presents while contributing to the growth of the life sciences sector.

How We are Managing It

We continually advance our commitment to wellness for humanity through investments in life sciences, while also supporting community initiatives beyond our developments.

Combining innovation with care, we focus on delivering medical breakthroughs and targeted aid to address and promote societal wellness. Our Investment Committee at the Board level oversees these initiatives.



ACADEMIC RESEARCH

37

projects

US\$24 million

sponsorship funding provided since 2017



LIFE SCIENCES INVESTMENT

US\$1.4 billion

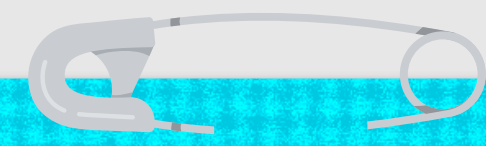
total invested

70

companies

40

funds



Nan Fung’s Support of Transformative Mental Health Treatment

CASE STUDY

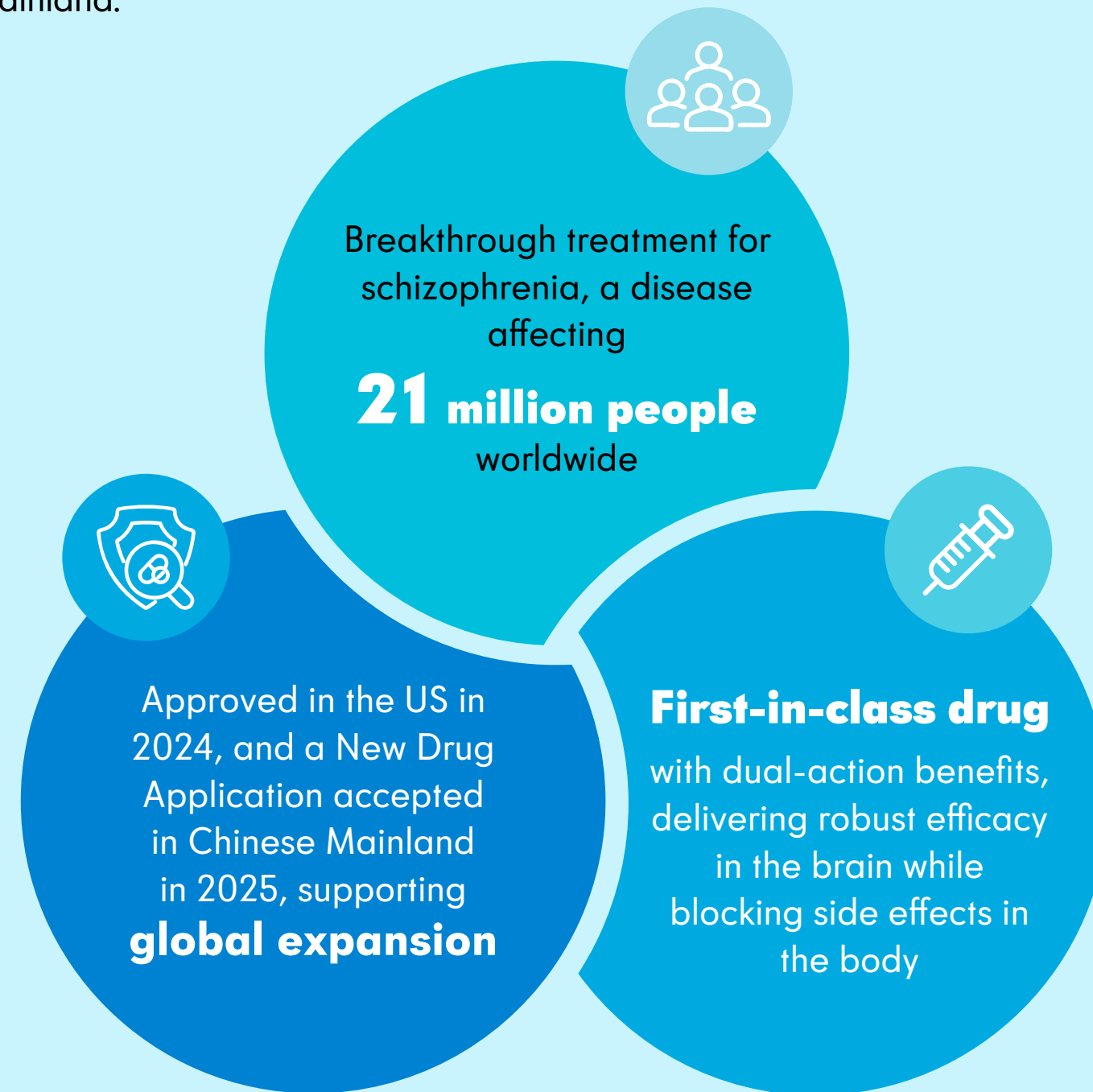
Mental health is a vital part of wellbeing, yet neuropsychiatric conditions such as schizophrenia remain among the hardest to treat.

Schizophrenia affects over 21 million people globally and can cause hallucinations, delusions, cognitive challenges and emotional withdrawal. It severely impacts daily life, with only about 10% of patients able to maintain employment.

Since 2019, NFLS has supported Karuna Therapeutics on its journey from early funding to IPO, helping drive the development of KarXT—a new, next-generation treatment for schizophrenia. Unlike traditional medications, KarXT uses a unique dual-action approach: it targets the brain to improve symptoms while limiting side effects elsewhere in the body. In clinical trials, KarXT showed a significant improvement in key symptom scales compared to placebo, marking clinically meaningful results.

KarXT’s success attracted strong industry attention, leading to Karuna’s acquisition by a global biopharmaceutical company in December 2023—a recognition of the therapy’s groundbreaking potential. Following this, KarXT received Food and Drug Administration (“FDA”) approval and was launched across the US in 2024, offering new hope to people living with schizophrenia.

Expansion efforts continue globally, with National Medical Products Administration in Chinese Mainland accepting KarXT’s new drug application in early 2025, paving the way to reach millions more patients in Chinese Mainland.



Life sciences lab under NFLSRE

Promoting Wellness in Communities

Beyond our investment efforts in our communities, we actively engage in wider initiatives and volunteering opportunities to promote wellness for broader society.



Extending Care to Vulnerable Children in Chinese Mainland

CASE STUDY

Our Chinese Mainland team continues to support young patients with cleft lips and palates through awareness initiatives and medical aid. This marks the fourth consecutive year of our contributions to cleft-related charity projects via the special surgery fund, and the second year our Shanghai colleagues participated in the “Love Fills Xi’an, Smiling Future” programme as medical support volunteers.”

Our volunteers assisted throughout the screening and surgical journey—from imaging and medical record registration to surgical support and post-operation care. This direct involvement not only enhanced the quality of patient support but also deepened volunteers’ understanding of patient needs, reinforcing their commitment to community care.

Through this initiative, over 70 children received screening consultations, and 36 underwent corrective surgery, giving them renewed opportunities for healthier futures.



Our Shanghai colleagues volunteering in the “Love Fills Xi’an, Smiling Future” project

INNOVATION

In a fast-evolving world, our commitment to innovation remains a driving force behind Nan Fung's business.

This pillar explores how we develop pioneering products and solutions that set industry benchmarks while also nurturing a culture that empowers entrepreneurs and intrapreneurs to lead transformative change.

By cultivating a dynamic network of creators, thinkers and changemakers—both within our organisation and across our communities—we champion bold ideas that advance sustainability and ensure we remain future-ready.

Material Topics:

- Innovative Products and Solutions
- Entrepreneur and Intrapreneur Empowerment



HIGHLIGHTS 2024-25



NET POSITIVE LEASE

Global

67%²⁴

of tenants signed up for NPL globally, exceeding our 2025 target

Hong Kong

45%²⁵

GOALS, TARGETS OR COMMITMENTS



NET POSITIVE LEASE

Target

50%

of tenants signed up for NPL globally by 2025



NF TOUCH MEMBERSHIP PROGRAMME

2.2 million+

NF Seeds were converted into donations benefitting 15 NGOs

CHALLENGES

- **Bridging innovation with legacy infrastructure:** Integrating emerging technologies into legacy systems is often costly and disruptive. These systems may lack the flexibility for rapid scaling or advanced capabilities like the Internet of Things (“IoT”), AI and real-time analytics, making interoperability and consistent data flow difficult
- **Keeping pace with rapid innovation:** The accelerating speed of innovation demands faster development cycles, challenging organisations to balance long-term strategic goals with immediate operational needs—all while managing limited resources and capacity

LOOKING AHEAD

As we advance, we are committed to fostering innovation across operations through:

- **Continuous improvement:** We consistently rethink our position and offerings—engaging cross-functional teams early in the technology adoption process to identify operational impacts and integration challenges while striving to improve through user feedback
- **Culture of learning:** We will continue to advance a culture of exploration and learning to maintain our competitive advantage in a rapidly evolving environment
- **Innovation through SEWIT:** We will innovate and enhance our service offerings through our SEWIT-as-a-Service approach, providing value-added services for our tenants, clients and business partners



²⁴ Measured by occupied lettable floor area of major properties in Chinese Mainland the UK and the US.

²⁵ Measured by occupied lettable floor area of major properties in Hong Kong including AIRSIDE, The Mills, TKO Plaza, Nan Fung Tower, Nana Fung Place and 33 Des Voeux Road West.

Material Topic:

INNOVATIVE PRODUCTS AND SOLUTIONS

Why It Matters to Us

Innovation is embedded across Nan Fung’s operations, enhancing value and building long-term resilience. It allows us to stay ahead of market shifts and evolving customer needs, helping us maintain our competitive edge.

This forward-thinking mindset keeps us agile as we continuously strive to deliver quality services.

How We are Managing It

Innovation is central to our long-term development strategy, guiding how we evolve our business and create lasting shared value. During the reporting year, we advanced innovative solutions that enable tenants, customers and communities to tackle various sustainability challenges.

Our SEWIT-as-a-Service model exemplifies this by offering stakeholders advisory support, resources and incentives.

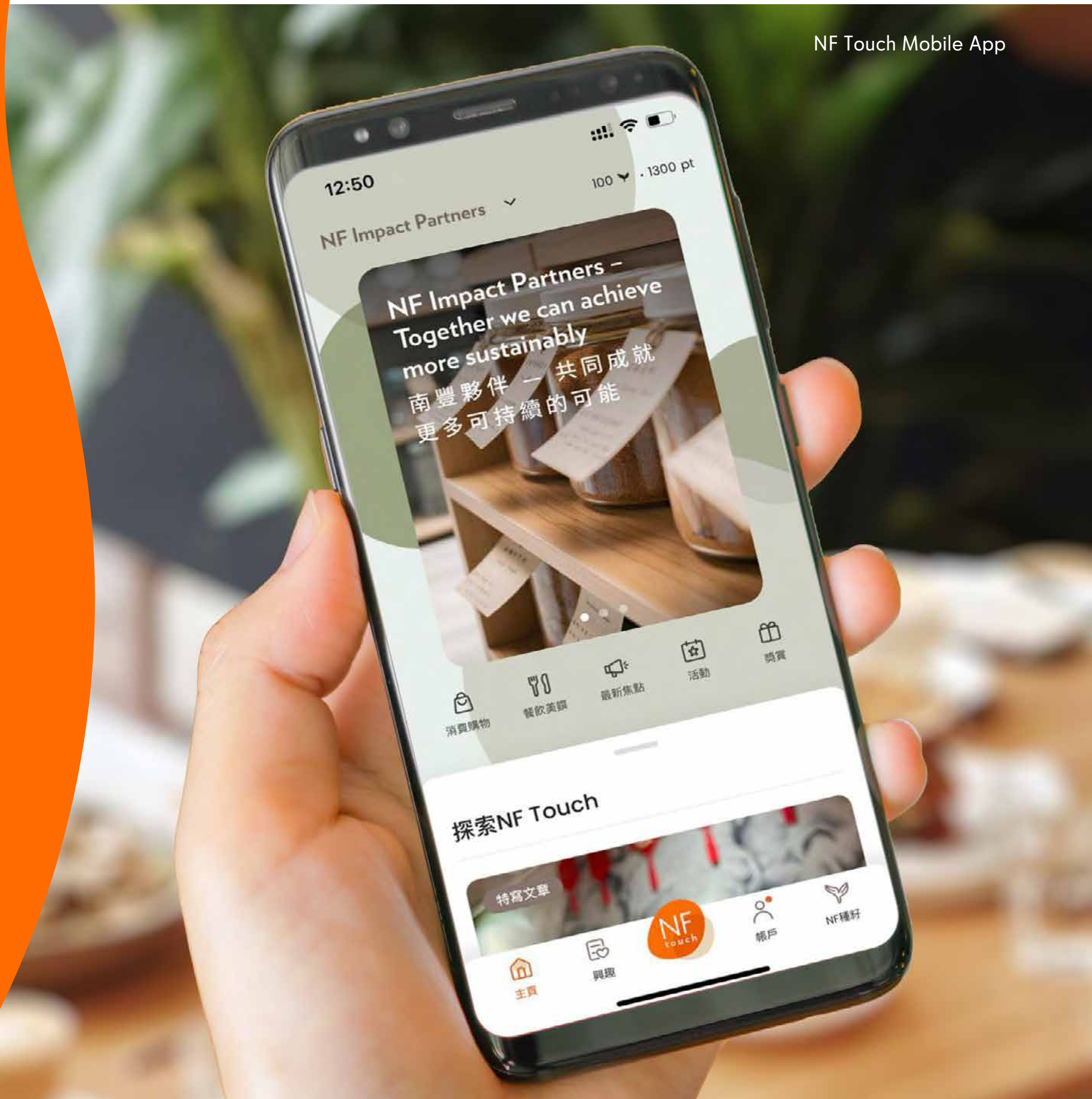
Key initiatives—including our NPL tenant-landlord engagement programme, NF Touch Membership Programme and the NFLSRE business model for life sciences tenants—demonstrate how we embed innovation into our operations.

NF Touch Membership Programme

The NF Touch Membership Programme engages with customers, tenants and communities through rewards, healthy lifestyle promotions and activities with a sustainability angle.

Beyond typical loyalty benefits such as earning NF Tokens from in-mall spending, members can also collect NF Seeds by achieving daily wellness goals, adopting responsible living practices and supporting environmentally conscious merchants. This approach creates shared value for our tenants, business, and communities by encouraging healthier, more sustainable choices, then magnifying their positive impact by allowing NF Seeds to be donated through our Impact Network—turning everyday actions into in-kind support for people in need.

During the reporting period, over 2.2 million NF Seeds were shared by our customers—equivalent to over 10,000 donations to our 15 NGOs.



NF Seeds earned by **Green Actions** over **1.1 million**



Recycle



BYOC



Run



Yoga



Sleep

NF Seeds earned by **Healthy Actions** over **5.8 million**

Partnering with Tenants to Drive Positive Impact Through Net Positive Lease (NPL)

In 2023, we launched the NPL—an incentive-oriented tenant-landlord engagement programme that provides pioneering service offerings designed to empower participating tenants and help them integrate responsible environmental and social practices throughout all stages of their tenancy.

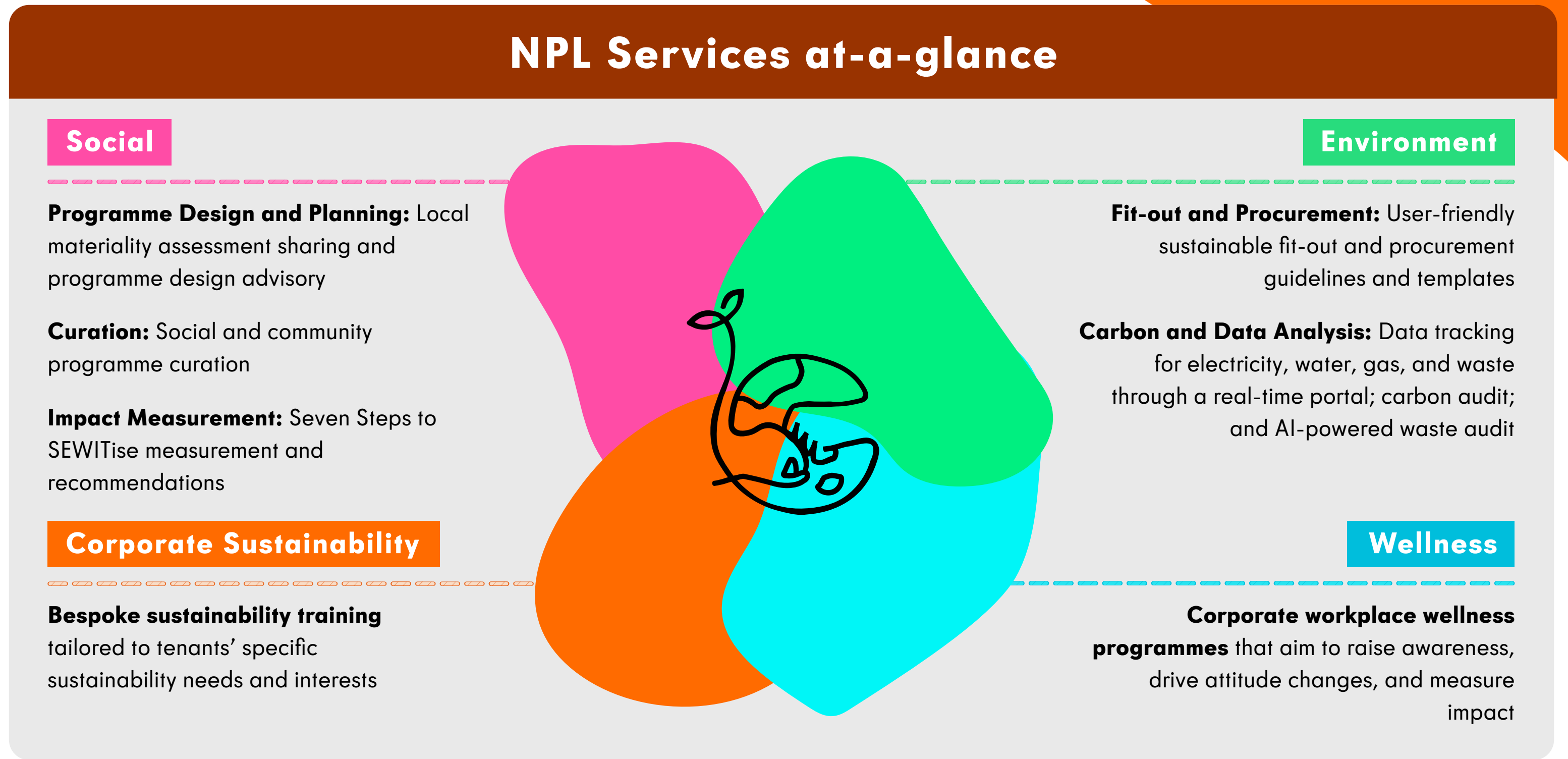
NPL demonstrates how SEWIT-as-a-service can be a value-generating engine that strengthens our market competitiveness while advancing sustainability.

NPL tenants are incentivised with both financial and non-financial rewards to complete a range of sustainability-focused actions, including setting up recycling stations, improving energy efficiency as well as participating in Nan Fung’s social and wellness programmes among others.

By rewarding these efforts, we empower our tenants to create positive impact in their own communities.

Spanning the entire tenancy cycle, the NPL also encourages collaboration by enabling tenants to conveniently monitor sustainability-related data and track progress through a real-time, cloud-based tenant portal that can be accessed anytime.

NPL Services at-a-glance



Tenants are also provided with ample resources and support so they can implement initiatives most relevant to their business, while earning rewards for their efforts. These actions may include adopting sustainable fit-out measures, implementing responsible procurement practices and participating in social programmes designed to address local community needs.

In 2024, the NPL continued to gain strong traction across office, retail and F&B tenants.

As of March 2025, over 100 tenants, representing 45%²⁶ of tenants across our major Hong Kong properties, had signed up for the NPL*; globally, the sign-up rate reached 67%²⁷ – exceeding our 2025 target ahead of schedule.

Amid a highly competitive market, the NPL plays a vital role in differentiating our services and forms an integral part of our leasing strategy for both ongoing and future projects. In Hong Kong, we have incorporated the NPL as a dedicated green clause in our standard tenancy agreement at AIRSIDE, reinforcing our commitment to integrating sustainability in every stage of the tenancy cycle.

²⁶ Measured by occupied lettable floor area of major properties in Hong Kong including AIRSIDE, The Mills, TKO Plaza, Nan Fung Tower, Nan Fung Place and 33 Des Voeux Road West.

²⁷ Measured by occupied lettable floor area of major properties in Chinese Mainland, the UK and the US.

Addressing Unmet Needs in Life Sciences: Nan Fung Life Sciences Real Estate



NFLSRE is our real estate investment and operating platform specialising in acquiring, developing and managing life sciences properties in innovation-driven markets across the US and UK.

Since its establishment in Boston in 2019, NFLSRE has built a global portfolio spanning 1.3 million square feet with a total development value of US\$1.8 billion.

We deliver value by addressing unmet real estate needs in the life sciences sector, offering fully fitted-out, turnkey lab solutions that adapt to tenants' evolving business needs. Our campuses support tenant growth while fostering innovation.

Building Resilient Communities Through Education and Engagement

CASE STUDY

Beyond developing cutting-edge research spaces, NFLSRE is committed to advancing social impact by fostering knowledge sharing and innovation through STEM education and community volunteering engagement.

In partnership with local organisations including Science from Scientists and Green City Growers, our Summer STEM Programme delivered six interactive workshops to 45 inner-city youth from the South Boston Condon Community Center.

Workshops covered anatomy, chemistry, marine science, neuroscience and plant science, inspiring curiosity and expanding access to hands-on STEM learning. The programme was supported by 20 NFLSRE employees and tenants who collectively contributed 80 volunteer hours.

Student Highlight – Unlocking Possibilities Through STEM



Quismary Ridrique, a student at Cristo Rey High School in Boston, entered the NFLSRE STEM Summer Programme (“the Summer Programme”) with limited exposure to advanced scientific environments. Growing up in Boston’s inner city, she developed resilience through tutoring, community service, and part-time work, while also navigating barriers often faced by young women from underrepresented communities.

The Summer Programme provided Quismary with hands-on laboratory learning, rooftop plant science projects, and mentorship from life sciences professionals. For the first time, she was immersed in a state-of-the-art scientific environment and witnessed the vital role women scientists play in addressing today’s most pressing challenges. She completed the programme with expanded aspirations and a clearer vision of career pathways in science and healthcare.

By creating opportunities and connecting industry experts with local students, the Summer Programme helps reduce barriers to opportunity and foster equitable access to careers in the life sciences. Having built a solid foundation through the programme, Quismary went on to intern at one of the largest hospitals in Massachusetts, and later earned certifications from a programme offered by the state's leading institution.

Quismary’s journey illustrates how NFLSRE initiatives create meaningful connections between the life sciences sector and underserved communities—driving ambition and cultivating the next generation of leaders.

The Hong Kong Life Sciences Society

CASE STUDY



HONG KONG
LIFE SCIENCES SOCIETY
香港生命科技青年會

Our innovation-based community engagement initiatives extend through The Hong Kong Life Sciences Society (“HKLSS”), a non-profit youth organisation established in 2018, fully supported by Nan Fung and leading biotech companies across Hong Kong and Chinese Mainland.

Since its inception, HKLSS has focused on enhancing social cohesion and promoting technology within the life sciences sector while extending its influence on the youth community. Our initiatives reflect a strong commitment to building a sustainable and thriving ecosystem for the future of life sciences talent.

To date, HKLSS has convened over 3,000 members and 100 partners in the region.



Life Sciences Entrepreneurship Conference

In collaboration with the Swiss Biotech Association and InvestHK, HKLSS hosted a forum in March 2025 to explore the evolving landscape of life sciences entrepreneurship. This event highlighted emerging trends, investment prospects and partnership opportunities shaping the sector’s future.

Reinforcing Hong Kong's role as a hub for innovation and biotech investment, the conference drew over 200 participants and featured 19 speakers from Hong Kong, Shanghai and Switzerland.

HKLSS Biotech Talent Platform

In the reporting year, HKLSS introduced a job platform tailored for the life sciences and biotechnology sectors in response to the growing need for skilled professionals. This platform is designed to link global biotech talent with job opportunities, supporting an ecosystem conducive to innovation and development.

As of May 2025, the platform had attracted over 3,000 job seekers and 50 employers, offering 100 job opportunities—demonstrating its early success in connecting talent with purpose across the industry.



Material Topic:

ENTREPRENEUR AND INTRAPRENEUR EMPOWERMENT

Why It Matters to Us

At Nan Fung, we champion a culture that empowers intrapreneurs within our organisation and supports entrepreneurs beyond it. This dual focus ensures we remain at the forefront of market trends and industry best practices.

By nurturing curiosity and encouraging fresh ideas, we accelerate progress, strengthen resilience and contribute to sustainable development across the wider ecosystem.

How We are Managing It

We invest in training and development programmes to build an agile, future-ready workforce capable of driving innovation.

Alongside cultivating internal talent, we support entrepreneurs by creating an environment where changemakers can access leading knowledge, explore new ideas and engage meaningfully with the wider community.

We also integrate our SEWIT framework into the investment decision-making process and the daily operations of our financial arm, NF Trinity, ensuring our business activities deliver sustainability-driven, long-term value for stakeholders and positive impact for the communities we serve.

Nurturing Talent From Within: NF Hackathon 2024

Providing employees with opportunities to engage in creative thinking is central to our efforts to foster intrapreneurship.

Building on the success of the NF Hackathon 2023, the Group continued to champion innovation, collaboration and the adoption of new technologies across departments.

In 2024, the initiative expanded globally to engage our offices worldwide under the theme, “**Adopting Technologies to Achieve Higher Efficiency and Effectiveness**”. Designed to align with our company values, the NF Hackathon served as a platform for advancing meaningful transformation at Nan Fung, enabling promising ideas to be realised and translated into tangible, real-world impact.

Participants were encouraged to explore two focus areas:

1. Enhancing process efficiency through improved workflows and data management
2. Creating social value by developing solutions that promote sustainability and responsible business practices

To support this journey, participants underwent rigorous training on design thinking, project management, problem-solving and presentation skills.

The results reflected strong growth in engagement and enthusiasm:

- **17 proposals submitted** (a 30% increase vs. 13 in 2023)
- Participation from **19 departments** across the Group
- **Eight outstanding teams** selected for the final round following months of intensive idea development

Beyond generating innovative ideas, the NF Hackathon strengthened participants’ soft skills and encouraged cross-departmental collaboration.

By providing a platform to test bold ideas in real-world contexts, the NF Hackathon continues to nurture talents from within and empower them to shape the future of our business.



Fostering an Ecosystem of Entrepreneurs



The Mills Fabrica is a go-to solution platform for accelerating innovation for sustainability. With hubs in Hong Kong and London, its investment fund, startup support and impact initiatives facilitate collaboration between entrepreneurs and corporates to drive long-term impact.

Educational Workshops, Awards, and Exhibitions

Dedicated to nurturing innovative thinking, it engages the wider public through sustainability-focused workshops, international student competitions, and public exhibitions.

Future Maker Award

The Future Maker Award recognises and empowers outstanding fashion students in Hong Kong. In 2024, 63 final-year design students participated in two sustainable fashion sharing sessions, with five students receiving the award.

In collaboration with a sustainable fashion foundation as well as a textile company specialising in innovative indigo fabrications, The Mills Fabrica supported the winners in developing commercially viable and sustainable products. The foundation provided mentorship in design and production, while the textile company supplied eco-friendly fabrics—allowing the winners to gain valuable practical experience. Three winners successfully brought their products to market through Fabrica X, The Mills Fabrica’s impact retail store.



Future Maker Award



Techstyle For Social Good

Techstyle For Social Good

In 2024, the Techstyle for Social Good competition attracted 147 applicants from nearly 500 universities worldwide. Eight projects reached the finals, with four winners shared prizes worth over HK\$550,000.

Winners also received:

- Three to six months of mentorship for Techstyle projects
- Residency support for Agrifood projects
- Fast-track access to the Agri-Food Tech Expo Asia 2024 startup pitching competition

These opportunities helped finalists scale their solutions while connecting with industry leaders and global innovation networks.

Denim Futures Campaign

Denim Futures, an experiential campaign comprising public exhibition, impact retail, and workshops, showcases how sustainability-oriented brands are addressing environmental challenges of the denim ecosystem through redesign, reduced use of resources and hazardous chemicals and recycling of waste.

During the reporting period, the programme featured 23 denim innovators—including 11 sustainable denim brands across Hong Kong. It also launched eight workshops that engaged 242 participants.

Post-workshop surveys revealed:

- 88% of participants learned more about the negative impact of traditional denim production
- 84% of participants will check labels on denim products for better composition in the future
- 92% of participants agreed that such innovations are crucial for making the sector more environmentally friendly
- Participants are willing to pay an average price premium of 19% for sustainable products



Denim Futures, an experiential campaign curated by Fabrica X

Accelerating Innovation through Strategic Impact Investments

Focusing on techstyle—the intersection of technology and lifestyle—and agrifood, The Mills Fabrica is transforming how we produce, consume and live. With an emphasis on feasibility, collaboration and long-term value, The Mills Fabrica’s latest investments illustrate how early-stage innovations can scale into system-level solutions.



The Mills Fabrica, Hong Kong

The Mills Fabrica’s Investment Portfolio

In 2024, The Mills Fabrica invested in **SOSV Fund V**, a US-based venture capital and accelerator fund with more than 25 years of experience. The fund focuses on deep technologies aligned with three megatrends: **biology, hardware and emerging economies**. This investment builds on a longstanding alignment between The Mills Fabrica and SOSV, with both firms co-investing in like-minded ventures and sharing knowledge across innovation ecosystems.



Notable updates from The Mills Fabrica's portfolio include:

- **Circular fashion innovation:** a collective of fashion brands and suppliers testing recycled materials to accelerate circularity in supply chains
- **Next-generation fashion technologies:** a groundbreaking 3D weaving technology to transform supply chains in Europe and the US, alongside a data-driven sizing platform powered by body scanning and AI algorithms, enabling brands to deliver tailored fits for customers
- **Sustainable food innovation:** scaling cocoa-free chocolate solutions through global market expansion and advanced manufacturing capabilities



The Mills Fabrica Impact Report 2024-2025

Over the past year, The Mills Fabrica has stood alongside Techstyle and Agrifood entrepreneurs, educators, and brands to help turn innovative ideas into planet-positive changes.

Learn more about the collaborations with their partners that not only further innovations but also generate planet-positive impact in their new Impact Report 2024-2025.

NF Trinity – Embedding Environmental, Social and Governance ("ESG") in our Investment Strategy

Nurturing Sustainable Growth Across Global Investments

Nan Fung’s commitment to sustainable innovation extends to NF Trinity, our financial investment arm, which manages a diversified portfolio across global asset classes.

ESG Due Diligence in Fund Selection

NF Trinity has implemented a structured ESG approach by embedding the SEWIT framework into both its investment decision-making processes and day-to-day operations—aiming to deliver positive social and environmental impact to stakeholders and communities.

This ESG integration informs the due diligence process, guiding how potential investments are scoped, evaluated and prioritised with sustainability in mind.

Recent Investment Highlights

In the reporting year, NF Trinity invested in a Global-focused Growth Equity Fund and a Global Venture Capital Fund. Evaluation of these funds’ ESG practices was integral to the due diligence process, ensuring that sustainability-related practices are embedded in the funds’ operations, investment processes and portfolio engagement efforts.

Global-focused Growth Equity Fund: Leading by Example

The Global-focused Growth Equity Fund actively supports and contributes to a range of ESG-related initiatives. It is a signatory of the UN Principles for Responsible Investment and participates in knowledge-sharing platforms such as the Initiative Climate International and the Sustainable Markets Initiative.

It also integrates ESG into investment practices by utilising international sustainability frameworks to determine materiality during due diligence and portfolio onboarding, engaging third-party specialists to conduct ESG due diligence and voluntarily committing to responsible AI practices.

Global Venture Capital Fund: Investing in the Future

Meanwhile, the Global Venture Capital Fund is focused on investing in companies operating in large, addressable markets at the centre of major innovations and technological shifts, such as enterprise data infrastructure, enterprise software, fintech infrastructure, enterprise efficiency and automation, as well as interactive virtual entertainment and AI. Portfolio companies under this fund benefit from hands-on guidance across key business functions, including product development, go-to-market strategy, operational scaling, talent acquisition and navigating capital markets.

NF Trinity recognises that incorporating ESG considerations into innovative investments strengthens risk management, drives value creation and supports sustainable, long-term returns. The team will continue to enhance ESG risk assessments and integrate potential mitigation measures throughout the investment cycle.

Family Office Ecosystem for Collaborative Learning

In 2024, NF Trinity began engaging with other family offices in Hong Kong to cultivate a collaborative ecosystem that drives both **financial success and positive community impact**. This ecosystem facilitates the exchange of **investment ideas, deal flows, and operational best practices**, helping participants learn and grow together.

We collaborate with government entities, industry associations and professional organisations, leveraging our extensive network to host events and facilitate dialogues. These strategic partnerships enable us to access a wealth of knowledge, resources and networks, delivering unparalleled value to our family office peers.

During the reporting year, we hosted over 20 events, attracting more than 100 family office representatives for in-depth discussions and collaborative learning. Our investment team also benefited greatly from these insightful discussions.

Through these efforts, NF Trinity has strengthened its position as a trusted partner and thought leader in the market—dedicated to driving positive social outcomes alongside financial performances.

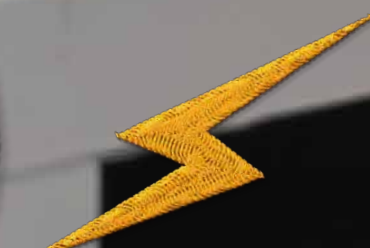
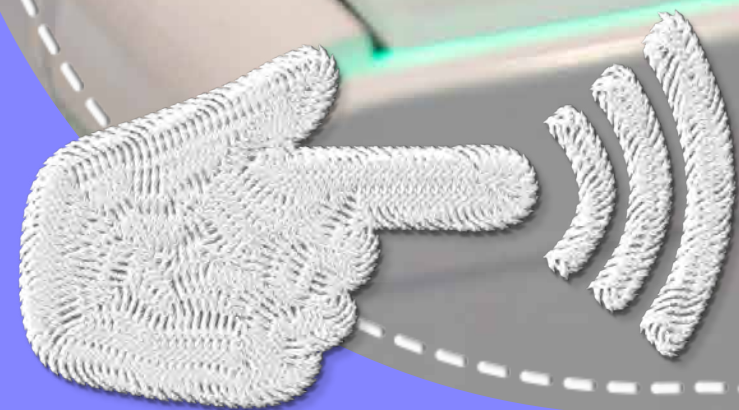
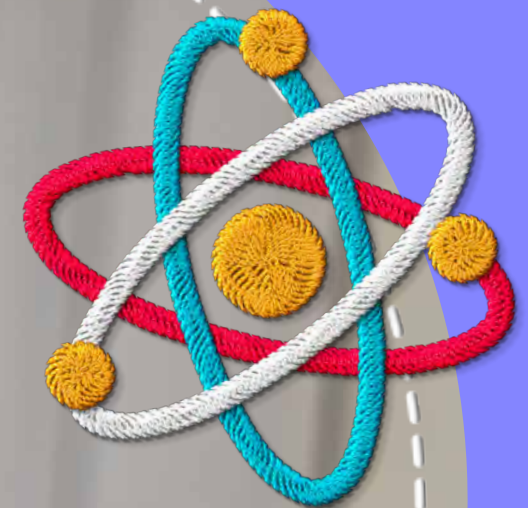
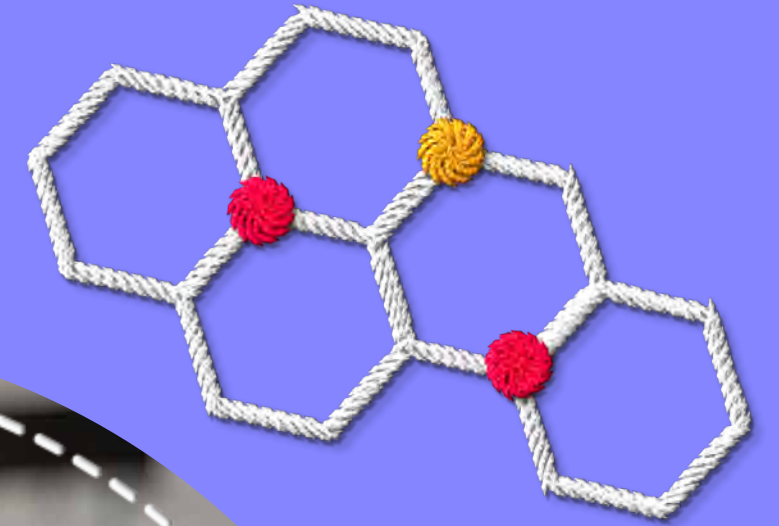


Legacy Lounge at AIRSIDE Headquarters

TECHNOLOGY

At Nan Fung, technology is more than a tool for digitalisation—it is a catalyst for transformation. We see it as a driving force that enables us to enhance operational efficiency, environmental responsibility and long-term value creation.

Our commitment to this pillar is reflected in our strategic investments in advanced technologies that go beyond automating processes. From intelligent platforms to integrated systems, we harness technological innovation to address complex challenges and unlock opportunities that benefit both business and society.



NFC-enabled employee badge at AIRSIDE office's turnstile

Material Topics:
• **Technology and Data in Operations**

HIGHLIGHTS 2024-25



Integrated Data Management Platform

expanded and deployed across major properties, enabling granular monitoring, data optimisation, and automated controls



Technological Advancements and Innovation

Quantum Optimisation and EcoSonic Air Filtration

deployed to enhance operations and reduce our properties' environmental impact

NFC Smart Access at AIRSIDE

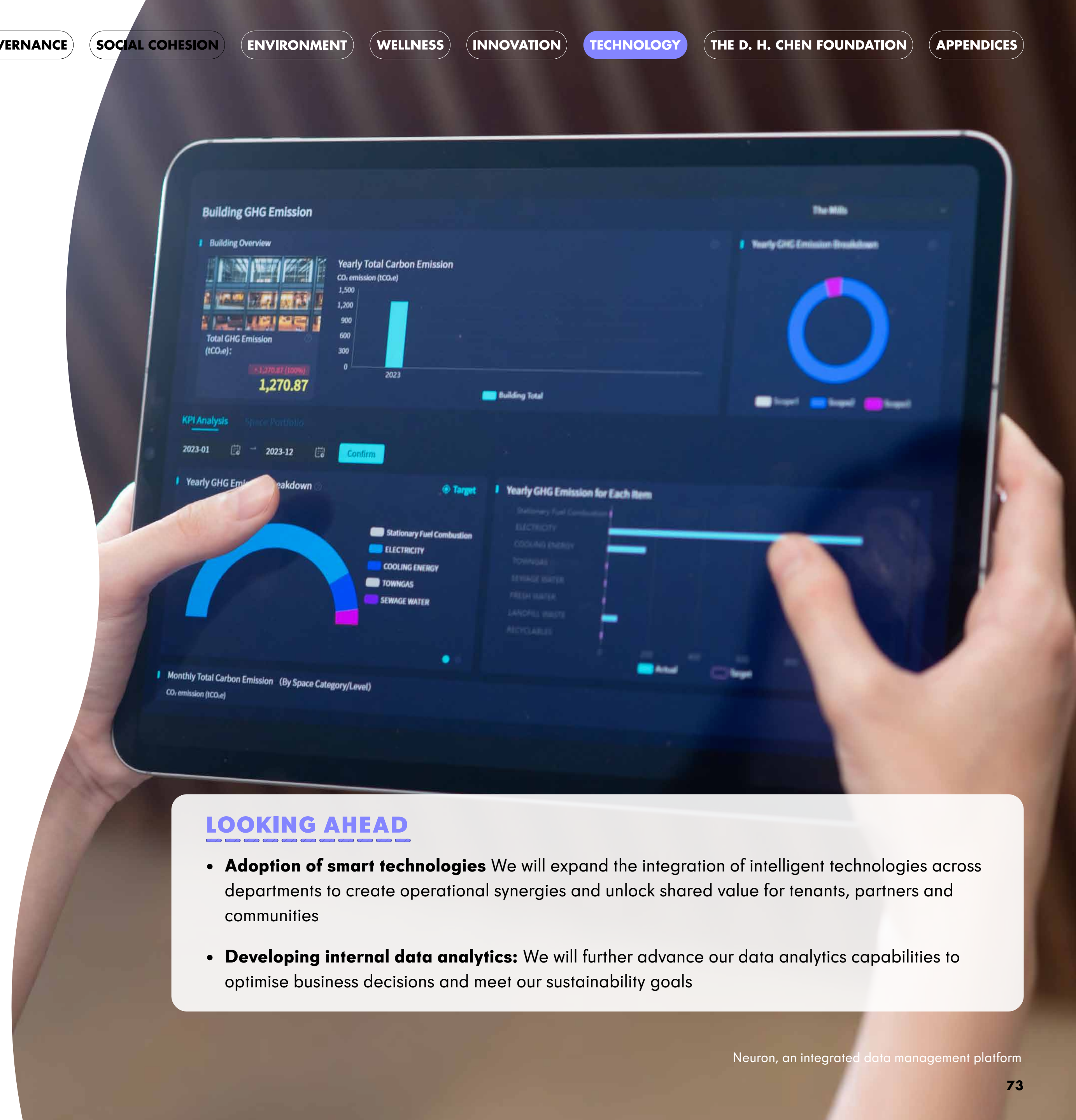
for seamless workplace connectivity

CHALLENGES

- **Navigating a fast-changing landscape:** Implementing the right technological solutions in a dynamic business environment requires both foresight and agility to remain competitive and relevant
- **Fostering future-ready talent:** Keeping pace with innovation requires significant investment in attracting, upskilling and retaining talent, supported by continuous training and development
- **Ensuring compliance and seamless integration:** Rapid technological change calls for careful alignment with evolving regulations and standards, while ensuring integration with legacy systems does not disrupt ongoing operations

LOOKING AHEAD

- **Adoption of smart technologies** We will expand the integration of intelligent technologies across departments to create operational synergies and unlock shared value for tenants, partners and communities
- **Developing internal data analytics:** We will further advance our data analytics capabilities to optimise business decisions and meet our sustainability goals



Material Topic: TECHNOLOGY AND DATA IN OPERATIONS

Why It Matters to Us

Technology is integral to Nan Fung’s business. By integrating advanced analytics, AI and IoT, we enhance operational efficiency, elevate customer experiences and drive more sustainable outcomes.

In doing so, we not only future-proof our business but also strengthen our ability to create lasting value for our stakeholders.



Management Office at AIRSIDE: Empowering data-driven and sustainable building management

How We are Managing It

Nan Fung remains committed to embracing technological advancements and continually seeks innovative solutions across all aspects of our operations.

These solutions help translate raw data into smart insights, allowing us to provide a seamless user experience to customers, tenants and visitors and strategically manage our environmental footprint.

The use of cutting-edge tools and platforms also allows us to make better decisions to enhance investment returns.

Transforming Property Management with Smart Solutions

Property technology and smart building solutions are essential to maintaining competitiveness and delivering operational excellence. By integrating innovative technologies into our property management business, we are optimising efficiency and enhancing tenant experiences.

EcoSonic Air Filtration Technology at AIRSIDE

In 2024, AURABEAT's EcoSonic Air Filtration Technology was piloted at AIRSIDE. This technology uses sonic energy to induce rapid vibrations in air particles, which boosts filtration efficiency, reduces fan load and lowers energy consumption, leading to cost savings.

The EcoSonic filter delivers filtration efficiency equivalent to conventional filters while maintaining Indoor Air Quality ("IAQ"). By causing airborne particulates such as PM2.5 and PM10 to vibrate as they pass through, the technology improves particle capture with creating low pressure drops that typically increase the workload of fans and motors in traditional bag filters.

Key outcomes from the pilot include:

- Annual energy savings of approximately 167,000 kWh
- Reduced manual cleaning and downtime, lowering labour costs
- Extended filter lifespan, reducing replacement frequency and contributing to waste reduction

Through this pilot, we demonstrated how advanced air filtration technologies can simultaneously support operational efficiency, environmental sustainability, and occupant wellbeing.



Quantum Optimisation Technology ("QOT")

In the reporting period, we deployed QOT across five residential properties—80 Robinson Road, Island Garden, Mount Nicholson, Nan Fung Sun Chuen, and The Visionary. By regulating electron flow and minimising energy loss, QOT improved operational efficiency without requiring major system modifications.

This initiative delivered:

- Over 10% reduction in energy consumption
- Cost savings through optimised performance

Building on this success, we plan to expand QOT to additional residential properties, further strengthening energy efficiency across our portfolio.

Integrated Data Management Platform

We recognise the critical role of data in driving informed decision-making and strategic planning. In 2023, we began the rollout of Neuron—an integrated data management platform—across our major commercial properties.

Leveraging AI, machine learning and BIM, Neuron enables real-time analysis, data optimisation and automation of building operations. Its cloud-based dashboard consolidates complex data into a centralised view, empowering our teams to:

- Monitor environmental performance at a granular level
- Identify opportunities for targeted decarbonisation measures
- Implement energy efficiency measures

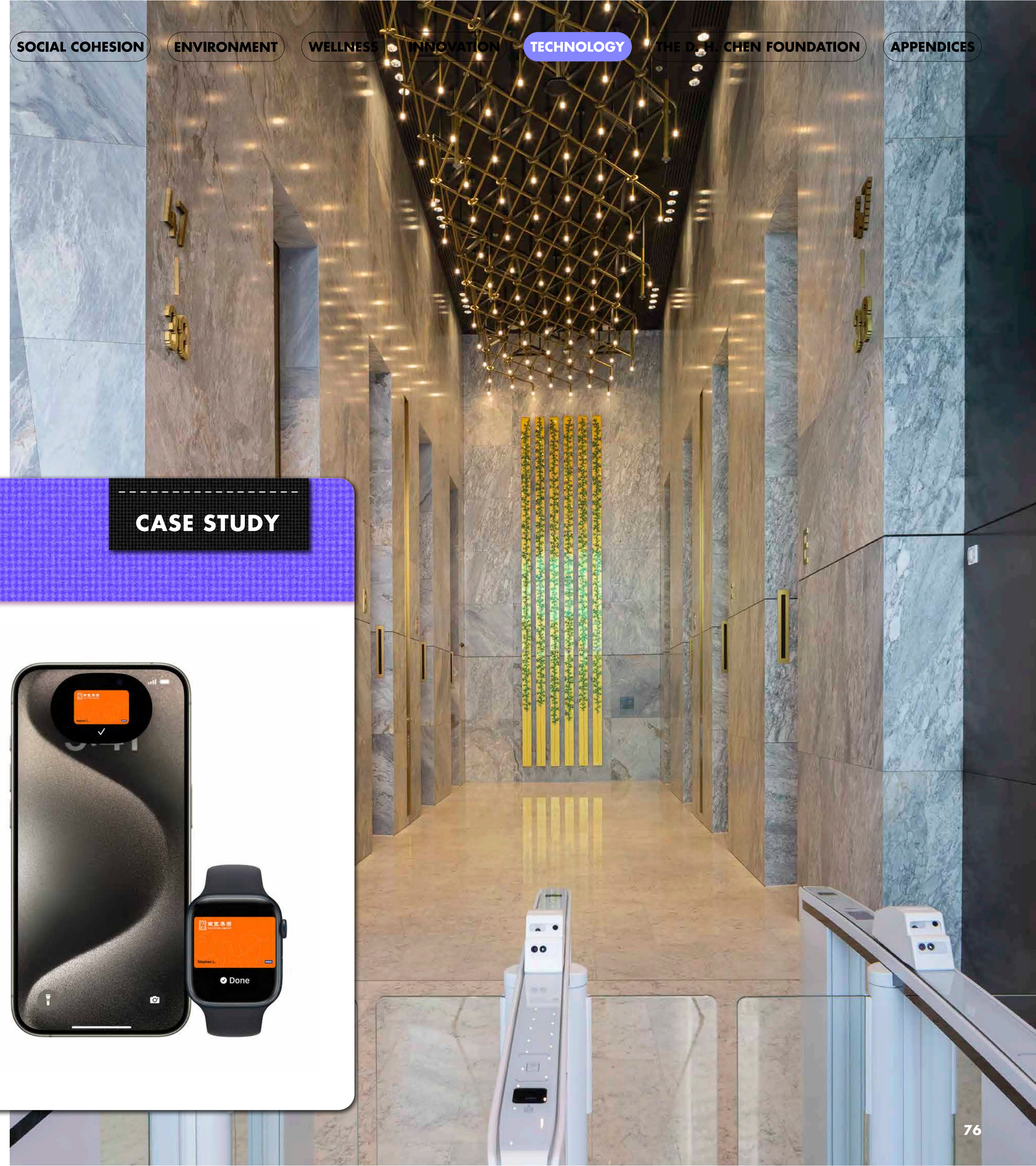
During the reporting period, we commenced the installation of Neuron to TKO Plaza and Nan Fung Tower, further strengthening our ability to deliver data-driven and future-ready property management.

Empowering Tenants with Real-Time Sustainability Insights

We empower our office and retail tenants by providing access to their own utility data—including energy, water, gas and waste—through a web-based portal that offers real-time visualisation of performance. The portal also tracks the GHG emissions associated with their utility and resource consumption, enabling our tenants to make informed decisions on their emission reduction and energy management strategies.

As part of the NPL community, tenants also receive a carbon audit report generated from collected data. These reports provide tailored insights into their environmental performance and identify opportunities for improvement.

During the reporting period, we conducted 20 carbon audits with office, retail and F&B tenants under the NPL. Bespoke recommendations were also offered to tenants, along with detailed follow-up plans to support them in advancing their sustainability efforts.



Accelerating Digital Access at AIRSIDE

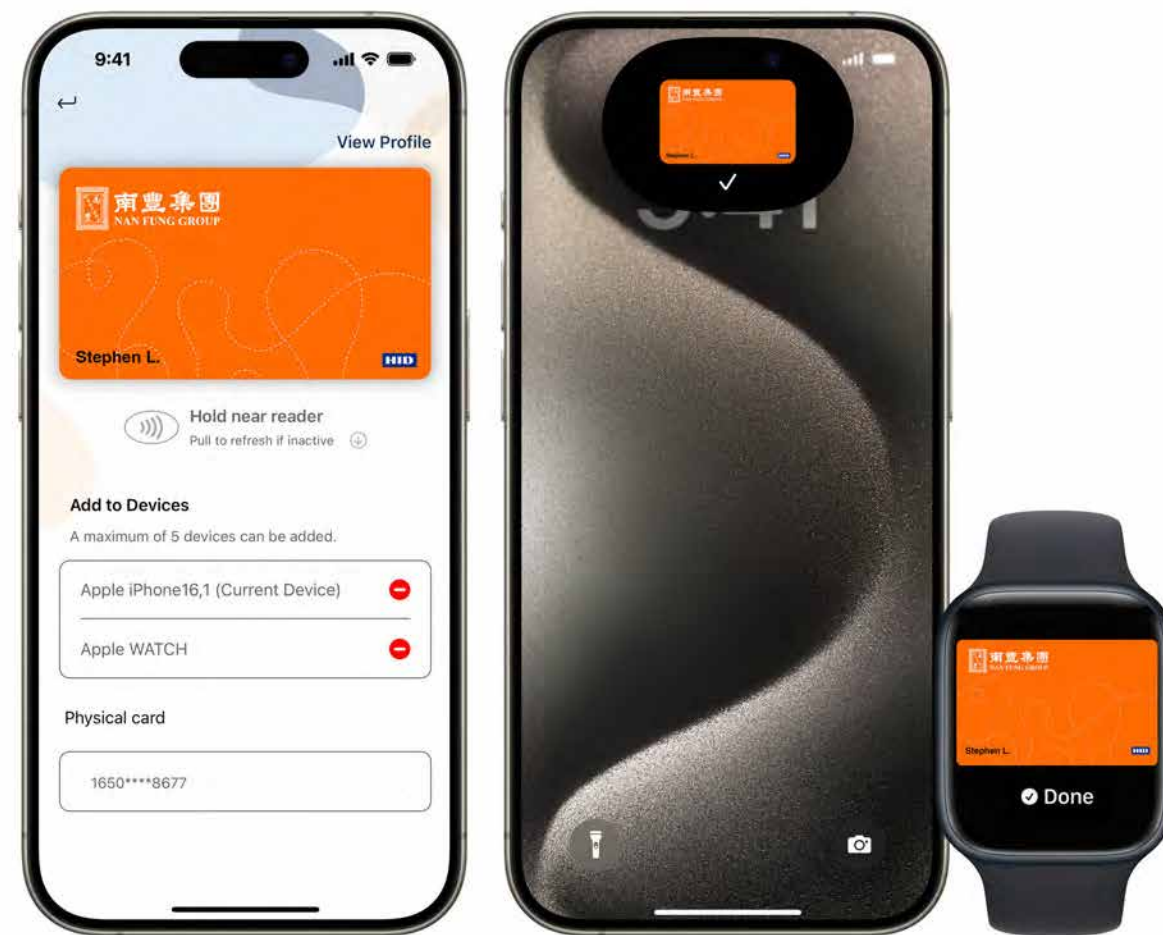
CASE STUDY

In 2024, Nan Fung partnered with HID to introduce HID-enabled digital access badges at AIRSIDE, making it one of the first commercial office developments in Asia to enable tenants to use smartphones and smartwatches as digital access credentials.

Through the NF Touch app, users can seamlessly add credentials to their mobile wallets and access doors, turnstiles and shared equipment with a simple tap, eliminating the need for physical access cards made from plastic.

The system enhances convenience, reduces congestion during peak hours and streamlines card management by removing the need for physical distribution, collection and quality checks. Within a month of launch, over 70% of Nan Fung staff had adopted the digital access badges.

The pioneering initiative was recognised with a Certificate of Merit for Best Technology Partner at the International Facility Management Association Asia Pacific Awards of Excellence 2024, reinforcing Nan Fung’s leadership in driving smart building innovation.



NF Touch NFC function

Driving Business Innovation with Data Analytics

We leverage data analytics to monitor and stay ahead of the emerging trends in real estate and technology, enabling us to identify new business opportunities for the Group.

With a growing strategic emphasis on AI, we are actively exploring ways to integrate AI across our daily operations and our business units.

To support this direction, we are planning to introduce a Group-level AI Usage Policy, which underscores our commitment to promoting the responsible adoption of AI tools. This policy ensures that AI is integrated responsibly into our work processes, enabling safe and effective application as we embrace such technology to enhance our long-term business performance.

Harnessing AI to Redefine Property Investment

Integrating human expertise and advanced AI sharpens our competitive edge and drives operational excellence across the property lifecycle.

During the reporting year, our Properties AI and Data Intelligence team has accelerated innovation by optimising workflows and reengineering processes to meet the demands of the AI era.

By fostering close collaboration between human expertise and AI systems, our technology and business teams have seamlessly integrated advanced AI solutions into daily operations—driving smarter, faster and more informed decisions.

These advancements strengthen our competitive edge across the property investment lifecycle. From enhancing leasing and tenant engagement capabilities to streamlining acquisition processes, the team continues to deliver solutions that boost operational excellence, strategically positioning our business for sustained success in a dynamic market.

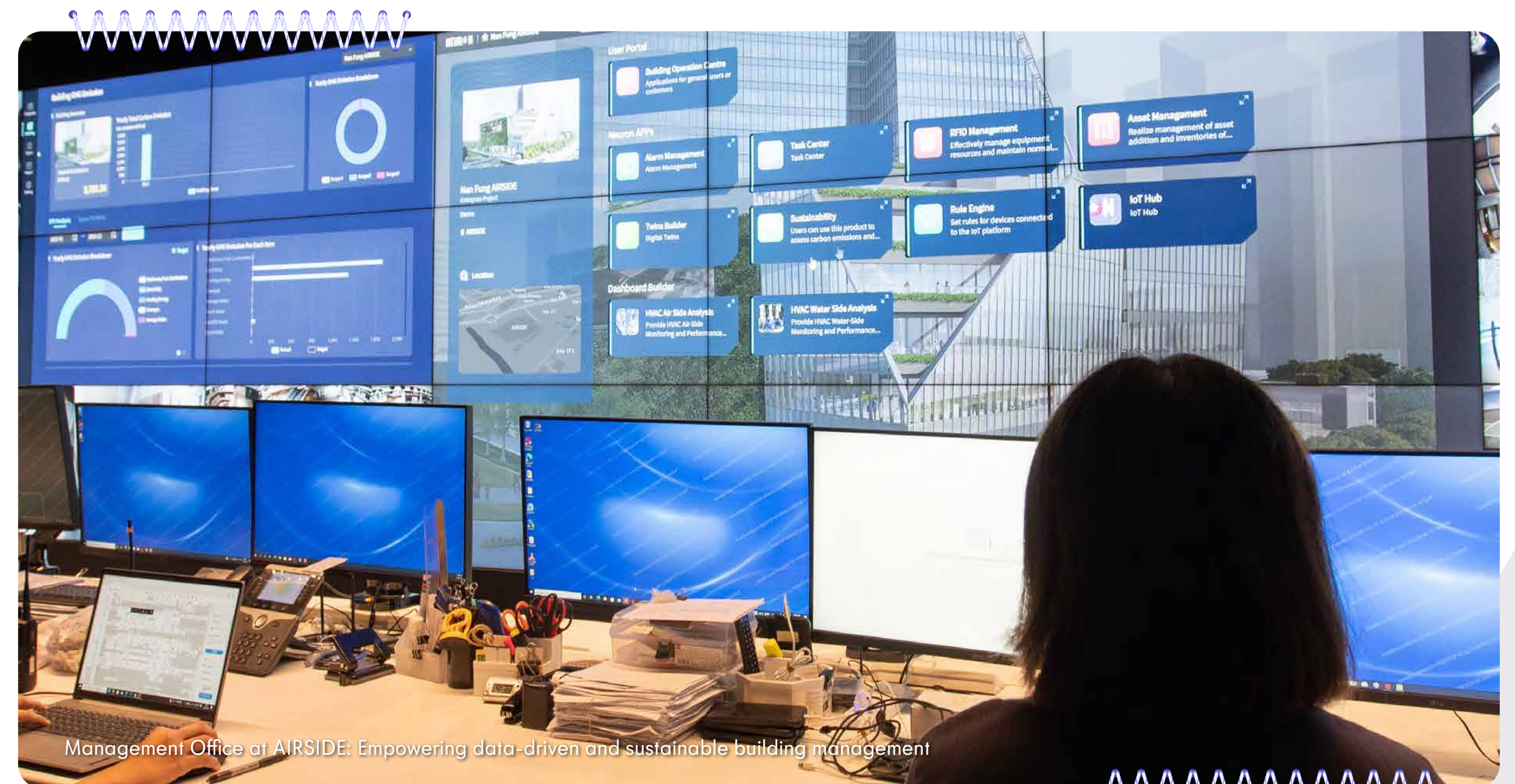
At the same time, the team proactively monitors AI and emerging technology developments, ensuring that we adopt the most effective solutions to address business challenges and future-proof our operations.

Leveraging Data Science at NF Trinity

Technology is a key driver of excellence at NF Trinity. Our advanced data analytics platform enables smarter investment decisions by extracting insights from vast volumes of structured and unstructured data. It delivers timely forecasts and eliminates guesswork in due diligence—saving time, reducing costs and uncovering untapped market opportunities.

Over the past year, we enhanced our data technology stack to expand global data coverage to facilitate easier identification and monitoring of companies with upside potential. We also adopted AI tools across front to back offices to scale up research capabilities and operational productivity.

Moving forward, we will continue to refine existing workflows to integrate AI into our investments and operations to enhance decision making processes and continue creating meaningful value for our stakeholders.





THE D. H. CHEN FOUNDATION

THE D. H. CHEN FOUNDATION



陳廷驊基金會
THE D.H.CHEN
FOUNDATION



Focus and Strategy

The D. H. Chen Foundation (“the Foundation”) is a family philanthropic trust established in 1970 by Dr. Chen Din Hwa, the founder of Nan Fung Group. His legacy as a passionate philanthropist remains the Foundation's cornerstone, inspiring its social endeavours to this day, dedicated to building a compassionate society.

To create and support innovative, impactful and sustainable community initiatives, the Foundation adheres to five core values based on compassion: **Gratitude, Trust, Openness, Respect and Selflessness**. These values are also reflected in Nan Fung’s SEWIT framework and initiatives.

The Foundation comprises five Institutes that plan and develop philanthropic initiatives across different areas. Guided by Dr. Chen's motto—**Care for others as well as you would care for yourself**, the Foundation collaborates with like-minded partners to carry out community initiatives. Moving forward, the Foundation aims to strengthen and expand its use of financial, intellectual and social resources through sustainable strategies, delivering greater impact and promoting social good.

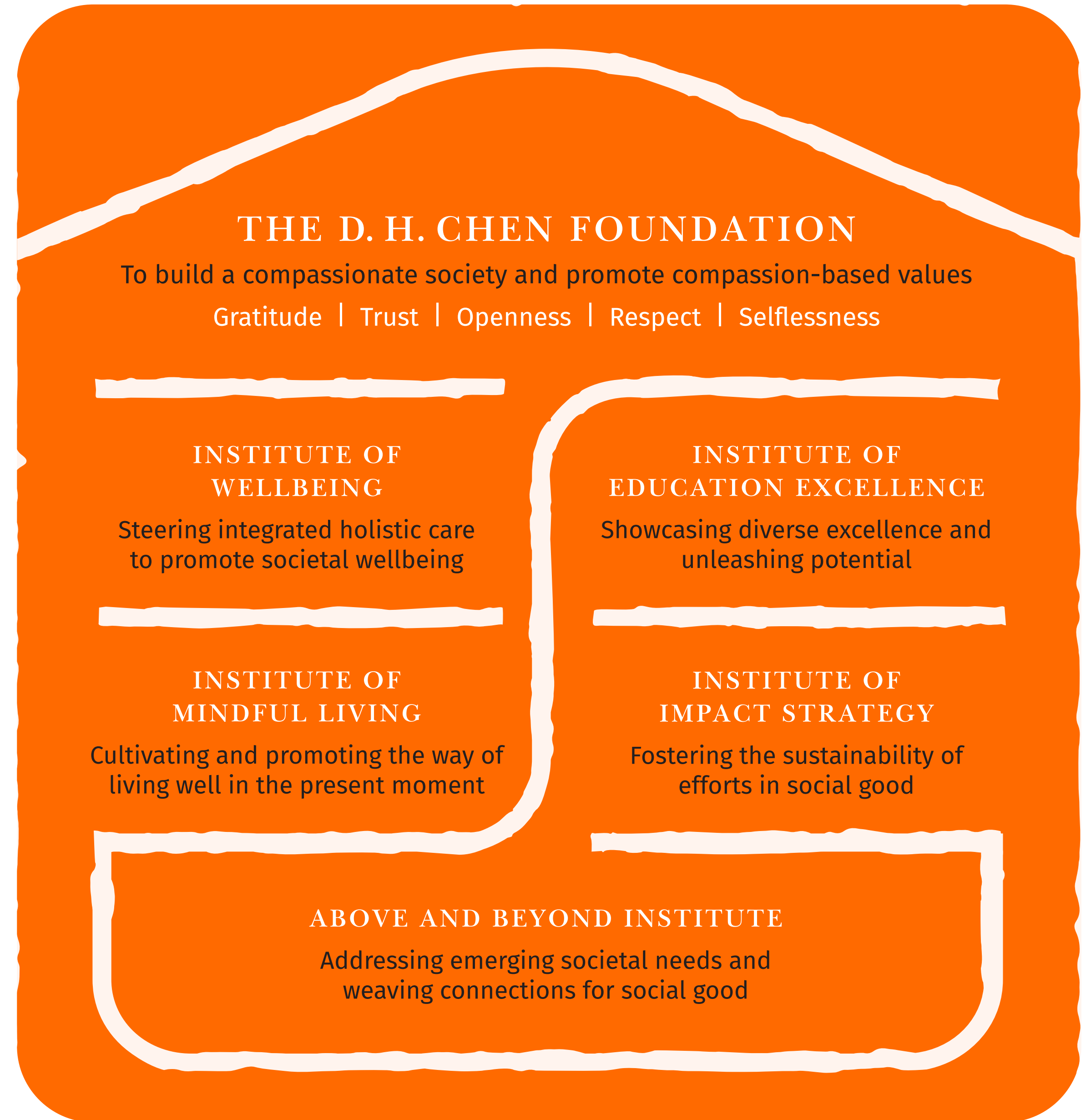


Fig 13: House of Compassion

Institute of Education Excellence – Empowering Students Through Meaningful Life and Career Development Experiences

MatchBox is a collaborative initiative between the Foundation and the CoCoon Foundation aimed at addressing the lack of comprehensive life and career exploration for secondary school students in Hong Kong.

This innovative programme leverages technology to connect students with valuable learning experiences, fostering their autonomy and instilling important values for personal and career development. By pairing students with employers, industry experts and various opportunities, MatchBox aims to empower students to actively shape their future.

Through a combination of digital tools and hands-on experiences—such as internships and open interactions with professionals—the programme guides students to explore their aspirations, reflect on their life goals, and discover how they can meaningfully contribute to society.



Key Outcomes

MatchBox has collaborated with nine secondary schools and 51 company partners to provide 224 authentic learning opportunities for 385 Form 3 to Form 5 students. These opportunities include:

- **three** career "speed dating" events
- **61** online industry consultations
- **six** interactive company tours
- **149** internship roles across **37** organisations



Students engage in interactive career development activities through MatchBox, connecting with peers and mentors.



Hands-on learning experiences give students practical exposure to science and industry environments.

Institute of Impact Strategy – Building a Thriving and Sustainable Social Good Community

In 2023, the Foundation and Time Auction co-initiated Co'asis to address the challenges faced by small nonprofits in Hong Kong. This strengths-based, resources-sharing, and community-building platform facilitates peer learning and meaningful exchanges and partnerships within the social good sector.

Through on-demand one-on-one calls, group learning sessions, and a shared resource hub, participating organisations gain access and actively contribute to peer guidance, knowledge sharing and collaboration opportunities.

With over 60 participating organisations, Co'asis has facilitated discussions on fundamental topics such as branding, talent development and digitalisation. The Foundation envisions Co'asis as a catalyst for change, uniting a thriving community of social good workers and strengthening their ability to serve their causes with compassion and effectiveness, while sowing the seeds for trusting, meaningful, and sustainable collaborations among its members.



Co'asis brings together over 60 organisations, fostering a vibrant community for collaboration and shared growth



Key Outcomes

- Engaged a total of **62 social purpose organisations**
- Facilitated **78 one-on-one co-learning calls** and **7 group-learning sessions** focused on discussions about operational issues and advancements
- Recommended **113 tangible resources** (such as venue spaces, technology solutions, training workshops, and design work), 35% of which were contributed by members
- Organised **10 small learning sessions** attended by a total of **259 individuals**



Participants exchange ideas to build skills and connections in the social good sector

Institute of Mindful Living – Nurturing Compassionate Teachers and Children

The Compassionate Children Program, initiated by the Foundation and curated by the School of Everyday Life in 2020, nurtures children in Hong Kong with compassionate values necessary to thrive in an evolving world.

The programme engages primary school students, teachers and experiential learning partners in developing theme-based curricula comprising the appreciation of Nature, Agri-food, Community, and Citizenship. Through exploratory and hands-on activities, children connect their knowledge with their everyday experiences and are inspired to always act with care and compassion in ways that are both personally meaningful and socially relevant.

As of August 2024, the programme has already reached a total of six primary schools, covering over 3,500 students and 350 teachers.

In addition, Cohort One of the Teachers' Co-learning Community has successfully concluded its training phase engaging over 20 educators. Moving forward, post-training support will be provided to the educators, enabling them to effectively implement the curriculum in their respective schools.

To illustrate how compassionate values are interwoven into teacher-student interactions throughout the programme, the publication of four picture books is planned, each sharing real-life, heart-warming anecdotes and lessons learned with a wider audience.



Students explore creativity and compassion through hands-on learning activities

Institute of Wellbeing – Redefining Elderly Care in Hong Kong

The Guardians of the Silver Age (“GSA”) Programme, launched by the Foundation and Generation Hong Kong in 2020, entered its second phase starting in August 2024.

GSA employs a three-pillar approach to inspire compassion-based values in an ageing society:



Eldercare Industry Integration:

The programme delivers training to build a pipeline of talent in the eldercare sector, offering intensive bootcamp sessions and certificate courses.

An independent expert evaluation of GSA’s Phase One highlighted the importance of engaging all social service units to foster a shared value system and drive transformation beginning with the overall organisational culture. Phase Two of the programme expands training beyond the individual-level to cultivate behaviours and mindsets essential for person-centred care.



Engagement with Secondary Schools:

Senior secondary students are encouraged to interact with older adults, applying compassion-based values learned in school and at home. The curriculum, originally piloted in one school, has now been extended to benefit students from another institution.

In collaboration with 13 non-profit partners, the GSA programme offers diverse learning experiences to secondary schools, inspiring students to embrace empathy and a sense of civic responsibility towards the older population.



Public Outreach and Awareness:

Experiences from the GSA programme are shared through social media, community events and symposiums in order to showcase GSA’s positive influence on promoting healthy ageing and inter-generational relationships.

These narratives aim to deepen public understanding and inspire collective efforts towards a more compassionate and inclusive society.



Industry and community leaders join forces to advance elderly care



Students engage with seniors, fostering empathy across generations

Above and Beyond Institute – Promoting Mental Wellbeing Through Buddhist Counselling

The Buddhist Counselling Services Programme—a collaboration between the Awareness Spiritual Growth Centre (“ASGC”) and the Foundation from 2023 to 2024—aims to address the mental health needs and challenges in Hong Kong through innovative interventions developed by the HKU Centre of Buddhist Studies.

The programme features two main interventions: Dharma Therapy (“DT”), an individual-focused approach that combines Buddhist teachings and mindfulness practices to manage stress and cultivate wisdom; and the Awareness Training Program (“ATP”), a group-based initiative designed to foster compassion and promote positive cognitive changes. Through partnerships with various organisations and schools, the programme offers a wide range of services to tackle mental health challenges.

ASGC’s initiative represents a sustainable model for mental health support in Hong Kong by integrating professional counselling with Buddhist principles. This holistic approach not only provides immediate assistance but also promotes long-term community resilience and wellbeing, representing a significant advancement in accessible mental healthcare.



Key Outcomes

The programme has delivered:

- **2,790 hours** of DT services, benefitting **370 individuals** between October 2023 and September 2024
- **four rounds of the ATP**—equivalent to 144 training hours—to 85 participants



Sharing Buddhist counselling with the community



Participants learn mindfulness and resilience through Dharma-based guidance

APPENDICES

Performance Summary

Environmental Performance

Environmental KPIs	Unit	2022-23 ⁽¹⁾	2023-24 ⁽²⁾	2024-25 ⁽³⁾
Pollutants⁽⁴⁾				
SOx	tonne	0.001	0.001	0.001
NOx	tonne	0.116	0.137	0.109
Particulate Matter (PM)	tonne	0.010	0.012	0.010
GHG Emissions⁽⁵⁾				
Scope 1 Emissions	tCO2-e	5,758	5,487	7,033
Scope 2 Emissions - Market-based ⁽⁶⁾	tCO2-e	61,828	70,198	63,819
Scope 2 Emissions - Location-based ⁽⁷⁾	tCO2-e	71,286	86,027	70,279
Total GHG Emissions - Market-based	tCO2-e	67,586	75,685	70,851
Total GHG Emissions - Location-based	tCO2-e	77,044	91,514	77,311
GHG Emission Intensity - Market-based	tCO2e/sq. m. GFA	0.019	0.021	0.020
GHG Emission Intensity - Location-based	tCO2e/sq. m. GFA	0.022	0.026	0.022
Energy Consumption⁽⁸⁾				
i. Non-renewable Energy				
Diesel Oil	kWh	588,144	814,787	348,918
District Cooling ⁽⁹⁾	kWh	-	4,341,044	8,042,656
Gasoline/ Petrol Oil	kWh	579,498	486,721	433,706
LPG	kWh	12,540	234	0
Lubricants	kWh	7,563	6,021	1
Natural Gas	kWh	11,792,814	5,322,220	19,467,321
Purchased Electricity	kWh	141,048,912	162,023,046	161,309,856
Purchased Steam	kWh	1,298,305	2,827,756	3,167,486
Purchased Town Gas	kWh	28,032	9,413	4,747

Environmental KPIs	Unit	2022-23	2023-24	2024-25
ii. Renewable Energy				
Renewable Energy Generated	kWh	561,268	860,172	965,327
Renewable Energy Certificate (REC) Procured	kWh	922,166	3,637,586	16,956,521
Renewable Energy Sold	kWh	(561,046)	(859,481)	(963,847)
Total Energy Consumption ⁽¹⁰⁾	kWh	155,356,030	175,831,934	192,776,170
Energy Consumption Intensity	kWh/sq. m. GFA	43.759	48.630	55.258
Water Consumption⁽¹¹⁾				
Water Consumption	m3	1,044,581	885,696	814,510
Water Consumption Intensity	m3/sq. m. GFA	0.294	0.249	0.233
Waste Generated				
i. Waste Directed to Disposal				
Landfill Waste	tonne	-	88,117	77,337
Construction Waste	tonne	-	1,854	18,680
Total Non-Hazardous Waste Directed to Disposal	tonne	88,764	89,971	96,017
Total Hazardous Waste Directed to Disposal	tonne	7	0.040	0
Total Waste Directed to Disposal	tonne	88,771	89,971	96,017

Environmental KPIs	Unit	2022-23	2023-24	2024-25
ii. Waste Diverted from Disposal - Recycle, Reuse, Recover, etc.				
Electrical Waste	tonne	-	12,149	27,174
LED & Light Bulb	tonne	-	2,210	1,259
Rechargeable Batteries	tonne	-	0,348	0,560
Toner and Inkjet Cartridge	tonne	-	0,038	0,369
Others - Hazardous Waste	tonne	-	0	1,038
Total Hazardous Waste Diverted	tonne	2	15	30
General Waste	tonne	-	2,418	2,445
Beverage Carton	tonne	-	2	4
Food Waste	tonne	-	3,586	3,371
Glass	tonne	-	112	136
Paper	tonne	-	859	1,098
Plastic	tonne	-	113	157
Metal	tonne	-	59	134
Used Clothes	tonne	-	47	78
Others - Non-hazardous Waste	tonne	-	18	93
Total Non-Hazardous Waste Diverted (Commercial)	tonne	-	7,214	7,517
Concrete	tonne	-	1,428	4,408
Metal	tonne	-	135	0
Timber	tonne	-	4	0
Others	tonne	-	4	28
Total Non-Hazardous Waste Diverted (Construction)	tonne	-	1,571	4,436
Total Non-Hazardous Waste Diverted	tonne	990	8,784	11,952
Total Waste Diverted from Disposal	tonne	992	8,799	11,983
Total Waste Generated	tonne	89,763	98,770	108,000
Waste Diversion Rate	%	-	8.909	11.095
Total Waste Recycled, Reused and Recovered	tonne	-	6,053	9,448
Waste Recycling Rate	%	1.104	6.128	8.749
Waste Intensity	tonne/sq. m. GFA	0.025	0.028	0.031

Environmental KPIs	Unit	2022-23	2023-24	2024-25
Material Use				
Total Non-renewable Materials	tonne	50,650	17,400	28,421
Total Renewable Materials	tonne	2	0	0
Total Recycled Materials	tonne	0	0	18
Total Materials Used	tonne	50,652	17,400	28,439

Reporting Boundary:

The coverage of the environmental data includes the Group's leasing and development portfolios with operational control across its operating markets in Hong Kong, Chinese Mainland, Singapore, the United Kingdom, and the United States.

Note:

¹ Data marked with a symbol "-" is not available

² The following figures for 2023-24 report have been restated -

- District cooling - revised and estimated using actual chilled water consumption data and plant efficiency
- Purchased electricity - restated based on updated calculation methodologies
- REC procured - revised based on the updated electricity bills received
- GHG emissions and energy data have been updated to reflect the changes in (i.), (ii.) and (iii.)
- Water consumption and intensity - restated based on updated calculation methodologies
- Waste generation and intensity - restated to reflect enhanced data accuracy

³ In 2024-25, the data coverage has been expanded to include an additional existing building in the United States

⁴ The calculation methodology for pollutants is referenced from HKEX: How to Prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs

⁵ Calculation Methodology of GHG Emission

GHG emissions are calculated using:

- Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong, published by the Environmental Protection Department and the Electrical and Mechanical Services Department of the Hong Kong Special Administrative Region ("HKSAR") Government
- GHG Protocol published by the World Business Council for Sustainable Development and the World Resources Institute

Carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and hydrofluorocarbons (HFCs) are included in GHG calculations, while perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃) are not applicable

Reference Sources of Emission Factors Used for Calculating GHG Emissions:

Scope 1 - Direct GHG Emissions

- HKEX: How to Prepare an ESG Report - Appendix 2: Reporting Guideline on Environmental KPIs
- Greenhouse Gas Reporting: Conversion Factor 2023, published by the Department for Environment, Food and Rural Affairs (Defra) of the UK Government

Scope 2 - Indirect GHG Emissions (Market-based)

a. Hong Kong Property

- 2024 Sustainability Report, published by CLP Power Hong Kong Limited
- Sustainability Report 2024, published by Hongkong Electric Company
- Environmental, Social and Governance Report 2024, published by The Hong Kong and China Gas Company Limited

b. Chinese Mainland Property

- Guangdong Province's Enterprise (Unit) Carbon Dioxide Emissions Accounting and Reporting Guidelines (2024 Edition), published by the Department of Ecology and Environment of Guangdong Province
- Notice on Adjusting the Emission Factor Values in the Guidelines for Accounting of Greenhouse Gas Emissions (2022), published by the Shanghai Municipal Bureau of Ecology and Environment

c. Singapore Property

- Singapore Energy Statistics 2024, published by Energy Market Authority, Singapore Government

d. UK Property

- Fuel Mix Disclosure, published by F&S Energy
- Fuel Mix Disclosure, published by EDF Energy

e. US Property

- Climate Change 2021 Report, published by Eversource Energy
- Boston Greenhouse Gas Inventory Methodology 2023 Edition, published by the Boston Government

Scope 2 - Indirect GHG Emissions (Location-based)

The location-based emission factors are referenced from the grid factor released by the Carbon Risk Real Estate Monitor (CRREM)

⁶ Market-based method refers to a method to quantify the Scope 2 GHG emissions of a reporter based on GHG emissions emitted by the generators from which the reporter contractually purchases electricity bundled with contractual instruments, or contractual instruments on their own

⁷ Location-based method refers to a method to quantify Scope 2 GHG emissions based on average energy generation emission factors for defined geographic locations, including local, subnational, or national boundaries

⁸ Energy conversion factors of different fuel types are referenced from the following sources:

- Greenhouse Gas Reporting: Conversion Factor 2023, published by Defra of the UK Government
- Energy Star Portfolio Manager Technical Reference: Thermal Conversion Factors

⁹ District cooling is only available in Hong Kong, where the power consumption is estimated based on actual chilled water consumption and plant efficiency

¹⁰ The increases in total energy consumption and intensity during the reporting year are due to an increase in building occupancy and activities

¹¹ Water consumption data of the 24 managed properties remains unavailable from the Water Services Department at the time of the Report publication, thus the corresponding water consumption is estimated. Some of the electricity data from Regent Quarter remains unavailable due to limited access

Social Performance

Social KPIs	Group Total			Corporate ⁽¹³⁾			Property Management ⁽¹⁴⁾		
Workforce Statistics ⁽¹²⁾	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25
Number and Percentage of Employees by Category									
Total workforce	2,910	3,043	3,254	1,191	1,273	1,293	1,719	1,770	1,961
By Employment Type									
Full-time	2,736	2,829	2,974	1,180	1,256	1,266	1,556	1,573	1,708
	94%	93%	91%	99%	99%	98%	91%	89%	87%
Part-time	174	214	280	11	17	27	163	197	253
	6%	7%	9%	1%	1%	2%	9%	11%	13%
Permanent	2,701	2,812	2,990	1,166	1,251	1,262	1,535	1,561	1,728
	93%	92%	92%	98%	98%	98%	89%	88%	88%
Temporary	209	231	264	25	22	31	184	209	233
	7%	8%	8%	2%	2%	2%	11%	12%	12%
By Gender ⁽¹⁵⁾									
Male	1,643	1,694	1,772	640	681	674	1,003	1,013	1,098
	56%	56%	54%	54%	53%	52%	58%	57%	56%
Female	1,267	1,349	1,482	551	592	619	716	757	863
	44%	44%	46%	46%	47%	48%	42%	43%	44%
By Geographical Location ⁽¹⁵⁾									
Hong Kong	2,410	2,507	2,723	691	737	762	1,719	1,770	1,961
	83%	82%	83.68%	58%	58%	58.93%	100%	100%	100%
Chinese Mainland	433	436	446	433	436	446	0	0	0
	15%	14%	13.71%	36%	34%	34.49%	0%	0%	0%
U.K. and U.S.	67	99	84	67	99	84	0	0	0
	2%	3%	2.58%	6%	8%	6.50%	0%	0%	0%
Others	0	1	1	0	1	1	0	0	0
	0	0.03%	0.03%	0	0.08%	0.08%	0%	0%	0%

Social KPIs	Group Total			Corporate			Property Management		
Workforce Statistics	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25
By Age Group									
Under 30 Years Old	344	389	405	150	181	173	194	208	232
	12%	13%	12%	12%	14%	13.40%	11%	12%	12%
30-50 Years Old	1,378	1,429	1,495	781	824	830	597	605	665
	47%	47%	46%	66%	65%	64.20%	35%	34%	34%
Over 50 Years Old	1,188	1,225	1,354	260	268	290	928	957	1,064
	41%	40%	42%	22%	21%	22.40%	54%	54%	54%
By Employee Category									
Senior Management	133	135	141	127	128	134	6	7	7
	5%	4%	4%	11%	10%	10.36%	0%	0%	0.36%
Middle Management	472	508	521	376	408	418	96	100	103
	16%	17%	16%	32%	32%	32.33%	6%	6%	5.25%
General Staff	571	611	635	371	409	415	200	202	220
	20%	20%	20%	30%	32%	32.10%	12%	11%	11.22%
Others	1,734	1,789	1,957	317	328	326	1,417	1,461	1,631
	59%	59%	60%	27%	26%	25.21%	82%	83%	83.17%

Workers Who Are Not Employees	Unit	Group Total		
		2022-23	2023-24	2024-25
Total Number of Workers Who Are Not Employees and Whose Work Is Controlled by the Organisation	Person	5,129	1,496	6,669

New Hires and Turnover ⁽¹⁶⁾	Group Total			Corporate			Property Management		
	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25
Number of New Hires									
Total New Hires	614	1,048	1,081	208	256	235	406	792	846
	23%	37%	36%	18%	20%	19%	26%	51%	49%
By Gender									
Male	319	588	570	100	145	129	219	443	441
	21%	38%	36%	16%	22%	19%	25%	51%	47%
Female	295	460	511	108	111	106	187	349	405
	24%	36%	37%	20%	19%	18%	28%	50%	51%
By Geographical Location									
Hong Kong	524	990	968	118	198	122	406	792	846
	24%	43%	39%	18%	28%	17%	26%	51%	49%
Chinese Mainland	59	29	79	59	29	79	0	0	0
	14%	6%	18%	14%	6%	18%	0%	0%	0%
U.K. and U.S.	31	29	34	31	29	34	0	0	0
	47%	40%	43%	47%	40%	43%	0%	0%	0%
By Age Group									
Under 30 Years Old	175	278	260	60	78	68	115	200	192
	53%	74%	67%	45%	46%	44%	59%	97%	83%
30-50 Years Old	294	456	459	128	146	149	166	310	310
	22%	33%	31%	17%	18%	18%	28%	52%	47%
Over 50 Years Old	145	314	362	20	32	18	125	282	344
	14%	30%	32%	8%	11%	6%	17%	37%	41%

New Hires and Turnover	Group Total			Corporate			Property Management		
	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25
Number of Voluntary Turnover ⁽¹⁷⁾									
Total Voluntary Turnover	-	836	694	-	181	136	-	655	558
	-	30%	23%	-	14%	11%	-	42%	32%
By Gender									
Male	-	474	364	-	111	80	-	363	284
	-	31%	23%	-	16%	12%	-	42%	30%
Female	-	362	330	-	70	56	-	292	274
	-	28%	24%	-	12%	9%	-	42%	35%
By Geographical Location									
Hong Kong	-	787	648	-	132	90	-	655	558
	-	35%	26%	-	18%	12%	-	42%	32%
Chinese Mainland	-	37	30	-	37	30	-	0	0
	-	8%	7%	-	8%	7%	-	0%	0%
U.K. and U.S.	-	12	16	-	12	16	-	0	0
	-	16%	20%	-	16%	20%	-	0%	0%
By Age Group									
Under 30 Years Old	-	190	146	-	33	25	-	157	121
	-	51%	38%	-	20%	16%	-	76%	52%
30-50 Years Old	-	384	308	-	114	92	-	270	216
	-	27%	21%	-	14%	11%	-	45%	33%
Over 50 Years Old	-	262	240	-	34	19	-	228	221
	-	25%	21%	-	12%	7%	-	30%	26%

New Hires and Turnover	Group Total			Corporate			Property Management		
	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25
Number of Total Turnover ⁽¹⁸⁾									
Total Turnover	954	937	832	185	245	208	769	692	624
	35%	33%	28%	16%	20%	16%	50%	44%	36%
By Gender									
Male	526	524	452	100	138	122	426	386	330
	35%	34%	28%	16%	21%	18%	49%	45%	35%
Female	428	413	380	85	107	86	343	306	294
	35%	32%	27%	16%	19%	14%	51%	44%	37%
By Geographical Location									
Hong Kong	891	852	732	122	160	108	769	692	624
	40%	37%	30%	18%	22%	15%	50%	44%	36%
Chinese Mainland	50	62	76	50	62	76	0	0	0
	12%	14%	17%	12%	14%	17%	0%	0%	0%
U.K. and U.S.	13	23	24	13	23	24	0	0	0
	20%	32%	30%	20%	32%	30%	0%	0%	0%
By Age Group									
Under 30 Years Old	185	193	171	28	32	37	157	161	134
	56%	51%	44%	21%	19%	24%	81%	78%	58%
30-50 Years Old	399	421	366	120	135	128	279	286	238
	29%	30%	25%	16%	17%	16%	47%	48%	36%
Over 50 Years Old	370	288	295	37	43	43	333	245	252
	37%	28%	26%	14%	15%	15%	45%	33%	30%

Parental Leave	Unit	Group Total					
		Male			Female		
		2022-23	2023-24	2024-25	2022-23	2023-24	2024-25
Total Number of Employees Entitled to Parental Leave	Person	1,361	1,178	1,551	985	824	1,232
Total Number of Employees That Took Parental Leave	Person	23	12	27	31	25	32
Total Number of Employees That Returned to Work During the Reporting Period After Parental Leave Ended	Person	23	12	26	25	19	23
Total Number of Employees That Returned to Work After Parental Leave Ended That Were Still Employed 12 Months After Their Return to Work	Person	19	11	7	22	14	15
Return-to-work Rate ⁽¹⁹⁾	%	100	100	100	93	100	92
Retention Rate	%	73	48	58	61	56	79

Occupational Health and Safety	Unit	Employees			Contractors		
		2022-23	2023-24	2024-25	2022-23	2023-24	2024-25
Total Hours Worked	Hours	6,848,873	7,548,773	8,003,035	13,674,189	1,165,997	13,793,660
Work-Related Fatalities							
Total Number of Work-related Fatalities	Person	0	0	0	0	0	0
Rate of Work-related Fatalities (Per 200,000 Hours Worked)		0.00	0.00	0.00	0.00	0.00	0.00
Work-Related Injuries⁽²⁰⁾							
Total Number of High-consequence Work-related Injuries	No. of incidents	3	7	5	0	0	0
Rate of High-consequence Work-related Injuries (Per 200,000 Hours Worked) ⁽²¹⁾		0.09	0.19	0.12	0.00	0.00	0
Total Number of Recordable Work-related Injuries (Including High-consequence Work-related Injuries)	No. of incidents	29	26	36	5	5	18
Rate of Recordable Work-related Injuries (Per 200,000 Hours Worked) ⁽²²⁾		0.85	0.69	0.90	0.07	0.86	0.26
Total Number of Lost-time Injuries	No. of incidents	-	-	32	-	-	18
Lost time Injury Rate (LTIR) ⁽²³⁾		-	-	0.80	-	-	0.26
Work-Related Ill Health							
Work-related Ill Health Fatalities	Person	0	0	0	0	0	0
Total Number of Recordable Work-related Ill Health	No. of incidents	0	0	0	0	0	0

Training and Education	Unit	Number		
		2022-23	2023-24	2024-25
Average Training Hours				
Total	Hours	22	26	24
By Gender				
Male	Hours	21	26	23
Female	Hours	23	25	24
By Employee Category				
Senior Management	Hours	18	17	15
Middle Management	Hours	19	25	26
General Staff	Hours	25	30	27
Others	Hours	22	26	22
Percentage of Employees Receiving Regular Performance and Career Development Reviews				
By Gender				
Male	%	97	89	79
Female	%	95	89	80
By Employee Category				
Senior Management	%	98	80	84
Middle Management	%	93	88	98
General Staff	%	95	99	80
Others	%	97	87	74

Governance Body and Employee Diversity	Unit	The Board			Management ⁽²⁴⁾			Non-management		
		2022-23	2023-24	2024-25	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25
By Gender										
Male	%	83	75	75	56	54	52	57	56	55
Female	%	17	25	25	44	46	48	43	44	45
By Age Group										
Under 30 years old	%	0	0	0	5	7	6	14	14	14
30-50 years old	%	25	33	33	76	75	74	40	39	36
Over 50 years old	%	75	67	67	19	18	21	46	47	50

Note:

- ¹² Employee data refers to number of employees at the end of the reporting period on a head count basis
- ¹³ Corporate data covers employees based at the headquarter offices in Hong Kong, Chinese Mainland and overseas, as well as employees working at construction sites managed by Nan Fung in Hong Kong
- ¹⁴ Property management data covers employees from Nan Fung's property management business, which consists of employees in New Charm Management Limited, Main Shine Development Limited, Hon Hing Enterprises Limited, Vineberg Property Management Limited and other joint venture companies
- ¹⁵ Breakdown of employees by gender and region apply to all staff
- ¹⁶ New hires and Turnover apply to permanent employees only
- ¹⁷ Voluntary turnover refers to the permanent employees voluntarily leaving employment during the reporting year
- ¹⁸ Total turnover refers to permanent employees voluntarily and involuntarily leaving employment during the reporting year
- ¹⁹ Return to work rate is calculated as "total number of employees who did return to work after parental leave divided by total number of employees due to return to work after taking parental leave and then multiplied by 100%"
- ²⁰ Main types of injuries include slip, fall and contusion
- ²¹ Rate of high-consequence work-related injury (per 200,000 hours worked) is calculated as "high-consequence work-related injuries (exclude fatalities) divided by total no. of hours worked for employees and then multiply by 200,000". The factor 200,000 is the annual hours worked by 100 employees, based on 40 hours per week for 50 weeks a year
- ²² Rate of recordable work-related injury (per 200,000 hours worked) is calculated as "all recordable work-related injuries divided by total no. of hours worked for employees and then multiply by 200,000". The factor 200,000 is the annual hours worked by 100 employees, based on 40 hours per week for 50 weeks a year
- ²³ Lost time Injury Rate (LTIR) is calculated as "all recordable lost-time work-related injuries divided by total no. of hours worked for employees and then multiply by 200,000". The factor 200,000 is the annual hours worked by 100 employees, based on 40 hours per week for 50 weeks a year
- ²⁴ Management includes senior management and middle management

PERFORMANCE DATA SUMMARY (SBTi SCOPE)

Environmental KPIs		Unit	Nan Fung Property Management Holdings Limited ("NFPMHL")		Nan Fung Development Limited ("NFDL")		Nan Fung Development Holdings Limited ("NFDHL")	
			Baseline - 2022	2024	Baseline - 2021	2024	Baseline - 2021	2024
Scope 1 Emissions	Direct Emissions	tCO2-e	260	268	0	0	0	0
Scope 2 Emissions	Indirect Emissions	tCO2-e	10,706	11,715	302	144	302	144
Scope 3 Emissions	Other Indirect Emissions							
	Category 1 - Purchased Goods and Services	tCO2-e	1,205	749	3,831	0	2,121	76
	Category 2 - Capital Goods	tCO2-e	584	0	109,666	0	200,916	0
	Category 3 - Fuel- and Energy-related Activities	tCO2-e	1,337	489	38	6	38	6
	Category 4 - Upstream Transportation and Distribution	tCO2-e	N/A	N/A	N/A	N/A	N/A	N/A
	Category 5 - Waste Generated in Operations	tCO2-e	557	2,322	N/A	N/A	N/A	N/A
	Category 6 - Business Travel	tCO2-e	N/A	N/A	0	34	0	34
	Category 7 - Employee Commuting	tCO2-e	213	349	1	147	8	147
	Category 8 - Upstream Leased Assets	tCO2-e	N/A	N/A	8	13	N/A	N/A
	Category 9 - Downstream Transportation and Distribution	tCO2-e	N/A	N/A	N/A	N/A	N/A	N/A
	Category 10 - Processing of Sold Products	tCO2-e	N/A	N/A	N/A	N/A	N/A	N/A
	Category 11 - Use of Sold Products	tCO2-e	N/A	N/A	15,195	0	46,225	2,557
	Category 12 - End-of-life Treatment of Sold Products	tCO2-e	N/A	N/A	2,476	0	7,000	669
	Category 13 - Downstream Leased Assets	tCO2-e	22,420	16,564	N/A	N/A	N/A	N/A
	Category 14 - Franchises	tCO2-e	N/A	N/A	N/A	N/A	N/A	N/A
Category 15 - Investments	tCO2-e	N/A	N/A	N/A	N/A	N/A	N/A	

SCOPE 3 EMISSION DATA REPORTING METHODOLOGY

	Scope 3 Category	Description	Applicability	Methodology/ Exclusion Statement	Calculation Method	Source of Activity Data	Source of Emission Factor
1	Purchased Goods and Services	Upstream emissions from the extraction, production, and the transportation processes related to the products and services purchased	Yes	This category is calculated using:	1. Spend Amount x Emission Factor of the Purchased Goods and Services	<u>Buildings in Operation</u> 1. Primary procurement spend data from NFPMHL 2. Primary water - municipal data from NFPMHL	1. Table 13 - Indirect Emissions from the Supply Chain, published by Defra of the UK Government 2. Annual Report 2023/24, published by Water Supplies Department 3. Sustainability Report 2022/23, published by Drainage Services Department
				1. A spend-based method to calculate carbon emissions from procurement expenditure 2. A supplier-specific method to calculate carbon emissions from electricity used in processing fresh water and sewage by government departments	2. Purchased Amount x Emission Factor of the Purchased Goods and Services	<u>Development Projects</u> 1. Primary procurement spend data from NFDL & NFDHL 2. Primary water - municipal data from NFDL & NFDHL	
2	Capital Goods	Upfront embodied carbon from development projects	Yes	<u>Buildings in Operation</u> Embodied carbon from refurbishment and replacement of properties managed by NFPMHL	1. Spend Amount x Emission Factor of the Purchased Capital Goods	<u>Buildings in Operation</u> 1. Primary procurement spend data from NFPMHL	1. Table 13 - Indirect Emissions from the Supply Chain, published by Defra of the UK Government 2. Greenhouse Gas Reporting: Conversion Factor 2024, published by Defra of the UK Government
				<u>Development Projects</u> Embodied carbon from new construction (mainly from construction materials)	2. Material Amount x Emission Factor of the Material	<u>Development Projects</u> 1. Material use record from NFDL & NFDHL 2. LCA assessment reports from consultants	
3	Fuel- and Energy-related Activities	Emissions from the extraction, production, and transportation of fuels and energy purchased, not already accounted for in Scope 1 or Scope 2 reporting	Yes	Third-party emission factors are applied to primary data on purchased electricity, diesel, and other fuels	Fuel/ Energy Consumption x Upstream Emission Factor	Primary energy data from buildings in operation and development projects	1. Country-specific transmission and distribution losses, published by World Bank database library 2. 2024 Sustainability Report, published by CLP Power Hong Kong Limited 3. Sustainability Report 2024, published by Hongkong Electric Company
4	Upstream Transportation and Distribution	Emissions from the transportation and distribution of goods and services purchased	N/A	A lump sum of spending in transportation and distribution has been included in Category 1	N/A	N/A	N/A
5	Waste Generated in Operations	Emissions from the disposal and treatment of waste produced during operations	Yes - to NFPMHL	This category is calculated through a waste-type-specific method, collecting operational waste data by type and treatment method, and applying the corresponding emission factors	Waste Amount x Emission Factor by Waste Type and Waste Treatment Method	Primary waste data from buildings in operation and development projects	1. Carbon Audit Toolkit for Small and Medium Enterprises in Hong Kong, published by the City University of Hong Kong 2. Greenhouse Gas Reporting: Conversion Factor 2024, published by Defra of the UK Government
6	Business Travel	Emissions from the transportation of NFDL and NFDHL employees for business activities	Yes - to NFDL & NFDHL	<u>Air & Rail Travel</u> Carbon emissions from air and rail travel are calculated by multiplying the travel distances by the corresponding emission factors	<u>Air & Rail Travel</u> Travel Distance x Emission Factor of the Corresponding Mode of Transport	Primary travel and spend data from NFDL and NFDHL	1. Greenhouse Gas Reporting: Conversion Factor 2024, published by Defra of the UK Government 2. A Comparative Assessment of Greenhouse Gas Emissions from High-speed Rail and Air Travel, published by the Research Center for Eco-Environmental Sciences, Chinese Academy of Sciences. 3. Carbon Audit Guidelines, published by the City University of Hong Kong
				<u>Local Travel</u> Carbon emissions from local travel (e.g., taxi) are calculated based on financial spend	<u>Local Travel</u> Spend Amount x Emission Factor of the Corresponding Mode of Transport		

	Scope 3 Category	Description	Applicability	Methodology/ Exclusion Statement	Calculation Method	Source of Activity Data	Source of Emission Factor
7	Employee Commuting	Emissions from the transportation of employees between their residences and workplaces	Yes	This category is calculated from the number of employees in NFPMHL, NFDL, and NFDHL, along with travel distances and financial expenditures gathered from the Employee Commuting Survey	<p><u>Calculation Based on Travel Distance</u> Travel Distance x Emission Factor of the Corresponding Mode of Transport</p> <p><u>Calculation Based on Local Travel</u> Spend Amount x Emission Factor of the Corresponding Mode of Transport</p>	Employee Commuting Survey	<p>1. Carbon Audit Guidelines, published by the City University of Hong Kong</p> <p>2. Greenhouse Gas Reporting: Conversion Factor 2024, published by Defra of the UK Government</p> <p>3. Grid factor published by Carbon Risk Real Estate Monitor (CRREM)"</p>
8	Upstream Leased Assets	Emissions from operation of assets leased by NFDL, not already accounted for in Scope 1 or Scope 2 reporting	Yes - to NFDL	<p>It relates to the emissions from operation of assets leased by NFDL (not included in Scope 1 and Scope 2)</p> <p>This category is calculated using the average-data method, which takes into account the leased floor area, leasing period, and applied emission factors</p>	Leased Floor Spaces x Average Emission Factor	Primary energy data for leased office spaces	How to Prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs, published by HKEX
9	Downstream Transportation and Distribution	Emissions from the transportation and distribution of sold products	N/A	Not applicable to the operations of NFPMHL, NFDL, NFDHL	N/A	N/A	N/A
10	Processing of Sold Products	Emissions from processing of intermediate products sold by downstream companies (e.g., manufacturers)	N/A	Not applicable to the operations of NFPMHL, NFDL, NFDHL	N/A	N/A	N/A
11	Use of Sold Products	Emissions from end-use of buildings sold by NFDL and NFDHL	Yes - to NFDL & NFDHL	This category is calculated based on the sold residential buildings area, estimated lifetime of properties, and the projected emission factors of the entire use stage	Area of Residential Units Sold x Referenced EUI x Designed Lifetime x Projected Emission Factors	Transaction record	<p>1. 2024 Sustainability Report, published by CLP Power Hong Kong Ltd</p> <p>2. Sustainability Report 2024, published by Hongkong Electric Company</p>
12	End-of-life Treatment of Sold Products	End-of-life carbon emissions from the waste disposal and treatment of buildings sold by NFDL and NFDHL	Yes - to NFDL & NFDHL	This category is calculated by multiplying the area of sold residential buildings by the end-of-life carbon emission factor	Area of Residential Units Sold x End-of-life Emission Factor	Transaction record	Comprehensive Evaluation of Carbon Emissions for the Development of High-Rise Residential Building, MDPI Journal - Buildings 2018
13	Downstream Leased Asset	Emissions from operation assets owned by NFPMHL and leased to tenants	Yes - to NFPMHL	<p>This category is calculated by:</p> <p>1. Multiplying the metered electricity consumption at individual tenant level by local emission factors</p> <p>2. Multiplying the total leased area of tenant spaces by local appropriate EUI benchmark</p>	Metered Electricity Consumption or EUI x Emission Factor	Primary electricity data from digital platform	<p>1. 2024 Sustainability Report, published by CLP Power Hong Kong Ltd</p> <p>2. Sustainability Report 2024, published by Hongkong Electric Company</p>
14	Franchises	Emissions from the operations of NFPMHL, NFDL and NFDHL franchises	N/A	Not applicable to the operations of NFPMHL, NFDL, NFDHL	N/A	N/A	N/A
15	Investments	Emissions from the operations of NFPMHL, NFDL and NFDHL investments	N/A	Not applicable to the operations of NFPMHL, NFDL, NFDHL	N/A	N/A	N/A

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Governance

The Board oversees the development and enhancement of our sustainability strategy and delegates responsibility for climate-related programmes and other strategic sustainability initiatives to the SEWIT Committee, which is chaired by the Group Managing Director. The Committee regularly monitors existing and emerging climate-related risks and opportunities, providing updates to the Board at least once a year. The responsibilities of the SEWIT Committee include:

- formulating strategies to effectively address climate-related risks and opportunities
- reviewing climate-related risks and opportunities and overseeing the company's risk management framework and processes
- evaluating energy and emission targets and KPIs
- ensuring compliance with our Environmental and Climate Change policies, including the effective communication and sign-off of policy objectives by all department heads every financial year

Strategy

In 2022, we engaged an external consultant to identify and assess the principal climate-related risks and opportunities using a four-step approach: (1) identification of climate-related risks and opportunities relevant to the company's business and geographic locations, (2) industry benchmarking and peer analysis, (3) review and refinement of initial list of risks and opportunities by our senior management and (4) submission to and approval by the SEWIT Committee. This process served as the basis for Nan Fung's climate-related risk management strategy.

We conducted climate adaptation and financial assessments for our major assets to evaluate their exposure to physical and transition risks and opportunities under different climate scenarios. This assessment went beyond portfolio-level analysis by integrating site inspections that were aligned with recognised climate models and international standards. The insights we obtained through these assessments help inform the Group's strategy and decision-making, ensuring that climate resilience measures are tailored to each asset's unique risk profile.

Risk Management

Climate-related risks are integrated into the ERM under "Natural Disaster and Pandemic Risks," supporting long-term planning and strategic decision-making. As part of this integration, we regularly review key mitigation actions and compute residual risk scores, helping to enhance both business resilience and stakeholder confidence.

During the reporting period, we introduced a climate incident reporting mechanism for extreme tropical cyclones and rainstorms to gain deeper insight into our financial and reputational exposure. This includes tracking damages and claims related to climate events. Data gathered from this process informs the development of remedial strategies and strengthens our contingency plans.

Our newly developed climate-related risk management strategy stipulates regular monitoring of processes and identification of mitigation measures to ensure continuous improvement. The climate-related risks and opportunities we identified—along with their potential impacts—are managed by the Group as follows:

Physical Risks

We continue to assess the resilience of our buildings and implement mitigation and adaptation measures where possible. During the reporting year, we completed climate adaptation and financial assessments for AIRSIDE and 99 City Road, involving site inspections and evaluations of the performance and resilience of building hardware—such as drainage systems and Heating, Ventilation, and Air Conditioning (HVAC) units. These assessments evaluated the effectiveness of our current climate risk mitigation measures and served as the basis of our recommendations for enhancements to existing processes and systems.

Following the assessment at AIRSIDE, we have identified the following measures to further enhance the property's climate resilience in the short and long term: deployment of a CCTV-based river water level monitoring system, installation of flood gates at key locations and installation of clearly visible signage to warn occupants of extreme heat during summer. We will also conduct a similar climate adaptation and financial assessment at Yi Fung Place in Shanghai to identify opportunities to enhance its resilience.

Transition Risks

To address transition risks—including regulatory changes, rising energy costs and shifting market preferences among others—we are actively exploring new ways to procure renewable energy and continue building environmental-certification-ready buildings. This year, our efforts included offsetting 100% of the emissions associated with energy consumed onsite at assets in Chinese Mainland and the UK through the purchase of RECs.

Metrics and Targets

In 2024, we achieved a significant milestone in our decarbonisation efforts with the SBTi's approval of our emission targets, as detailed on p. 40 of this Report. Our science-based Scope 1, 2 and 3 emission reduction targets demonstrate our commitment to achieving net-zero emissions by 2050. Moving forward, we will continue monitoring, reviewing and disclosing the Group's climate-related metrics and targets

Metrics

Category	Metric	Unit of Measure	2022-23	2023-24	2024-25
Greenhouse Gas Emissions (Development Projects) ¹	Scope 1 Emissions	tCO ₂ -e	N/A	N/A	0
	Scope 2 Emissions	tCO ₂ -e	N/A	N/A	288
	Scope 3 Emissions	tCO ₂ -e	N/A	N/A	2,557
Greenhouse Gas Emissions (Buildings in Operation) ²	Scope 1 Emissions	tCO ₂ -e	N/A	N/A	268
	Scope 2 Emissions	tCO ₂ -e	N/A	N/A	11,715
	Scope 3 Emissions	tCO ₂ -e	N/A	N/A	17,053
Energy Management	Total Energy Consumption	kWh	155,356,030	175,831,934	192,776,170
	Energy Intensity	kWh/sq. m. GFA	44	49	55
Climate-related Opportunities	Certified Green Buildings ³	%	N/A	N/A	94
	Proportion of Loan Facilities from Sustainable Financing	%	45	43	45
	Renewable Energy Generated from On-Site Solar Panels	kWh	561,268	860,172	965,327
	Renewable Energy Sold through Feed-In Tariff Scheme	kWh	561,046	859,481	963,847

Targets

Decarbonisation

- For development projects: Reduce Scope 1, 2 and 3 (capital goods and use of sold products) absolute GHG emissions by 46.2% by 2031 and 99.6% by 2050
- For buildings in operation: Reduce Scope 1, 2 and 3 (fuel and energy-related activities and downstream leased assets) absolute GHG emissions by 46.2% by 2031 and 99.6% by 2050

Waste Diversion

- Property Management: Divert municipal solid waste from landfills by 30% by 2030

¹ Development projects are those included in the SBTi submission under Nan Fung Development Limited and Nan Fung Development Holdings Limited

² Buildings in operation are those included in the SBTi submission under Nan Fung Property Management Limited

³ Measured by GFA of wholly owned properties of the Group

VERIFICATION STATEMENT

Scope and Objective

Hong Kong Quality Assurance Agency ("HKQAA") was commissioned to conduct an independent verification for Nan Fung Group ("NFG")'s Sustainability Disclosures (the "Selected Disclosures") stated in its SEWIT Report 2024-2025 ("the Report"). The selected disclosures covered the period from 01/04/2024 to 31/03/2025 and represented the sustainability performance of NFG, including but not limited to the progress in FY2024-2025 for the sign-up rate of Net Positive Lease, on-site generation of Renewable Energy and generation or facilitation of social value for quantifying Social Impact. The verified data points are marked with an asterisk (*) in the report.

The objective of this verification is to provide an independent opinion with a reasonable level of assurance on whether the selected disclosures are prepared in accordance with the following reporting criteria:

- the Global Reporting Initiative's Sustainability Reporting Standards ("GRI Standards")

Roles and Responsibilities

NFG is responsible for the organization's information system, the development and maintenance of records and reporting procedures in accordance with the system, including the calculation and determination of sustainability information and performance. HKQAA verification team is responsible for providing an independent verification opinion on the selected disclosures provided by NFG for the reporting period. The verification was based on the verification scope, objectives and criteria as agreed between the commissioning party and HKQAA.

Limitation and Exclusion

The following limitations and exclusions were applied to this verification due to the service scope, nature of verification criteria, and characteristics of the verification methodology.

- I. Our verification scope is limited to verifying the transcription/transformation of the raw data or information into the selected disclosures, e.g., Claims and Performance Data stated in the Report. This Sustainability Information may be subject to inherent uncertainty.
- II. Evaluating the quality of execution and implementation effectiveness of the ESG practices, the appropriateness of the assumptions made, and the estimation techniques applied are outside the scope of our verification.
- III. The verification of raw data or information is based on the use of a sampling approach and reliance on the client's representation. As a result, errors or irregularities may occur and remain undetected.
- IV. Any information outside the established verification period has been excluded.

Level of Assurance and Methodology

HKQAA's verification procedure has been conducted with reference to the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000") issued by the International Auditing and Assurance Standards Board. The evidence gathering process was designed to obtain a reasonable level of assurance as set out in the ISAE 3000 by using a risk-based approach.

Our verification procedure included, but not limited to:

- Sampling the sustainability information stated in the Report, e.g. claims and performance data for detail verification;
- Verifying the raw data and supporting information of the selected samples of the sustainability information;
- Interviewing responsible personnel; and
- Checking the internal control mechanism

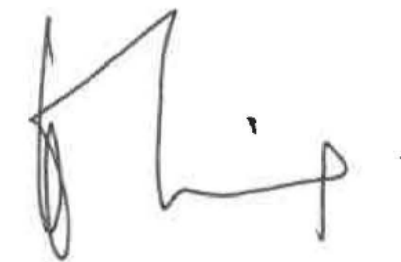
Independence

HKQAA was not involved in collecting and calculating data or compiling the reporting contents. Our verification activities were entirely independent and there was no relationship between HKQAA and NFG and commissioning party that would affect the impartiality of the verification.

Conclusion

Based on the evidence obtained and the results of the verification process, it is the opinion of the verification team that, with a reasonable level of assurance, the Report has been prepared, in all material respects, in accordance with the Global Reporting Initiative's Sustainability Reporting Standards ("GRI Standards").

Signed on behalf of Hong Kong Quality Assurance Agency



K.T. Ting

Chief Operating Officer

October 2025 Ref: 14970348-VER



SUSTAINABILITY AWARDS AND PROFESSIONAL MEMBERSHIPS

External Charters

Name of Charter/Pledge	Sponsoring Organisation
4T Charter	<ul style="list-style-type: none"> Environment and Ecology Bureau, HKSAR Government Electrical and Mechanical Services Department, HKSAR Government
Breastfeeding Friendly Community Initiative	<ul style="list-style-type: none"> Hong Kong Breastfeeding Mothers' Association Natural Parenting Network School of Nursing, The University of Hong Kong
Charter for Age-friendly Shopping Malls	The Hong Kong Jockey Club Charities Trust
Charter on External Lighting	Environment and Ecology Bureau, HKSAR Government
Construction Digitalisation Charter	Construction Industry Council
ECH2O - Enterprises Cherish Water Charter	<ul style="list-style-type: none"> Green Council Water Supplies Department, HKSAR Government
EMployment Friendly Charter	The Hong Kong Council of Social Service
Energy Saving Charter	<ul style="list-style-type: none"> Environment and Ecology Bureau, HKSAR Government Electrical and Mechanical Services Department, HKSAR Government
Good Employer Charter 2024	Labour Department, HKSAR Government
Green Pledge	Green Council
Heart Caring Charter	<ul style="list-style-type: none"> Labour Department, HKSAR Government Occupational Safety & Health Council
Joyful@Healthy Workplace Charter	<ul style="list-style-type: none"> Department of Health, HKSAR Government Occupational Health and Safety Council
Mental Health Workplace Charter	<ul style="list-style-type: none"> Department of Health, HKSAR Government Labour Department, HKSAR Government Occupational Safety & Health Council
Net-zero Carbon Charter	Business Environment Council
Say Yes To Breastfeeding	Hong Kong Committee for UNICEF
Sustainable Construction Charter	Construction Industry Council

Memberships

Name of Association	Nature of Membership	Entity
Business Environment Council	Council Member	Nan Fung Development Limited
Business Environment Council	General Member	New Charm Management Limited
Committee of Huaihai Road	Member	Shanghai Haici Real Estate Company Limited
Green Council	Bronze Member	<ul style="list-style-type: none"> Bordon Construction Company Limited Chun Yip Construction Company Limited Nan Fung Property Management
Guangzhou Association of Building Economy Promotion	Member	Guangzhou Zhan Hui Real Estate Development Company Limited
Hong Kong Association of Property Management Companies Limited	Full Member	Main Shine Development Limited
Hong Kong Construction Association	Member	<ul style="list-style-type: none"> Bordon Construction Company Limited Chun Yip Construction Company Limited
Hong Kong Green Building Council	Gold Patron Members	Nan Fung Group
Shanghai Real Estate Trade Association	Member	Shanghai Huatian Property Development Company Limited
上海市長寧區商業聯合會	Member	Shanghai Huatian Property Development Company Limited

Awards

Organisers	Awards	Activities, Business Units and/or Properties
CLP Power Hong Kong Limited	CLP Smart Energy Award 2024: Carbon Management Award (Catering, SME, NGO, Education Institutes and Property Management) - Grand Award	Nan Fung Property Management
	CLP Smart Energy Award 2024: Low Carbon Driving Award	
Crime Prevention Bureau, HKSAR Government and Vocational Training Council	Security Services Best Training Award 2023: Gold Award (Type I Security Company Licence)	<ul style="list-style-type: none"> Hon Hing Enterprises Limited Main Shine Development Limited New Charm Management Limited Vinberg Property Management Limited
Environmental Campaign Committee	2023 Hong Kong Awards for Environmental Excellence: Certificate of Merit (Property Management - Commercial & Industrial)	Nan Fung Tower
	2023 Hong Kong Awards for Environmental Excellence: Certificate of Merit (Property Management - Residential)	<ul style="list-style-type: none"> 8 Deep Water Bay Drive The Visionary
Fullness Social Enterprises Society	Social Enterprise Supporter Award Scheme 2024 : Social Enterprise Supporter Plus	Nan Fung Property Management
Global Real Estate Sustainability Benchmark (GRESB)	Four-star Rating	Nan Fung Group Holdings Limited
Green Council	Hong Kong Green Award: Environmental, Health and Safety Award (Large Corporation) - Sliver	<ul style="list-style-type: none"> Bordon Construction Company Limited Chun Yip Construction Company Limited
	Hong Kong Green Award: Sustained Performance 9 years +	
	UNSDG Achievement Awards Hong Kong 2024: Organisation Award - Sustainable Organisation (Silver)	Nan Fung Property Management
	UNSDG Achievement Awards Hong Kong 2024: Project Award - Recognised Projects (Smart Waste Management)	
Guangzhou Association of Building Economy Promotion	零碳數智節能降碳星級樓宇	The Place, Guangzhou
Hong Kong Construction Association (“HKCA”)	HKCA Construction Safety Award: Proactive Safety Contractor Award	<ul style="list-style-type: none"> Bordon Construction Company Limited Chun Yip Construction Company Limited
	HKCA Hong Kong Construction Environmental Award: Merit Award	
	HKCA Benchmark Service of ESG Recognition Scheme 2024: Participation Certificate	

Organisers	Awards	Activities, Business Units and/or Properties
Hong Kong Green Building Council	Hong Kong Green Shop Alliance Award 2024: Excellent Green Practices Award - Waste Management	<ul style="list-style-type: none"> The Mills AIRSIDE
	Hong Kong Green Shop Alliance Award 2024: New Alliance Member - Mall	
Hong Kong Institute of Surveyors (“HKIS”)	HKIS Awards 2024: Planning Category - Grand Award	AIRSIDE
Hong Kong Quality Assurance Agency	ISO9001:2015 Quality Management System Certificate	<ul style="list-style-type: none"> Bordon Construction Company Limited Chun Yip Construction Company Limited
	ISO45001:2018 Occupational Healthy & Safety Management System Certificate	
	ISO14001:2015 Environmental Management System Certificate	
	ISO50001:2018 Energy Management System	
International Facility Management Association (“IFMA”)	IFMA Asia Pacific Awards of Excellence 2024: Asia Pacific Award of Excellence in ESG Achievement - Certificate of Excellence	Nan Fung Property Management: <ul style="list-style-type: none"> 8 Deep Water Bay Drive 33 Des Voeux Road West Ori
	IFMA Asia Pacific Awards of Excellence 2024: Asia Pacific Award of Excellence in ESG Achievement - Winner	Nan Fung Property Management: Sustainability Framework 2030
	IFMA Asia Pacific Awards of Excellence 2024: Asia Pacific Award of Excellence in Facility Management Operations (Commercial & Industrial) - Certificate of Excellence	Nan Fung Property Management: <ul style="list-style-type: none"> AIRSIDE 8 Wyndham Street Nan Fung Centre
	IFMA Asia Pacific Awards of Excellence 2024: Asia Pacific Award of Excellence in Facility Management Operations (Commercial & Industrial) - Certificate of Merit	Nan Fung Property Management: The Mills
	IFMA Asia Pacific Awards of Excellence 2024: Asia Pacific Award of Excellence in Facility Management Operations (Residential) - Certificate of Excellence	Nan Fung Property Management: <ul style="list-style-type: none"> 8 Deep Water Bay Drive Providence Bay
	IFMA Asia Pacific Awards of Excellence 2024: Asia Pacific Award of Excellence in Facility Management Operations (Residential) - Certificate of Merit	Nan Fung Property Management: <ul style="list-style-type: none"> Mount Nicholson Queen’s Cube Floriant Rise
	IFMA Asia Pacific Awards of Excellence 2024: Asia Pacific Award of Excellence in Innovation and Technology Application in FM - Certificate of Excellence	Nan Fung Property Management: <ul style="list-style-type: none"> AIRSIDE Nan Fung Tower
IIFMA Asia Pacific Awards of Excellence 2024: Asia Pacific Award of Excellence in Innovation and Technology Application in FM - Certificate of Merit	<ul style="list-style-type: none"> Nan Fung Property Management: 8 Deep Water Bay Drive Nan Fung Enterprises (HK) Limited: Employee badge in Digital Wallet 	

Organisers	Awards	Activities, Business Units and/or Properties
Leisure and Cultural Services Department, HKSAR Government	Best Landscape Award for Private Property Development 2024: Large-scale Non-domestic Property (Properties below 6 years of age) - Gold Award and Environmental Efficiency Award	AIRSIDE
NOA Testing & Certification Group	ISO9001:2015 Quality Management System Certificate	Nanheng (Shanghai) Property Services
	ISO14001:2015 Environmental Management System Certificate	
	ISO45001:2018 Occupational Healthy & Safety Management System Certificate	
	ISO14001:2015 Environmental Management System Certificate	
Quality Building Award	Quality Building Award 2024: Certificate of Merit	AIRSIDE
RX France	MIPIM Asia Awards 2024: Best Shopping Experience – Gold Winner	AIRSIDE
Sing Tao News Corporation Limited (Sing Tao) and the Center for Economic Sustainability and Entrepreneurial Finance (CESEF), School of Accounting and Finance, The Hong Kong Polytechnic University	Outstanding ESG Enterprises Recognition Scheme: Level 1 – Prestigious ESG Accomplishment of the Year Level 2 – Outstanding ESG Environmental Performance Awards Level 2 – Outstanding ESG Social Performance Awards Level 2 – Outstanding ESG Corporate Governance Awards Level 3 – ESG Commendation Awards	Nan Fung Property Management
Shared Value Initiative Hong Kong and Shared Value Project	2024 Shared Value Awards: Shared Value Program of the Year (Net Positive Lease) - Winner	Nan Fung Development Limited
Social Value Portal	Social Value Awards 2024: Making Core Award - Winner	Nan Fung Group
The Hong Kong Council of Social Service	Caring Company Scheme: 15 Years Plus Caring Company Logo	Nan Fung Group

Organisers	Awards	Activities, Business Units and/or Properties
The Hong Kong Institute of Facility Management	Excellence in Facility Management Award (EFMA) 2023/24: Distinction Award (Industrial)	Golden Dragon Industrial Centre
	Excellence in Facility Management Award (EFMA) 2023/24: Distinction Award (Small-scale Residential)	Mount Nicholson
	Excellence in Facility Management Award (EFMA) 2023/24: Excellence Award (Industrial)	<ul style="list-style-type: none"> Asia Trade Centre Sun Fung Centre Well Fung Industrial Centre
	Excellence in Facility Management Award (EFMA) 2023/24: Excellence Award (Medium-scale Residential)	Kwai Chung Plaza
	Excellence in Facility Management Award (EFMA) 2023/24: Excellence Award (Office Building)	<ul style="list-style-type: none"> 33 Des Voeux Road West 8 Wyndham Street Nan Fung Tower On Lan Centre
	Excellence in Facility Management Award (EFMA) 2023/24: Excellence Award (Retail)	TKO Plaza
	Excellence in Facility Management Award (EFMA) 2023/24: Excellence Award (Small-scale Residential)	<ul style="list-style-type: none"> 7- 15 Mount Kellest Road Fortuna Court Island Garden La Place de Victoria Mount Austin Estate
	Excellence in Facility Management Award (EFMA) 2023/24: FM People Award (Young Practitioner) - Gold Award	Nan Fung Centre
	Excellence in Facility Management Award (EFMA) 2023/24: Merit Award (Retail)	MOS Centre
	Excellence in Facility Management Award (EFMA) 2023/24: Most Popular Facility Award (Commercial) - Gold Award	Nan Fung Centre
	Excellence in Facility Management Award (EFMA) 2023/24: Most Popular Facility Award (Institutional & Others) - Bronze Award	Golden Dragon Industrial Centre
	Excellence in Facility Management Award (EFMA) 2023/24: Most Popular Facility Award (Institutional & Others) - Silver Award	Asia Trade Centre
	Excellence in Facility Management Award (EFMA) 2023/24: Outstanding Professional Integrity Award - Silver Award	Island Garden
	Excellence in Facility Management Award (EFMA) 2023/24: Theme Award - Stakeholder Aspiration (Residential) - Silver Award	Mount Nicholson
Most Popular Facility Award (Institutional & Others) Bronze Award	Golden Dragon Industrial Centre	

Organisers	Awards	Activities, Business Units and/or Properties
The Hong Kong Institute of Housing	HKIH Elite Awards 2024: Best Safety Team	Nan Fung Property Management
	HKIH Elite Awards 2024: Outstanding Team (Private Housing – Non-residential)	AIRSIDE
	HKIH Elite Awards 2024: Best Innovative Idea Award	AIRSIDE
	HKIH Elite Awards 2024: Outstanding Manager (Private Housing – Residential)	7-15 Mount Kellet Road
	HKIH Elite Awards 2024: Outstanding Officer (Private Housing – Residential)	8 Deep Water Bay Drive
The Hong Kong Institute of Surveyors and The Hong Kong Association of Property Management Companies Limited	Quality Property and Facility Management Award 2024: Office Building (Large-Scale) - Grand Award	AIRSIDE
	Quality Property and Facility Management Award 2024: Shopping Centre (Large-Scale) - Excellence Award	AIRSIDE
	Quality Property and Facility Management Award 2024: Small-Scale Residential - Merit Award	8 Deep Water Bay Drive
World Green Building Council	Asia Pacific Leadership Award in Green Building 2024: Highly Commended - Leadership in Sustainable Design and Performance (Commercial Projects)	AIRSIDE

GREEN CERTIFICATION AND GREEN RATING

Green Building Certification	Location		
BEAM Plus Existing Buildings v2.0 Comprehensive Scheme – Final Platinum	The Mills		
BEAM Plus Existing Buildings v2.0 Selective Scheme – Good Grade in Management Aspect	21 Coombe Road	Golden Dragon Industrial Centre	Nan Fung Sun Chuen
	7-15 Mount Kellett Road	Grand Garden	Nan Fung Tower
	8 Deep Water Bay Drive	Hing Wah Industrial Building	On Lan Centre
	8 Wyndham Street	Interocean Court	ORI
	80 Robinson Road	Island Garden	Providence Bay
	84 Peak Road	Kwai Chung Plaza	Providence Peak
	Aqua Blue	La Cresta	Queen's Cube
	Asia Trade Centre	La Place De Victoria	San Po Kong Plaza
	Bay Villas	Marvel Industrial Building	The Graces - Providence Bay
	Cheung Fung Industrial Building	MOS Centre	The Visionary
	Edition 178	Mount Austin Estate	TKO Plaza
	Fook Hong Industrial Building	Mount Nicholson	Tseung Kwan O Plaza (Residential)
	Fook Yip Building	Nan Fung Centre	Tsuen Fung Centre
	Fortuna Court	Nan Fung Commercial Centre	Well Fung Industrial Building
BEAM Plus Interiors v2.0 – Final Platinum	Nan Fung Group Workplace (AIRSIDE)		
BEAM Plus New Buildings v1.2 – Final Platinum	AIRSIDE		
BEAM Plus Neighborhood v1.0 – Final Platinum	AIRSIDE (obtained in 2018)		
BREEAM - Excellent	Old Bailey		
BREEAM - Very Good	108 Cannon Street		
Certificate of Green Building Design Label – 3 Star	AIRSIDE (obtained in 2019)		

Green Building Certification	Location	
Energywise Certificate- Excellent Level	Fook Hong Industrial Building	San Po Kong Plaza
	Nan Fung Commercial Centre	Tsuen Fung Centre
Energywise Certificate - Good Level	Asia Trade Centre	
LEED v4.1 Operations and Maintenance (O+M): Existing Buildings – Platinum	The Place (Shanghai)	
LEED v4.0 Interior Design and Construction (ID+C): Commercial Interiors - Platinum	Nan Fung Group Workplace (AIRSIDE)	
LEED v4 Building Design and Construction Core and Shell Development – Platinum	AIRSIDE (obtained in 2023)	
LEED v4.1 Operations and Maintenance (O+M): Existing Buildings Recertification - Gold	2 Financial Center	
	470 Atlantic Avenue	
LEED v4.1 Operations and Maintenance (O+M): Existing Buildings – Platinum	The Place (Shanghai)	
	WPP CAMPUS	
	Le Rendez-vous	
	Nan Fung Tower (Shanghai)	
LEED Zero Waste	The Place (Shanghai)	
	WPP Campus	
SmartScore Platinum Certification	AIRSIDE (renewal in progress)	
True Platinum	The Place (Shanghai)	
	WPP Campus	
WELL Platinum	Nan Fung Group Workplace (AIRSIDE)	
WELL Core Platinum – AIRSIDE Office	AIRSIDE	
WELL Core Platinum	Le Rendez-vous	WPP Campus
	The Place (Shanghai)	Yi Fung Place
WELL Health-Safety Rating	108 Cannon Street	Regent Quarter: Cottam House, Focus Point
	138 Cheapside	The Bailey
WiredScore Platinum Certification	AIRSIDE (renewal in progress)	The Bailey

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

Material Issue	Our Approach	Corresponding GRI Topics	Impacts											
			Board/Group Management	Group Employees	Customers	Tenants/Residents	Suppliers	NGO Partners	Investors/Investees/Banks	Community	Industry Organisations	Regulators/Government	Media	
1	Business ethics	Governance	GRI 205 Anti-corruption	•	•		•	•	•	•	•	•	•	•
			GRI 206 Anti-competitive behaviour											
2	Corporate governance	Governance	GRI 205 Anti-corruption	•	•		•	•	•	•	•	•	•	•
			GRI 206 Anti-competitive behaviour											
3	Economic performance and impact	Governance	GRI 201 Economic performance		•		•					•	•	
			GRI 203 Indirect economic impacts											
4	Data privacy and security	Governance	GRI 418 Customer privacy	•	•	•		•				•		
5	Community investment and engagement	Social cohesion	GRI 413 Local communities		•		•	•	•		•		•	
6	Talent attraction and retention		GRI 401 Employment	•		•								
7	Tenant and customer engagement		GRI 418 Customer privacy		•	•					•			
8	Training and development		GRI 404 Training and education	•										
9	Diversity and equal opportunity		GRI 405 Diversity and equal opportunity		•			•				•		
			GRI 406 Non-discrimination											
10	Human rights		GRI 409 Forced or compulsory labour		•		•		•		•	•	•	
			GRI 203 Indirect economic impacts											

Material Issue	Our Approach	Corresponding GRI Topics	Impacts										
			Board/Group Management	Group Employees	Customers	Tenants/Residents	Suppliers	NGO Partners	Investors/Investees/Banks	Community	Industry Organisations	Regulators/Government	Media
11	Green building	Environment	GRI 301 Materials	•	•	•	•	•	•	•	•	•	•
			GRI 417 Marketing and labelling										
12	Building materials	Environment	GRI 301 Materials	•			•	•		•		•	•
13	Energy	Environment	GRI 302 Energy	•		•	•	•		•		•	•
14	Climate adaptation and resilience	Environment	GRI 201 Economic performance	•	•	•	•	•	•	•	•	•	•
15	Waste	Environment	GRI 306 Waste			•	•		•	•	•		
16	Sustainable finance and investment	Environment	GRI 201 Economic performance	•									•
			GRI 203 Indirect economic impacts										
17	Emissions	Environment	GRI 305 Emissions				•	•		•	•	•	
18	Water resources	Environment	GRI 303 Water and effluents					•	•		•	•	
19	Supply chain management	Environment	GRI 308 Supplier environmental assessment									•	•
			GRI 414 Supplier social assessment										
20	Biodiversity	Environment	GRI 304 Biodiversity			•			•		•	•	
21	Customer health, safety and wellbeing	Wellness	GRI 416 Customer health and safety	•	•	•					•	•	•
22	Occupational health, safety and wellbeing		GRI 403 Occupational health and safety	•	•	•						•	•
23	Innovation and technology	Innovation	N/A	•	•	•		•	•	•	•		
24	Innovation and technology	Technology	N/A	•	•	•		•	•	•	•		

GRI CONTENT INDEX

GRI Standard	Disclosure
Statement of Use	Nan Fung Group Holdings Limited has reported in accordance with the GRI Standards for the period 1 April 2024 to 31 March 2025
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

GRI Standard	Disclosure	References and Remarks
General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organisational details	About Nan Fung
	2-2 Entities included in the organisation’s sustainability reporting	About this Report
	2-3 Reporting period, frequency and contact point	About this Report This report was published on September X, 2025
	2-4 Restatements of information	Performance Summary
	2-5 External assurance	Appendices - External Assurance p. 96
	2-6 Activities, value chain and other business relationships	About Nan Fung We work with diverse suppliers, including construction contractors, architectural consultants, building material suppliers, facility management vendors, and more.
	2-7 Employees	Performance Summary
	2-8 Workers who are not employees	Performance Summary The majority of work at construction sites are performed by contractors or sub-contractors. Data on workers who are not employees are recorded as of March 31, 2025, on a headcount basis.
	2-9 Governance structure and composition	Corporate Governance Confidentiality constraints. Certain disclosures required are monitored for internal use only.
	2-10 Nomination and selection of the highest governance body	Corporate Governance
	2-11 Chair of the highest governance body	Corporate Governance The chairman of our Board is also a senior executive of the company. We believe his in-depth knowledge of the operations of the Group, the industries in which the Group is active, as well as his extensive business network in these industries, provides significant strategic value to the company. Any potential conflicts of interest from this arrangement are reviewed and prevented by our Conflict Committee.
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance
	2-13 Delegation of responsibility for managing impacts	Corporate Governance

GRI Standard	Disclosure	References and Remarks
GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance
	2-15 Conflicts of interest	Corporate Governance As a private entity, the Conflict Committee ensures conflicts are prevented and mitigated. Some of the disclosures required are monitored for internal use only.
	2-16 Communication of critical concerns	Corporate Governance - Sustainability Governance
	2-17 Collective knowledge of the highest governance body	Corporate Governance
	2-18 Evaluation of the performance of the highest governance body	Confidentiality constraints. Performance evaluation processes for the Board are monitored for internal use only.
	2-19 Remuneration policies	Confidentiality constraints. Remuneration and compensation-related policy is for internal use only.
	2-20 Process to determine remuneration	Confidentiality constraints. Information is considered private.
	2-21 Annual total compensation ratio	Confidentiality constraints. Data is tracked and monitored for internal use only.
	2-22 Statement on sustainable development strategy	Message from the Board
	2-23 Policy commitments	Corporate Governance - Sustainability-related Policies Confidentiality constraints. Policies are for internal use only.
	2-24 Embedding policy commitments	Corporate Governance - Sustainability-related Policies We describe our processes for embedding policy commitments throughout this report.
	2-25 Processes to remediate negative impacts	Corporate Governance - Business Ethics/ Whistleblowing
	2-26 Mechanisms for seeking advice and raising concerns	Corporate Governance
	2-27 Compliance with laws and regulations	Corporate Governance - Business Ethics/ Whistleblowing In the reporting year, there were no significant instances of non-compliance with laws and regulations.
	2-28 Membership associations	External Charters, Memberships and Awards
2-29 Approach to stakeholder engagement	Our Materiality Approach	
2-30 Collective bargaining agreements	Not applicable. There are no formal collective bargaining agreements in place within our company.	
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Our Materiality Approach
	3-2 List of material topics	Our Materiality Approach
Material Topic: Corporate Governance		
GRI 3: Material Topics 2021	3-3 Management of material topics	Corporate Governance

GRI Standard	Disclosure	References and Remarks
Economic Performance		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Confidentiality constraints. Data is tracked and monitored for internal use only.
	201-2 Financial implications and other risks and opportunities due to climate change	Appendices - Task Force on Climate-Related Financial Disclosures
	201-3 Defined benefit plan obligations and other retirement plans	Confidentiality constraints. Data is tracked and monitored for internal use only.
Anti-Corruption		
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	Corporate Governance
	205-2 Communication and training about anti-corruption policies and procedures	Corporate Governance Information incomplete. The Group is in the process of enhancing our anti-corruption communication and training plan with business partners.
	205-3 Confirmed incidents of corruption and actions taken	Corporate Governance
Anti-Competitive Behaviour		
GRI 206: Anti-Competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Corporate Governance
Supplier Environmental Assessment		
GRI 414: Supplier Social Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Corporate Governance - Business Ethics Information incomplete. The Group has established a Sustainable Procurement Policy and is in the process of gathering quantitative data on supplier screening.
Supplier Social Assessment		
GRI 308: Supplier Environmental Assessment 2016	414-1 New suppliers that were screened using social criteria	Corporate Governance - Business Ethics Information incomplete. The Group has established a Sustainable Procurement Policy and is in the process of gathering quantitative data on supplier screening.
Material Topic: Data Privacy and Cybersecurity		
GRI 3: Material Topics 2021	3-3 Management of material topics	Data Privacy and Cybersecurity
Customer Privacy		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Privacy and Cybersecurity
Material Topic: Community Investment and Engagement		
GRI 3: Material Topics 2021	3-3 Management of material topics	Community Investment and Engagement
Local Communities		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Community Investment and Engagement

GRI Standard	Disclosure	References and Remarks
Material Topic: Tenant and Customer Empowerment		
GRI 3: Material Topics 2021	3-3 Management of material topics	Tenant and Customer Empowerment
Material Topic: Talent Upskilling and Development		
GRI 3: Material Topics 2021	3-3 Management of material topics	Talent Upskilling and Development
Employment		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Talent Upskilling and Development - Talent Attraction and Retention Performance Summary
	401-3 Parental leave	Performance Summary
Training and Education		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Talent Upskilling and Development - Employee Engagement Performance Summary
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Upskilling and Development
	404-3 Percentage of employees receiving regular performance and career development reviews	Performance Summary
Diversity and Equal Opportunity		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Performance Summary
Non-discrimination		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Talent Upskilling and Development - Championing a Fair Workplace
Child Labour		
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Talent Upskilling and Development - Championing a Fair Workplace
Forced or Compulsory Labour		
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Talent Upskilling and Development - Championing a Fair Workplace
Material Topic: Energy Efficiency and Climate Resilience		
GRI 3: Material Topics 2021	3-3 Management of material topics	Energy Efficiency and Climate Resilience
Materials		
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Performance Summary
	301-2 Recycled input materials used	Performance Summary

GRI Standard	Disclosure	References and Remarks
Energy		
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Performance Summary
	302-3 Energy intensity	Performance Summary
	302-4 Reduction of energy consumption	Energy Efficiency and Climate Resilience - Energy Consumption and Efficiency
	302-5 Reductions in energy requirements of products and services	Technology and Data in Operations
Emissions		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Energy Efficiency and Climate Resilience - Our Decarbonisation Pathway Performance Summary
	305-2 Energy indirect (Scope 2) GHG emissions	Energy Efficiency and Climate Resilience - Our Decarbonisation Pathway Performance Summary
	305-3 Other indirect (Scope 3) GHG emissions	Energy Efficiency and Climate Resilience - Our Decarbonisation Pathway Appendices - SBTi Summary
	305-4 GHG emissions intensity	Energy Efficiency and Climate Resilience - Our Decarbonisation Pathway Performance Summary
	305-5 Reduction of GHG emissions	Energy Efficiency and Climate Resilience - Our Decarbonisation Pathway Appendices - SBTi Summary
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Performance Summary
Marketing and Labelling		
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	Energy Efficiency and Climate Resilience - Leadership in Building Sustainability Our buildings meet all requirements for product and service information and labelling in line with applicable regulations and environmental building assessment schemes.
	417-2 Incidents of non-compliance concerning product and service information and labelling	There were no incidents of non-compliance concerning product and service information and labelling during the reporting period.
	417-3 Incidents of non-compliance concerning marketing communications	There were no incidents of non-compliance concerning marketing communications during the reporting period.
Material Topic: Resource Use, Waste Management and Biodiversity		
GRI 3: Material Topics 2021	3-3 Management of material topics	Resource Use, Waste Management and Biodiversity
Water and Effluents		
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Resource Use, Waste Management and Biodiversity - Water Stewardship Our main source of water for our activities is municipal water supplied by local water supply authorities.
	303-2 Management of water discharge-related impacts	Resource Use, Waste Management and Biodiversity - Water Stewardship
	303-5 Water consumption	Performance Summary

GRI Standard	Disclosure	References and Remarks
Biodiversity		
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	Resource Use, Waste Management and Biodiversity - Conserving Biodiversity Information incomplete. The Group is working to develop a more fulsome management approach given the importance of biodiversity to our property development activities and value chain.
Waste		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Resource Use, Waste Management and Biodiversity - Waste Management
	306-2 Management of significant waste-related impacts	Resource Use, Waste Management and Biodiversity - Waste Management
	306-3 Waste generated	Resource Use, Waste Management and Biodiversity - Waste Management Performance Summary
	306-4 Waste diverted from disposal	Resource Use, Waste Management and Biodiversity - Waste Management Performance Summary
	306-5 Waste directed to disposal	Resource Use, Waste Management and Biodiversity - Waste Management Performance Summary
Material Topic: Wellness for Employees		
GRI 3: Material Topics 2021	3-3 Management of material topics	Wellness for Employees
Occupational Health and Safety		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Wellness for Employees
	403-2 Hazard identification, risk assessment, and incident investigation	Wellness for Employees
	403-3 Occupational health services	Wellness for Employees
	403-4 Worker participation, consultation, and communication on occupational health and safety	Wellness for Employees
	403-5 Worker training on occupational health and safety	Wellness for Employees
	403-6 Promotion of worker health	Wellness for Employees
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Wellness for Employees
	403-8 Workers covered by an occupational health and safety management system	Wellness for Employees
	403-9 Work-related injuries	Performance Summary
	403-10 Work-related ill health	Performance Summary

GRI Standard	Disclosure	References and Remarks
Material Topic: Wellness for Tenants and Customers		
GRI 3: Material Topics 2021	3-3 Management of material topics	Wellness for Tenants and Customers
Customer Health and Safety		
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Wellness for Tenants and Customers
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Wellness for Tenants and Customers
Material Topic: Wellness for Humankind		
GRI 3: Material Topics 2021	3-3 Management of material topics	Wellness for Humankind
Material Topic: Innovative Products and Solutions		
GRI 3: Material Topics 2021	3-3 Management of material topics	Innovative Products and Solutions
Material Topic: Entrepreneur and Intrapreneur Empowerment		
GRI 3: Material Topics 2021	3-3 Management of material topics	Entrepreneur and Intrapreneur Empowerment
Material Topic: Technology and Data in Operations		
GRI 3: Material Topics 2021	3-3 Management of material topics	Technology and Data in Operations

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